

Declassified E.O. 12356 Section 3.3/NND No.

785017

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10000/136/167

MEETING
APR. - N

10000/136/167

MEETINGS & CONFERENCES, MISC.
APR. - NOV. 1946

558/CC

Office of the
Chief Commissioner

ALLIED COMMISSION

VOL. II

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
274				

1274

INSTRUCTIONS.—When papers on a subject become numerous they will be numbered serially and brief entries made on this form.

FX 64632
APR 121258 B

H/1932
APR 121500
PRIORITY

AFHQ ~~000~~ SIGNED SACMED CITE FHQEG
XIII CORPS MAIN XIII CORPS REAR 88TH DIV ALCOM ROME

CONFIDENTIAL.

CONFIDENTIAL

Representatives from G-5 AFHQ and alcom will hold conference on board train at UDINE on 24 April to discuss problems connected with reorganisation of AMG UDINE and VENEZIA GIULIA.

Proposal is that all AMG activities shall come under 13 corps by reporting direct to AFHQ. Will discuss no services now performed by alcom for AMG will be furnished after reorganisation. Appears desirable to attach AMG detachment (US) consisting of all US AMG personnel in UDINE and VENEZIA GIULIA to 88 Div for Administration. Will 88 Div ~~for~~ please send representative. Desirable that scao UDINE and SCAO 13 Corps be present. Each scao should bring advisor familiar with Military supply programming. Advisers to be held to essential minimum. Details later date

AC DIST

ACTION EX COMM
INFO CHIEF COMMISSIONER
ECON SEC
C A S
POLAD (A)
" (B)
FILE 2
FLOAT

CONFIDENTIAL

1211

MINUTES OF A MEETING HELD AT H.Q. ALLIED COMMISSION ON 18 NOVEMBER 1946
to DISCUSS THE FUTURE OF THE ITALIAN PRISONERS OF WAR DIVISION M.I.I.A.

NOV 2 1946

PRESENT:

Brigadier Carr
Lt. Col. Hind-Smith
Colonel Fiske
Lt. Col. Regis
Major Phillips
Colonel Millens
Mr. Greene
Mr. Hankey

Executive Commissioner, A.O.
Chief Staff Officer to Ex. Comm.
D/Commr. M.I.I.A.
Director, I.M. Division M.I.I.A.
D/Director I.P.W. Division, M.I.I.A.
U.S. Military Attache.
U.S. Political Adviser.
British Political Adviser.

See PFHQ 746 } 253/66
0425 Nov 46

Executive Commissioner opened the meeting by stating that in September 1946 AMHQ had proposed that all American personnel should be withdrawn from the I.P.W. Division and the American commitment be handed over to some other agency. Allied Commission had previously suggested to AMHQ that the American commitment had virtually ceased but it was later found that there was a considerable commitment in respect of claims. Allied Commission had then proposed to AMHQ that the I.P.W. commitments, both American and British, should be handed over to the Embassies at the end of 1946. The meeting had been called to find out to what extent the Embassies were prepared to take over these commitments at the end of 1946, and to discuss a paper put forward by I.P.W. Division on the matter.

Mr. Hankey stated that the British Embassy's view was that as this was largely a military commitment and as the British Government had not expressed their views on the provision of a Military Attache, under whose department this commitment would come if it was taken over by the Embassy, they felt that until such time as they obtained the opinion of the Foreign Office and the War Office on the provision of a Military Attache they could not take over this commitment. Mr. Hankey said that it was his understanding that the actual repatriation of Italian P.W. would be completed from British Dominions and colonies by the end of 1946. However, the shipping situation was very serious and had held up the repatriation programme and at the present time no information was available as to the future shipping availability.

Lt. Colonel Regis said that the British Government had stated that all British held PW would be repatriated from the Dominions by the end of January 1947 or mid February.

Mr. Hankey then said that he was of the opinion that repatriation of PW was only one of the functions of the I.P.W. Division. He referred to the many claims which the Division stated had to be handled, such as claims for back pay for returned PW, assistance in finding employment etc., and that if this was so it would mean that after the repatriation programme had been completed, the Division would still have a large number of PW to deal with.

1277

558/66

Mr. Greene
Mr. Hankey

U.S. Political Adviser.
British Political Adviser.

See PFHQ 714
of 25 Nov 46 } 8253/46

Executive Commissioner opened the meeting by stating that in September 1946 AMHQ had proposed that all American personnel should be withdrawn from the LW Division and the American commitment handed over to some other agency. Allied repatriation had previously reverted to AMHQ that the American commitment had virtually ceased but it was later found that there was a considerable contingent in respect of claims. Allied Commission had then proposed to AMHQ that the LW commitments, both American and British, should be handed over to the Embassies at the end of 1946. The meeting had been called to find out to what extent the Embassies were prepared to take over these commitments at the end of 1946, and to discuss a paper put forward by LW Division on the matter.

Mr. Hankey stated that the British Embassy's view was that as this was largely a military commitment and as the British Government had not expressed their views on the provision of a Military Attache, under whose department this commitment would come if it was taken over by the Embassy, they felt that until such time as they obtained the opinion of the Foreign Office and the War Office on the provision of a Military Attache they could not take over this commitment. Mr. Hankey said that it was his understanding that the actual repatriation of Italian P.W. would be completed from British Dominions and colonies by the end of 1946. However, the shipping situation was very serious and had held up the repatriation programme and at the present time no information was available as to the future shipping availability.

Lt. Colonel Negis said that the British Government had stated that all British held PW would be repatriated from the Dominions by the end of January 1947 or mid February.

Mr. Hankey then said that he was of the opinion that repatriation of PW was only one of the functions of the LW Division. He referred to the many claims which the Division stated had to be handled, such as claims for back pay for returned PW, assistance in finding employment etc., and that if this was so it would mean that after the repatriation programme had been completed almost the entire staff would still be needed to carry out the other functions of the Division. If the American commitment continued after the end of 1946.

acknowledge

But Can - In any letter to
PFHQ requesting advancement of date,
it should be stated as the Embassies,
view with DC's, MC's, etc.

1277

he suggested that it might be possible for the work to be carried out by an integrated staff for a further period of three months, after which the whole question could once again be reviewed.

Executive Commissioner stated that in his opinion he could not see any advantage in breaking up the present organization and that he agreed with the proposal made by Mr. Henkey that the Division should continue for a further three months upon which date the entire position could be reviewed.

Colonel Fiske said he fully agreed with the proposal made by the British Political Advisor that it would be sound economy in carrying on with the Division as at present rather than hand over to the Ambassies at this stage.

Mr. Greene said that in general his views followed closely on those given by Mr. Henkey. He stated that as this was mainly a military commitment the American Embassy were of the opinion that it should be carried out by the military as long as they were able to do so. The difficulty was in knowing how long the military would remain in the Theatre. In his personal opinion there was still sufficient time for a date to be set when the matter should be reviewed, and he suggested that the date might be that of which the Peace Treaty was ratified. He said that due to staff shortages and difficulties similar to those which had already been put forward by Mr. Henkey the American Embassy was most reluctant to take over the commitment on 1 January 1947. Although a military attaché was present at the Embassy, his work was of a special nature and did not cover Italian PWs. He fully supported the proposal that AMHQ should be requested to advance the date of handing over to the Ambassies.

Colonel Fiske then pointed out that when these commitments were handed over to the Ambassies some arrangements would have to be made for the repatriation of Italian PW from other countries such as Russia and Yugoslavia. He in reply said that when the Allied commitments of IFF Division were handed over to the Ambassies it would presumably be the responsibility of the Italian Government to deal with the repatriation of these PW using normal diplomatic channels.

After further discussion it was agreed that it should be recommended to AMHQ that the proposal for handing over date should be either 31st March 1947 or the date of the ratification of the Peace Treaty, and that the matter should be reviewed again prior to these dates whichever was the earlier.

Executive Commissioner stated that a draft letter to AMHQ would be prepared setting out these proposals and enclosing a copy of the paper by IFF Division under consideration. This draft would be circulated to those at the meeting for comments before dispatch.

A. H. Hunt
Lt. Colonel.
Chief Staff Officer...

DISTRIBUTION:

1 to each representative.

1225

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Colonel Pike then pointed out that when these commitments were handed over to the Embassies some arrangements would have to be made for the repatriation of Italian PW from other countries such as Russia and Yugoslavia. He in reply said that when the Allied commitments of IZV Division were handed over to the Embassies it would presumably be the responsibility of the Italian Government to deal with the repatriation of these PW using normal diplomatic channels.

After further discussion it was agreed that it should be recommended to AFHQ that the proposal of handing over date should be either 31st March 1947 or the date of the ratification of the Peace Treaty, and that the matter should be reviewed again prior to these dates whichever was the earlier.

Executive Commissioner stated that a draft letter to AFHQ would be prepared setting out these proposals and enclosing a copy of the paper by IZV Division under consideration. This draft would be circulated to those at the meeting for comments before dispatch.

A. B. Hunt, Smith
Lt. Colonel.
Chief Staff Officer...

DISTRIBUTION:

- 1 to each representative.
- Chief Commissioner.
- Land Forces S/C.
- File (6)
- Spares (2)

90 90

NOV 12 1946

TOP SECRET.

MEETING IN THE DIRECTOR'S OFFICE - 10.30 HRS ON THE 5TH NOVEMBER, 1946.

Present : A.V.M. I.E. BRODIE (For Air Forces Sub-Commission,
 Lt/COL. F.E. MAREK
 G/CAPT. L.E. JARMAN)
 COL. HEWITT For G.3., A.F.H.Q.
 W/CDR. HAMILTON For M.A.A.C. Secretariat.
 MAJOR STOLL Representing American Embassy.

INFORMATION
 OR ACTION.

The Director opened the meeting by explaining that he had invited W/CDR. Hamilton and Colonel Hewitt to Rome to discuss several outstanding points connected with A.F.S.C. Work.

1. Italian Civil Aviation. The Director stated that the Chief Commissioner Allied Commission and the Air Forces Sub-Commission wished to be disassociated from any delay in inaugurating Italian Internal-Civil Aviation operations. He stated that the Air Forces Sub-Commission had gone all in its power to have civil aviation authorised and that there was nothing in any A.F.H.Q. Directive which would now prevent Italian internal civil airlines from operating, except that the Supreme Allied Commander required some planning details some of which had recently come to A.F.S.C. from the Prime Minister's Office. The A.F.S.C. would also need these details (outlined in A.F.H.Q. letter dated 6th April, 1946) but in view of FAN.649 the Director considered that it is not necessary to have them in toto before authorising some of the airlines to operate. The Director asked W/CDR. Hamilton if he could obtain agreement that the A.F.S.C. take over supervision of Italian internal civil aviation from M.A.A.C. informing M.A.A.C. of action taken, and keeping numbers of aircraft within reasonable limits. It was agreed that M.A.A.C. should represent the case to the Chief of Staff and ask his authority to farm out to A.F.S.C. and give authority to A.F.S.C. to proceed under the terms of FAN.649 and FAN.694, provided civil aviation remained within reasonable bounds and within the territory under Italian Government control (excluding Pantelleria and Lampedusa).

Director
 D.D.
 S.S.O.
 M.A.A.C.

2. Interim Policy for Italian Air Force. The Director asked W/CDR. Hamilton what was holding up approval for the Interim Policy laid down in NAT.1179 in view of approval from C.C.S. having been received at Caserta. It is the subject of a Staff Study in that Headquarters; the Director considered that such a study was unnecessary and asked if approval could be given quickly in order that our training and some of the re-equipping plans could be put into operation. It was agreed that a Directive to A.F.S.C. would be sent out very soon but that no action to procure Spitfire IX's would be taken pending settlement of possible supply of Mustangs by the War Department (Washington). Later it was agreed that Colonel Hewitt would signal the War Department to send a representative to Rome to discuss and decide supply and to arrange the timing of the visit to co-incide with that of a representative from the British Air Ministry who may, however, come before in order to be put into the picture.

Director
 D.D.
 S.S.O.
 C.E.O.
 S.E.O.
 M.A.A.C.

3. Air Ministry (R.A.F.) Staff Officers' Visit. W/CDR. Hamilton was asked to notify the British Air Ministry that the M.A.A.C. Secretariat had no objection and would welcome this visit.

M.A.A.C.

The Director opened the meeting by explaining that he had invited W/Cdr. Hamilton and Colonel Hewitt to Rome to discuss several outstanding points connected with A.F.S.C. Work.

1. Italian Civil Aviation. The Director stated that the Chief Commissioner Allied Commission and the Air Forces Sub-Commission wished to be disassociated from any delay in inaugurating Italian Internal-Civil Aviation operations. He stated that the Air Forces Sub-Commission had done all in its power to have civil aviation authorised and that there was nothing in any A.F.H.Q. directive which would now prevent Italian internal civil airlines from operating, except that the Supreme Allied Commander required some planning details some of which had recently come to A.F.S.C. from the Prime Minister's Office. The A.F.S.C. would also need these details (outlined in A.F.H.Q. letter dated 6th April, 1946) but in view of FAN.649 the Director considered that it is not necessary to have them in toto before authorising some of the airlines to operate. The Director asked W/Cdr. Hamilton if he could obtain agreement that the A.F.S.C. take over supervision of Italian internal civil aviation from M.A.A.C. informing M.A.A.C. of action taken, and keeping numbers of aircraft within reasonable limits. It was agreed that M.A.A.C. should represent the case to the Chief of Staff and ask his authority to farm out to A.F.S.C. and give authority to A.F.S.C. to proceed under the terms of FAN.649 and FAN.694, provided civil aviation remained within reasonable bounds and within the territory under Italian Government control (excluding Pantellaria and Lampedusa).

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Director
D.D.
S.S.O.
C.E.O.
S.E.O.
M.A.A.C.

3. Air Ministry (P.A.F.) Staff Officers' Visit. W/Cdr. Hamilton was asked to notify the British Air Ministry that the M.A.A.C. Secretariat had no objection and would welcome this officers' visit.

M.A.A.C.

4. New A.F.S.C. Directive. W/Cdr. Hamilton stated that no action had been taken at Caserta to issue a new directive for the Air Forces Sub-Commission. It was agreed that the A.F.S.C. will draft amendments to the current directive and submit to M.A.A.C. Secretariat for approval.

D.D.
S.S.O.

5. Move of Squadrons to Northern Italy. The Director asked if permission to move two squadrons to Northern Italy could be expedited. W/Cdr. Hamilton stated that Bergamo airfield was a possibility, but was not sure of the political advisor's reaction to a move to Vicenza. He also stated that there was no mention in any Air Staff Plan of the Italian Air Force being used as a backing to Allied Units in the event of trouble. The Director stated that both SAC/MED. and A.O.C. Italy had verbally agreed that the I.A.F. should be so trained as to be an effective backing to the R.A.F.

Director
D.D.

INFORMATION
OR ACTION

(and has again taken this matter up with A.O.C. Italy, on 6th November, 1946).

6. Extension of Northern Courier Service. The Director asked if approval could now be given to extend the Northern Courier Service beyond Treviso to Udine. He stated that A.H.Q. Italy were in agreement and that in his opinion and that of the Chief Commissioner there should be no delay in altering the schedule. W/Cdr. Hamilton replied that approval will be given subject to G.H.Q. concurrence.

Director
D.D.
ORG.I.

7. Construction of Civil Aircraft. The Director raised the question of civil aircraft construction in Italy and said he could not understand M.A.A.C.'s refusal to authorise the building of the prototypes G.218 and BZ.308. He pointed out that if this approval was given now the prototypes could not possibly be ready for flight tests for at least 6 to 9 months and that there would be an even longer period before production models were available. As plans were being drafted for internal civil aviation and approval in principle had already been given to operate internal civil airlines, he considered a reasonable industrial backing for these services was necessary. W/Cdr. Hamilton said that he would reconsider the question of these two aircraft and also stated that, in view of the Director's remarks, he would consider giving authority to build prototype light aircraft for feeder work and for transportation of industrialists. The Director added that the sale of any of these aircraft to foreign countries should be encouraged if only to help the Italian economy in obtaining foreign credits in order to assist the generally agreed policy to help Italy in every possible way towards rehabilitation.

Director
D.D.
C.T.O.

8. Pantelleria. The Director stated that M.A.A.C. Secretariat's reply to our request to have meteorological personnel on Pantelleria was not satisfactory. There are no civilian met. personnel and we therefore wished to have service personnel in civilian clothes for that work. If M.A.A.C. insisted upon civilian employees the setting up of this important meteorological station would be indefinitely delayed. W/Cdr. Hamilton and Colonel Hewitt replied that they, personally, would not object to service personnel in civilian clothes. It was agreed that the Director A.F.S.C. would take this up with the Navy S/C. in order to "oil the wheels" with C-in-C. Med. to whom M.A.A.C. will refer the question. (See A.H.Q. Italy letter AHQI/1101/7/MET., dated 4th November, 1946 to M.A.A.C.).

Director
D.D.
ORG.I.
MET.

9. Capodichino Airfield. The Director asked Colonel Marek to notify M.A.A.C. Secretariat that the American Officer Commanding Capodichino had granted landing facilities to the Italian Military Courier. He questioned whether a hold harmless agreement with the American authorities was necessary and asked also what would be the American reactions to a request that the Italian civil airlines use Capodichino as their Naples terminal. No officers present had seen a hold harmless agreement and Major Stoll, (the American Air Attaché), promised to obtain copies for perusal by the A.F.S.C. and M.A.A.C. Meantime when permission is granted to the Italians they must be asked to confirm that in the event of any untoward incidents no financial recompense would be claimed from the American Government by the Italian Government or other Italian authorities.

Director
D.D.
ORG.I.
M.A.A.C.

1275

6th November, 1946.

L.E. JAMMAN, G/CAPT,
SENIOR STAFF OFFICER,
AIR FORCES SUB-COMMISSION.

Director
D.D.
C.T.O.

M.A.A.C.'s refusal to authorize the turning of the prototypes over to the Italian Government. He pointed out that if this approval was given now the prototypes could not possibly be ready for flight tests for at least 6 to 9 months and that there would be an even longer period before production models were available. As plans were being drafted for internal civil aviation and approval in principle had already been given to operate internal civil airlines, he considered a reasonable industrial backing for these services was necessary. W/Cdr. Hamilton said that he would reconsider the question of these two aircraft and also stated that, in view of the Director's remarks, he would consider giving authority to build prototype light aircraft for feeder work and for transportation of industrialists. The Director added that the sale of any of these aircraft to foreign countries should be encouraged if only to help the Italian economy in obtaining foreign credits in order to assist the generally agreed policy to help Italy in every possible way towards rehabilitation.

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Director
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O.R.G.I.
M.A.A.C.

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1275

6th November, 1946.

Distribution.

Chief Commissioner, Allied Commission. ✓
Director, A.F.S.C.
M.A.A.C. Secretariat. (2)
A.H.Q. Italy (Attention A.O.C.).
G-3. A.F.H.Q. (Colonel Hewitt).
Files (2).

L.E. JAGMAN, G/CAPT,
SENIOR STAFF OFFICER,
AIR FORCES SUB-COMMISSION.

1230

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HQ ALCON ECONOMIC SECTION

5 OCTOBER

AFHQ, C-5

5123

UNCLASSIFIED

TO ELIMINATE CONFUSION REGARDING SUPPLY PROGRAM FOR VENEZIA
GIULIA AND UDINE SUGGEST A CONFERENCE IN ROME OF REPRESENTATIVES
FROM YOUR OFFICE CAN ABLE MIKE GEORGE VENEZIA GIULIA CMA ABLE
MIKE GEORGE UDINE AND THIS OFFICE EARLIEST POSSIBLE PD PLEASE
ADVISE YOUR DECISION PD

558/cu

ROUTE
1277


PAUL T. GRAVES
Lt.Col.Inf.
Food, Agriculture &
AMG Supply Branch


JOHN R. HAYES
Major AGD
Adjutant

HEADQUARTERS ALLIED COMMISSION

AF0 794

Economic Section

Ref.: ES/1.27

1 October 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 30 SEPT. 1946

PRESENT:

Economic Section

Col. H.M. Walker
Lt. Col. O.G. Webster Jr.

CEM Branch

Lt. Col. F.G. Green

Food, Agriculture & A.M.G. Supply Branch

Capt. Gilbert Mellin
Capt. M.H. Gazel

Commerce (FT) Branch

Maj. G.A.F. Rothery

Meeting opened at 1600 hours. Col. Walker presided.

1. Lt. Col. Webster stated that he had heard from G-5 re. Capt. Vaughan's status and that he has been released from XIII Corps, therefore he is not under control of this Headquarters.

2. Col. Webster announced a further slight decline in the wheat situation within the last week, amounting to 5 days' supply of bread and pasta. The stocks on hand are now sufficient for ninety-nine days.

Stocks on hand in Udine are sufficient to last up to 30 January 1947 and the pasta ration through December. The S/S Cape Romeno has arrived for Udine carrying 472 tons of flour. Trieste has loaned 400 tons of flour to the Italian Government for Padova. Venezia Giulia has not sent us a report on the wheat and flour situation.

The High Commission of Food has disposed a special allotment of evaporated milk to the SUPRAL of Rome (630 tons) and Frosinone (10 tons). Other allotments have been made to UNRRA, such as meat, evaporated milk, canned fish, dry vegetables, chocolate, biscuits, flour, powdered eggs, etc.

In about a week it is expected that the S/S Kerkyra will arrive carrying coal loaned by UNRRA to Venezia Giulia and Udine to meet the present critical shortage. On 20 October it is expected the S/S Miguel De Larringa with another cargo of coal will arrive.

3. Lt. Col. Webster announced that the monthly reports are due in this office not later than 10 October.

4. Col. Walker reported that the arrivals of coal for the month of September are better than previous estimates. While a firm figure cannot be given at this time, there have been approximately 680,000 tons.

PRESENT:

Economic Section

Col. H.M. Walker
Lt. Col. C.G. Webster Jr.

CEM Branch

Lt. Col. F.C. Green

Food, Agriculture & A.M.G. Supply Branch

Capt. Gilbert Mellin
Capt. M.H. Gazel

Commerce (FT) Branch

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4. Lt. Col. Walker reported that the arrivals of coal for the month of September are better than previous estimates. While a firm figure cannot be given at this time, there have been approximately 682,000 tons arrive during the month. 12,000 tons of this came from Poland. The estimated arrivals for October are 600,000 tons, which indicates that the effect of the shipping strike in the U.S. will be felt more in October than it was in September.

Latest advices indicate that the production of Sardinian coal will be approximately 90,000 tons for September.

There is little change in the POL situation. The stock position remains stable--at about 60 days' supply.

552/a

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It is anticipated that crude oil will begin to arrive at Naples and Bari about 15 October, in which event the refineries at these two places will be started before the end of the month.

There were no immediate results obtained in our de-requisitioning program during the past week. We have, however, been informed by the military authorities in Naples that a warehouse and an apartment will be de-requisitioned in 3 or 4 weeks respectively.

In Southern Italy the electricity situation continues to be serious. The drought is persisting, and the Sila reservoir is now down to 46 million KWH in storage. An extra allocation of 2,000 tons of fuel oil has been obtained for the Capuano steam plant at Naples. In Central Italy the situation is also serious as the drought still persists and the only good news is that the large transformer at Magliana sub-station, supplying Rome, has been reactivated. In Northern Italy the electricity supply is normally good.

5. Lt. Col. Green reported that efforts are being made to speed up the return of CEM materials and quite a large amount is being turned back to the Italians. Units have been instructed to turn in material in excess of their requirements.

6. Maj. Rothery reported that the Civil Affairs' authorities in Cairo had made arrangements through Allied Commission, with the Italian Government that compensation trade between Italy and areas under British Military Administration should be terminated and private trade on a merchant to merchant basis should take its place. Payment to be made in sterling through London. The prices quoted in Tripolitania, in view of the fact that Italian importers have to buy sterling available from exports at about 2,000 lire to the pound are so high that trade has come virtually to a standstill. The matter has been taken up with the Economic Directorate of the Ministry of Foreign Affairs, and the possibility of putting sterling at the disposal of importers discussed. This is being studied at the present moment. When this study is completed, any decisions taken will be passed to Civil Affairs, C.H.Q., Cairo, for consideration.

7. Capt. Mellin reported that he had received a call from Venezia Giulia inquiring about their fuel supply in view of the fact that XIII Corps was going out of business. They have not been receiving what they wanted in the way of special oil and lubricants. With regard to the petroleum for the Casas organization that UNRRA furnished the trucks for, the C.I.P. has already made arrangements to furnish it to carry on the work. It was suggested that Capt. Mellin should contact Mr. Esom, Secretary at C.I.P. about this.

Col. Warner suggested that Capt. Mellin keep in close touch with the Coal Branch of UNRRA, re, several ships coming carrying coal for Venezia Giulia/Udine. Trieste is afraid of receiving anthracite coal as they do not have many places to use this type of coal there.

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8. Col. Walker brought up the question of whether the weekly Economic Section meetings should be continued and suggested that a short memorandum from each Branch might be turned in every Monday, which could be compiled for the meeting in the Executive Commissioner's office on Tuesday morning. He concluded by saying that we would have next week's meeting at the scheduled time.

The meeting adjourned at 1630 hours.

Carlos G. Webster Jr.

CARLOS G. WEBSTER JR.
Lt. Col., FA
Chief Staff Officer

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
VENEZIA GIULIA

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Declassified E.O. 12356 Section 3.3/NND No.
Copy No. 11
OCT 14 1946

CONFIDENTIAL

Minutes of meeting held at H.Q. A.M.G. 13 Corps at 0900 hours
on 30 September 1946.
EC DIST - 14/16/46

PRESENT: (See Appendix "A")

GUESTS: Mr. W. COLE Representative US POLAD
Mr. K. MOFFLY, A.I.S.

The S.C.A.O.

The chain of command and operational scheme will change radically tomorrow according to written instructions received this morning from 13 Corps. I shall read a few portions of the instructions to you, Later the document will be circulated and ask each of you to study it and be sure you fully understand the situation.

13 Corps as such ceases to exist tomorrow morning until when, as, and if later reactivated. At the same time Lieutenant General Sir John HARDING will become General Officer Commanding-in-Chief C.M.F., with headquarters at Padova. The Castle at DUINO will be retained by the Commander and a certain amount of business will be done by an advance echelon in this area. One of special functions... heretofore exercised by the Corps Commander which will be taken over by the Divisions in their respective Areas is the approving of requests for permission to hold demonstrations and meetings. These will now be authorized by the Commanding Generals 88 Division for demonstrations in CORIZIA and 1st Arm Division for similar events in TRIESTE. There is however no change in channels. Area Commissioners will continue to operate through this headquarters as heretofore and it is even more necessary because of the remoteness of G.H.Q. and the necessity of a very close liaison and cooperation with divisions, to keep those channels constantly in mind.

There will be no G-5 Section at H.Q. C.M.F. although an Allied Military Government Liaison Officer may be attached to facilitate contact with A.F.H.Q. as well as with Allied Military Governments Udine and Venezia Giulia.

This headquarters will be named ALLIED MILITARY GOVERNMENT, VENEZIA GIULIA. It is pointed out in the instructions that the Venezia Giulia Police Force is commanded and controlled

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This headquarters will be named ALLIED MILITARY GOVERNMENT, VENEZIA GIULIA. It is pointed out in the instructions that the Venezia Giulia Police Force is commanded and controlled by the Senior Civil Affairs Officer Allied Military Government. There again channels must be constantly watched. Failure to remember that the police force is an arm of the civil government can result in serious trouble.

I am authorized to announce that it is likely that there may soon also occur a modification of our present relationship with Allied Commission. Some of the officers you have been dealing with in that headquarters will change their seats and become members of the Staff of G-5 AFHQ. Perhaps you will not notice a great difference in actual operation. They may even continue to hold forth in the same

building. All in all, I think the change may simplify the situation somewhat. Operational and technical channels will coincide and we will not need to worry about which to use in a particular case.

I have learned that there exists a feeling on the part of some officers of both Allied Commission and G-5 AFHQ that we are top secretive up here and do not wholeheartedly cooperate with them when they ask information from us, if there has been any holding back secretiveness, or slowness to cooperate, I want it to stop. Please go out of your way to make all visiting AFHQ officers, whether junior or senior, feel completely welcome and at home when they visit us, give them not only information they ask for but such additional information as you think they should have but don't know enough about our business to request. Remember, we are all on the same side, and if the record of this how is to be as creditable as I hope it will be, teamwork by all officers in all echelons is the essence.

Tomorrow, American personnel will go into winter uniform. I do not know what the British arrangements are but I should like as much uniformity as possible.

Monthly reports should be in by 1730 hours on 4 October 1946.

I have received a letter from the HQ i/c Admin. Rear 13 Corps on the subject of British vehicles driven by officers without drivers. This practice is against British A.M.C. regulations and must cease.

It is increasingly difficult to reach officers in their office early in the mornings. I have to remind you approximately once every two months that business starts at 0830 hours. Please arrive at your office at that time, and see that your subordinates do likewise.

I wish also that you would pay a little more attention to the Public Relations of your individual offices. Civilian employees should be coached to answer the telephone in a correct and businesslike manner, and you must impress on them the necessity of being alert, anxious to serve callers, and giving the impression of interest in their work.

ACTING AREA COMMISSIONER, TRIESTE (Lt. Col. MAVIS.)

The situation has been unexpectedly quiet throughout the Area. One small demonstration has taken place and one bomb was thrown last night.

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ACTING AREA COMMISSIONER, TRIESTE (Lt. Col. MAVIS.)

The situation has been unexpectedly quiet throughout the Area. One small demonstration has taken place and one bomb was thrown last night. The main economic problem has been the supply of wood. That is straightened out now and 60 car loads will arrive this coming week. Contracts have been completed in GORIZIA, UDINE and Zone "B" for the supply of wood to TRIESTE.

There has been a considerable increase in the number of accidents reported throughout the Area involving military vehicles.

A large number of forest fires have occurred throughout the Area with resulting considerable loss of

firewood. The matter has been taken up with 13 Corps who will issue an order to all units and liaise with the fire department for improved combined service.

The S.C.A.O.

I wish all Area Commissioners to instruct the Area and Communal Councils and officials that the channel of communication to the Commander is through your headquarters and mine. On no account will they communicate with him direct, as they did in connection with the request for permission to hold the Trieste-Milan football game.

AREA COMMISSIONER, GORIZIA (Major LONG).

The last two weeks have been very quiet possibly due to the fact that a harvest Festival is to be held in GORIZIA next Sunday in which about 6000 people are expected to participate. There has been considerable discussion between various groups as to the reaction expected. No political slogans, flags or colours of any kind will be authorised.

The S.C.A.O.

Has more been heard of a suggestion made in GORIZIA for an increase in the overall amount which can be spent on rebuilding houses?

Major LONG.

There has been considerable comment by all C.A.O.'s relative to the inadequacy of the 300,000 lire maximum authorised for this purpose under General Order No 14, in view of the rise in costs of labour and materials. It is recommended that the limit be increased to 500,000 lire, and that the interest rates charged by the banks be scaled down.

Area Commissioners, TRIESTE & POLA.

Agreed that the maximum was too low.

The S.C.A.O.

Area Commissioners, Public Works and Finance will confer on this matter to put forward a proposal.

The Area Commissioner of GORIZIA Major LONG will shortly become Deputy Senior Civil Affairs Police Officer and Deputy Chief of Police. I think this will be very beneficial for the force and Allied Military Government because of Major Long's close association with 68th Division

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I also wish to thank him for his excellent work during the past eight or nine months as perhaps our "fightingest" Area Commissioner.

Lt. Col. MAVIS will become Area Commissioner of GORIZIA.

AREA COMMISSIONER, POLA (Lt. Col. ORPWOOD)

No demonstrations or processions took place during the fortnight. Two requests for meetings commemorating certain anti-fascist deaths have been submitted for this week.

Pro-Italian feeling has recently become more depressed following the Territorial Sub-Committee's rejection of the proposed amendment to include Western Istria in the International Territory. An increased movement of furniture out by sea has resulted.

An unfortunate accident occurred on Friday 27 September when a Venezia Giulia Policeman being lowered down a well during an investigation suffered fatal injuries when the rope broke.

The childrens holiday camp closed finally on Sunday 29 September after a most successful 6-weeks period during which 1,350 children benefited from the holiday. A proposal for a combined winter camp at VILGRUNA, near TREVISO, is being considered.

PUBLIC SAFETY. (Lt. Col. RICHARDSON)

V.G. Police Force: Last Saturday, 28 September, 330 candidates entered the Training School for basic training. Of those passing the course successfully 30% will go to GORIZIA Area and the remainder will go to MONFALCONE district, Trieste Area.

Crime: There has been a decrease in crime this fortnight, reported cases being 192 against 218 for the previous period, a satisfactory standard of arrests has been maintained, 206 persons being arrested for various offences.

In spite of the general decrease, however, there has been an 8-case increase in larcenies from docks and railways.

There has also been an increase in the number of crimes of violence. 4 cases of murder or suspected murder have been reported, of which 3 appear to have political backgrounds, and there have been 3 cases of actual or suspected abduction. Investigations are proceeding and some arrests have been made.

Brief particulars of the alleged murders are:-

- I. During the afternoon of 22 September near DOBERDO, TRIESTE Area the body of a local resident was found by the roadside a gunshot wound in the nape of the neck.
- II. On 15 September the bodies of 3 civilians were found in a cellar of a house at MUGGIA, bound and gagged with towels. All had apparently died of gunshot wounds. There is a suspect in this case and explosive material was found during a search at his address.

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126 III. On the same day, 15 September, at POLA, a man received fatal stab wounds in a restaurant. The assailant has been arrested.

IV. At about 1230 hrs. on 23 September, in the CANALE Area near the Morgan Lino, an attempt was made to abduct a civilian resident to Zone "B". He resisted and was fatally injured by a pistol shot in the neck. The assailants escaped towards the Morgan Lino.

On 27 September, a native of BASOVIZZA was arrested in connection with a murder reported recently from that district.

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Abductions or suspected abductions are:

- I On 13 September a civilian disappeared from PLEZZO under circumstances pointing to abduction.
- II On 22 September a civilian was abducted to Zono "B" from COMINO, GORIZIA Area. 3 local residents have been arrested and weapons and ammunition have been recovered at their homes.
- III On the night of 27 September an attempt was made to abduct a civilian in the CAMALIE district. A police patrol arrived on the scene and one man was arrested. Efforts are being made to apprehend other assailants who escaped under cover of darkness.

Since the last meeting there have been 5 bomb incidents. No personal injuries have resulted but in one case considerable damage was caused to the building. The decrease in bomb incidents may be due to the apprehension of suspects as there have been further arrests. During the early hours of Sunday last 3 men were arrested by V.C. Police in the SERVOLA Area, all of whom were found to be in possession of hand grenades.

Prostitution: During the fortnight 731 women have been checked of whom 41 were found diseased.

Prisons: At 0200 hrs. on 27 September 4 convicted prisoners attempted to escape from Via Minza Prison, TRIESTE, by saving through the bare of their cell. The attempt was frustrated by a patrolling prison guard who raised the alarm.

As of midnight Friday, 27 September, the prison population in the Territory was 1173, an increase of 29 over the number reported last time.

The S.C.A.C.

The public address system next door to this headquarters was more obnoxious yesterday than any time previously, it practically blanketed Trieste and I could hear it clearly from my home. I think it has really reached a point where the control or removal of these loud speakers is necessary. They are of public nuisance. Please take action.

LEGAL. (Lt. Col. HUMPHREY)

During the period September 11-25, 47 persons were tried in Summary Courts on 53 charges, the bulk of the cases being offences against good order.

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LEGAL. (Lt. Col. MONECKE)

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1252 19 persons were tried on 27 charges in Superior Courts, the majority of the cases being offences against good order. Only one sentence was in excess of 6 months.

As of 25 September, 82 persons were awaiting trial in TRIESTE, 39 in GORIZIA and 10 in PORDA.

As a result of discussions with the Assistant Chief of Staff G-5 A.F.H.Q., Allied Military Government Courts will assume jurisdiction of UNRRA theft cases.

One General Order, 12 Orders, and 6 Administrative Orders were signed during the period as follows:

GENERAL ORDERS

- N° 70 - Confiscation of Property acquired as a result of the Fascist Regime.
- N° 61 B - Amendment to Order N° 61 - Antedating of effective date of financial provisions.
- N° 210 - Amendments to social insurance provisions in respect of personnel of consumers tax administrations (Gestione dello Imposte di consumo).
- N° 212 - Increase of fees due for the testing of lifts and cargo-elevators and for periodical inspections.
- N° 216 - Financial improvements in favour of war pensioners and extension and transfer of certain war pensions.
- N° 217 - Overtime and attendance bonus for clerks in State offices.
- N° 219 - Constitution of "Area School Councils".
- N° 222 - Control of restaurants and other premises licensed to serve meals.
- N° 224 - Granting of fiscal relief in order to promote the development of fishing craft.
- N° 228 - Salaries and allowances of temporary teachers in elementary schools, and of professors employed for special courses in the Universities.
- N° 229 - Composition of disciplinary Commission in proceedings against employees of public agencies.
- N° 223 - Temporary suspension of effect of executory deeds. (Titoli esentivi)
- N° 224 - Settlement in permanent status of certain temporary employees of the State Railways, raising of rates of salary of certain personnel of Group "C" of the State railways to those in force for Group "B", and modification of the regulations regarding railway personnel.

ADMINISTRATIVE ORDERS.

- N° 53 - Variations in the basic cost of living index for public wages.

- No 212 - Increase of fees due for the testing of lifts and
carro-elevators and for periodical inspections.
- No 216 - Financial improvements in favour of war pensioners
and extention and transfer of certain war pensions.
- No 217 - Overtime and attendance bonus for clerks in State
offices.
- No 219 - Constitution of "Arca School Councils".
- No 222 - Control of restaurants and other premises licensed
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- No 224 - Granting of fiscal relief in order to promote the
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- No 228 - Salaries and allowances of temporary teachers
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ADMINISTRATIVE ORDERS.

- No 50 - Variations in the basic cost of living index for
public wages.
- 1256 No 62 - Postponement of time limits concerning the building
plan of the Comune of Trieste.
- No 63 - Constitution of "Consorzio di bonifica delle
"Noghere".
- No 64 - Appointment of new members of the Territorial
Epuration Commission of Appeal.
- No 67 - Temporary promotion of magistrates to the Court
of Appeal for merit.

NOTICES.

- No 16 - Epuration in private industry.

General Order No 70, providing for the confiscation of Fascist-acquired property is of considerable importance. It substantially reproduces in the territory a similar decree which has been in effect in Italy for several months.

Order No 222 is of importance to Price Control and Food Division.

The last issue of the Gazzetto (No 26) marked the completion of a full year of publication. Volume 2 will start with the issue of October 1st. Pages will be numbered consecutively from issue to issue until another volume is completed. A complete title index and alphabetical subject index will be distributed about 15 October.

The S.C.A.O.

I had the President of the Court of Appeal in my office this morning and told him that we would no longer tolerate the way persons are been kept in prison for many months awaiting trial. Considerable numbers have been held for 10 months and at least 60 for 8 months. I have laid down a schedule whereby a number of specified cases must be tried in October and the remainder of cases where persons have been awaiting trial over 8 months, in November. The alternative will be transfer to, and trial by Allied Military Government Courts. I hope this will produce results.

FINANCE. (Col. BEARD)

I was called to Rome regarding an article which appeared in the Rome American about the financing of Industries here and conferred with Admiral STONE, Brigadier CARR, and Colonel HAMLEN. I think I was able to satisfy them completely as to our financial conduct - particularly with regard to loans to industry - and we are to continue as heretofore.

ECONOMICS (Major COOPER)

The proposed General Order prohibiting the employment of any person, and particularly of non-residents of Venezia Giulia, without clearance from Labor Division will not be published until that Division on or about 25 October makes a report as to action taken under Order No 13 now in effect. Then if the proposed order still seems needed it will be submitted to the S.C.A.O.

Commerce, Police, Industry, Transportation, Public Works and Agriculture Divisions met this week to consider ways to cut down illegal use of Petro. Oil and lubricants.

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Price Control proposals are awaiting the S.C.A.O.'s decision.

Col. FODEN held a meeting last week to set up a technical Committee to consider measures for the rationing

of electricity this winter. There is apparently more water for power this year than last, and if normal rains fall during October and November less rationing should be necessary during the coming winter. Even without rains this situation should be less critical than last year because of increased supplies of gas, coal, coke and firewood for both heat and emergency power purposes.

Pastificio Tricestino is making all of Trieste's pasta which was formerly made in UDINE Province.

Industry and Commerce have received notice that some private firms here are negotiating for coal and need financial help from Allied Military Government. 18,000 tons of coal from America is definitely on the market. The question of finance will be taken up with Lt. Col. BEARD. Our coal situation is critical.

The Shoes purchased under the Disease and Unrest program have been requested for October shipment and November arrival. Divisions desiring distribution of these shoes should apply to Commerce Division, giving full details in writing. At least half the shipment will be allocated to UDINE Province.

18,500 workers were employed on Public Works projects as of 15 September.

Lt. Col. STEVENS.

The Public Works program is being considerably increased, in view of the great shortage of petrol and the increased use involved in this expanded program, it may be necessary to enforce the priority scheduled for the movement of goods.

The S.C.A.O.

We cannot permit the Public Works schedule to stop or be impaired. Animal-drawn vehicles should be used to the maximum while petrol is in short supply.

Lt. Col. FODEN.

It is unfortunate that our efforts to rehabilitate the refineries here have been rejected. There is ample crude oil available.

The S.C.A.O.

This shortage of petrol gives this problem a new dimension to brief a special case for the rehabilitation

1250

pasta which was formerly made in UDINE Province.

Industry and Commerce have received notice that some private firms here are negotiating for coal and need financial help from Allied Military Government. 18,000 tons of coal from America is definitely on the market. The question of finance will be taken up with Lt. Col. BEARD. Our coal situation is critical.

The Shoes purchased under the Disease and Unrest program have been requested for October shipment and November arrival. Divisions desiring distribution of these shoes should apply to Commerce Division, giving full details in writing. At least half the shipment will be allocated to UDINE Province.

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Lt. Col. STEVENO.

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The S.C.A.O.

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Lt. Col. FODEN.

It is unfortunate that our efforts to rehabilitate the refineries here have been rejected. There is ample crude oil available.

The S.C.A.O.

126 This shortage of petrol gives this problem a new aspect. Try again to brief a special case for the rehabilitation of the refineries, as distinguished from other basic industries, and I shall send it along to higher authority in as strong a fashion as possible.

PUBLIC HEALTH (Lt. Col. MOYNACH)

There was an epidemic of Poliomyelitis (Infantile Paralysis) which assumed alarming proportions during the first part of the month but has since dropped off. It also affected Allied Troops. British troops had 14 cases, 9 of which proved fatal. There have been no new cases during the last fortnight.

WELFARE (Major KELLETT)

All Welfare Agencies are functioning satisfactorily. I am studying with Lt. Col. MAVIS the question of moving non-residents refugees into Italy.

473 displaced persons arrived in the Centre and 740 have been sent on during the last two weeks.

19 ex Prisoners of War arrived in Trieste and have been sent to their homes.

EDUCATION (Capt. SIMONI)

The school year 1946/1947 will open as follows:

ELEMENTARY SCHOOLS (Italian, Slovene and Croat) - 15 Oct. 1946.

SECONDARY SCHOOLS (Italian and Slovene) - 26 October 1946.

UNIVERSITY OF TRIESTE o/a 1 November 1946.

18 Recreation Centers, Italian and Slovene, were established in nine of the principal communes of GORIZIA. Approximately 2582 children attended throughout the summer.

Education offices in all Areas are working so that schools will open under normal conditions.

Through interest taken on the part of TRIESTE Commune and Finance Division it has been possible to re-establish the TRIESTE Civic Band "Giuseppe Verdi". Their first concert was presented on 29 September 1946.

PUBLIC RELATIONS (Major SAXON-MILLS)

During the last fortnight Public Relations has submitted 18 news items, notices etc., for press and radio. There are 16 world press correspondents now in TRIESTE.

The S.C.A.O.

I again stress that all officers must exercise the greatest care when speaking to reporters. Do not attempt to forecast or to say what A.M.G. is going to do. Tell them what we have done not what we hope to do, and leave opinions to someone else, stick to facts, and only facts you can substantiate.

I should like to welcome to this meeting Major PRICKETT, Military Assistant to the G.O.C.-in-C.

G.II (Capt. PERT)

...to be installed

EDUCATION (Capt. SIMONI)

The school year 1946/1947 will open as follows:

ELEMENTARY SCHOOLS (Italian, Slovene and Croat) - 15 Oct. 1946.

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I should like to welcome to this meeting Major PRICKETT, Military Assistant to the A.C.C.-in-C.

G.II (Capt. PERT)

A direct telephone line to PADUA will be installed

1203 today.

The next conference will take place at 0900 hrs. Monday 14 October 1946.

ALFRED C. BOWMAN

Colonel J.A.G.D

Senior Civil Affairs Officer

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
VENEZIA GIULIA

APPENDIX "A"

PRESENT:

GUESTS:-- Mr. W. COLE, Representative US POLAD
Mr. K. MOFFLEY, A.I.S.

Colonel	A.C. BOWMAN	S.C.A.O.	Chief Commerce Officer
Lt. Colonel	C.A.W. STEVENS		Chief Industry Officer
	J.B. FODER		Chief Transportation Officer
	F. RICE		Special Duties
	J.C. SMUTS		Chief Finance Officer
	N.T. BEARD		Area Commissioner, POLA
	E.S. ORPWOOD		C.A.O. MONFALCONE
	A.H. GARDNER		A/Area Commissioner, TRIESTE
	F.O. MAVIS		Chief Public Health Officer
	D. MOYMAGH		Chief of Police
	C. RICHARDSON		Chief Legal Officer
	C.M. MUNNECKE		Administrative Officer
	H.C. QUARTIER		
Major	J.A. LONG		Area Commissioner, GORIZIA
	J. SAXON-MILLS		Public Relation Officer
	W.G. BOARD		Property Control Officer
	P.F. BOGDAN-GRIFFITH		Patriot Officer
	A.H. SALWAY		LO 13 Corps & Exec. Officer
	K. COOPER		Economics
	T.G.R. BURROWS		Joint Economic Committee
	J. KELLETT		Welfare & Displaced persons
	D. MAHONEY		Public Relations Officer
	M.C. POLLYBLANK		M.T.O. (B)
	G.H. RYPER		Camp Commandant
	E.J. SCIOLUNA		Chief Labour Officer
	E.H. RICHARDSON		Chief Public Works Officer
	H.H. DAY		Price Control
	N. PRICKET		Military Asst. G.O.C. in C.
J/Cdr.	L.F. PASKIN		Welfare Officer
Captain	J.P. SIMONI		Education Officer
	L.H. WEIL		Agriculture Officer
	T.M. CALVANESE		Chief Supply Officer
	J.A. RITNER		Asst. Administrative Officer
	L. COKER		C.A.O. TRIESTE
	S.P. PERT		Electoral Rolls
	J.J. CANTILLI		Labour Officer

Lt. Colonel C.A.W. STEVENS

J.B. FODIN
F. RICE
J.C. SMUTS
N.T. BEARD
E.S. ORPWOOD
A.H. GARDNER
F.O. NAVIS
D. MCYWAGH
C. RICHARDSON
C.M. MUNNECKE
H.C. QUARTIER

Major

J.A. LONG
J. SAISON-MILLS
W.G. BOARD
P.F. DODVAN-GRIFFITH
A.H. SALWAY
K. COOPER
T.G.R. BURROWS
J. KELLETT
D. MAHONEY
M.C. POLLYBLANK
G.H. RYPER
E.J. SCIOLUNA
E.H. RICHARDSON
H.H. DAY
N. PRICKET

Chief Industry Officer
Chief Transportation Officer
Special Duties
Chief Finance Officer
Area Commissioner, POLA
C.A.O. MONFALCONE
A/Area Commissioner, TRIESTE
Chief Public Health Officer
Chief of Police
Chief Legal Officer
Administrative Officer

Area Commissioner, GORIZIA
Public Relation Officer
Property Control Officer
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Welfare & Displaced persons
Public Relations Officer
M.T.O. (B)
Camp Commandant
Chief Labour Officer
Chief Public Works Officer
Price Control
Military Asst. G.O.C. in C.

Welfare Officer
Education Officer
Agriculture Officer
Chief Supply Officer
Asst. Administrative Officer
C.A.O. TRIESTE
Electoral Rolls
Labour Officer
L.O. 88 Division
UDINE Province

J/Cdr.

Captain

E.F. PASKIN
J.P. SIMONI
L.H. WEIL
I.M. CALVANESE
J.A. RITNER
L. COKER
S.P. PERT
J.J. CANTILLI
C. LOWE
T. BOVE

Lieutenant

1203

HEADQUARTERS ALLIED COMMISSION

ALO 794

Economic Section

SEP 30 1946

Ref.: ES/1.27

23 September 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING HELD 23 SEPT. 1946

PRESENT:

Economic Section

Col. H.M. Walker
Lt. Col. C.G. Webster Jr.
Maj. M.E. Devey

CEM Branch

Lt. Col. F.G. Green

Food, Agriculture & A.M.C. Supply Branch

Lt. Col. Paul Graves

Transportation & Shipping Branch

Lt. Col. A.H. Street

Commerce (JT) Branch

Maj. G.A.F. Rothery

Meeting opened at 1610 hours. Col. Walker presided.

1. Lt. Col. Graves reported an additional slight decline in the wheat level for the third successive week, amounting to 10 days' supply of wheat and pasta. The stocks are sufficient to cover 104 days.

In Udine the stocks on hand are sufficient to support the bread ration through January and the pasta ration through December. In Venezia Giulia the stocks on hand for bread are sufficient to last through October and ration for pasta till the end of September.

The S.S. Niki arrived the middle of this month carrying approximately 8,000 tons of flour, 750 tons of which were loaned to the American Military account, which will be repayable within 30 days.

The coal situation in Venezia Giulia and Udine is getting very acute. Negotiations are underway to obtain a shipment of URSU coal.

Venezia Giulia has requested 500 pounds of ether and this request has been forwarded to URSU and that it be supplied from British stocks within this month.

The program for the first half of 1947 for Venezia Giulia is being checked, with particular emphasis on coal and oil requirements, but so far the program has not yet been received from Udine.

1. Lt. Col. Walker stated that it had been arranged to purchase 4 cargoes of coal from the Ruhr, 2 in September and 2 in October, and we have arranged with URSU to borrow a ship, which will go into Trieste. It is hoped that this will take care of the immediate situation in Venezia Giulia and Udine.

2. Lt. Col. Green announced that A.F.H.Q. requests liquidation of all dumps

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558/a

Lt. Col. C.G. Webster Jr.
Maj. M.E. Davey

Lt. Col. F.G. Green
Lt. Col. Paul Graves
Lt. Col. A.H. Street
Maj. G.A.F. Rothery

Economic Section

CEM Branch
Food, Agriculture & A.M.G. Supply Branch
Transportation & Shipping Branch
Commerce (FT) Branch

Meeting opened at 1610 hours. Col. Walker presided.

1. Lt. Col. Graves reported an additional slight decline in the wheat level for the third successive week, amounting to 10 days' supply of wheat and paste. The stocks are sufficient to cover 104 days.

In Uaine the stocks on hand are sufficient to support the bread ration through January and the pasta ration through December. In Venezia Giulia the stocks on hand for bread are sufficient to last through October and ration for pasta till the end of September.

The S.S. Riki arrived the middle of this month carrying approximately 8,000 tons of flour, 750 tons of which were loaned to the American Military account, which will be repayable within 30 days.

The coal situation in Venezia Giulia and Uaine is getting very acute. Negotiations are underway to obtain a shipload of UKRA coal.

Venezia Giulia has requested 500 pounds of ether and this request has been forwarded to ANQ and that it be supplied from British stocks within this matter.

The program for the first half of 1947 for Venezia Giulia is being checked, with particular emphasis on coal and oil requirements, but so far the program has not yet been received from Uaine.

1.2.1. Col. Walker stated that it had been arranged to purchase 4 cargoes of coal from the Ruhr, 2 in September and 2 in October, and we have arranged with UKRA to borrow a ship, which will go into Trieste. It is hoped that this will take care of the immediate situation in Venezia Giulia and Uaine.

3. Lt. Col. Green announced that A.F.M.Q. requests liquidation of all dumps of CEM materials and that weekly reports of outstanding dumps be turned in by Area Command to AFK.

4. Maj. Rothery commented on the lack of gasoline for use of business men generally. This affects foreign business men coming to Italy. He inquired whether there was any chance of improvement in the situation. Col. Walker announced that, according to UFAA program, there is no possibility of any increase in the supply of gasoline. He also explained that more vehicles are on the road now and the quantity of gas is not increasing accordingly. Col. Walker announced that he would consult with UKRA about this matter.

Maj. Rothery added that the Italian Government should take some energetic steps to put the large number of unlicensed vehicles off the road.

5. Col. Walker reported the coal situation as follows: the shipping strike in the U.S. had reduced the estimated September arrivals of coal from 800,000 tons to 600,000 tons. The first five trainloads of 400,000 tons have arrived in Italy.

Regarding the POL situation, there has been little change so far as stocks are concerned, being maintained at about the 60 day level. In reference to starting the refineries at Bari and Naples, the storage facilities are now available at both places to commence the work. No crude oil has arrived in Italy yet. It is expected that they will commence during the fourth week in October, in which event the refineries will be started immediately upon arrival of the crude. It is expected that the refinery at La Spezia will begin operations about 1 March 1947 and the one at Porto Cargara will begin operations about 15 March 1947.

No progress was made on de-requisitioning during the past week, as not a single de-requisition was obtained, while six refusals were received from various military units.

Electricity situation: In Southern Italy the drought situation is unchanged. The Jile reservoir now have only 58 million KWH in storage. The current steam generation is 500,000 KWH daily. In Central Italy the drought situation is practically unchanged. Thermal generation has been raised from 130,000 to about 300,000 KWH daily. A meeting of the Advisory Committee on Electric Power for Northern Italy was held in Milan on 16 September. The electricity situation is good at the present time. The rationing scheme for next winter is being studied by the Italian Commissioner for electric power. A meeting of the Advisory Committee on Electric Power for Central and Southern Italy was held in Rome on 20 September. It was reported that more generating units will be reactivated in September and October, but very little or no benefit is expected from their operation until more water is available.

6. Col. Walker brought up the question of Capt. Vaughan's status. Lt. Col. Graves reported that Capt. Vaughan had been told by Col. Turner (Br.) that he was needed in Venezia Giulia, hence Capt. Vaughan was planning on making inquiries at A.F.H.Q. as to whether he was assigned to us. Col. Webster was of the opinion that he was assigned to G-5 British and there had been the possibility that he might be transferred to XIII Corps, but by doing this we would lose control over him. Col. Webster stated he would look into the situation.

The meeting adjourned at 1645 hours.

1200

Charles G. Webster Jr.
CARLOS G. WEBSTER JR.,
Lt. Col., RA
Chief Staff Officer

SEP 22 1964

C 61300
SEPT 231015 B

H/6764
SEPT 231500 B
ROUTINE

AFHQ FROM G 5
ALCOM ROME AMG XIII CORPS , INFO: RAAC

UNCLASSIFIED.

1. COL HAMBLEY G-5 AFHQ will arrive ROME 1200 hours Thursday 26 September to discuss physical set up and terms reference LACCAB.
2. Desire conference 270930 B on AMG loans VENEZIA GIULIA with REPS AMA, ALCOM, and AMG VENEZIA GIULIA. At your ~~discretion~~ discretion invite financial advisors British and US Embassies if embassies agree.
3. MFD for CASERTA 280830 B.
4. For AMG VENEZIA GIULIA. Desirable COL BEARD attend Friday conference with full particulars present situation. Other reps as you think desirable. Confirm.

AC DIST

ACTION EX COMR 2
INFO CHIEF COMMISSIONER
FILE
FILOT 2

1250

HEADQUARTERS ALLIED COMMISSION

AF0 794

Economic Section

Ref.: ES/1.27

16 September 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 16 SEPT. 1946PRESENT:Economic SectionCol. H. M. Walker
Capt. Delos De JohnCEM Branch

Lt. Col. F. G. Green

Food, Agriculture & A.M.G. Supply Branch

Lt. Col. Paul Graves

Transportation & Shipping

Lt. Col. A. H. Street

Meeting opened at 1600 hours. Col. Walker presided.

1. Col. Walker reported that Brig. Carr is no longer with this office since he has been appointed Acting Executive Commissioner in the absence of Brig. Lush who is on leave. Col. Walker stated that he had not been appointed as yet and he was acting in a temporary capacity. He also mentioned his time here is limited as he is due to return to the States possibly before the end of the year, but will attempt to hold the fort in the meantime. He stated that he will sign correspondence for Brig. Carr, Acting Vice Present for the present.

It was also stated that we should try to weed out as much paper work as is unnecessary.

2. Col. Walker reported that the coal situation shows no change from last week's report.

The POL situation remains the same--at about a 60 day level. In accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January 1946, the Italian Government and the UNRRA Italian Mission have agreed to the following recommendations of the Joint Price Committee on POL Products.

	Old	New
Gasoline (motor)	(23.00)	27.00 lire per litre
Kerosene	(20.45)	28.50 " " kg.
Diesel Oil	(21.00)	24.00 " " litre

All the above are retail prices and are effective as of 1 Sept. 1946.

On de-requisitioning, not much progress was made during the past week. Only the Magazzini Generali (General Warehouses) at Arquata Scrivia (Province of Alessandria) have been de-requisitioned by 6 SLD. However, this is very important for the traffic between the port of Genoa and Northern Italy.

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Food, Agriculture & A.M.G. Supply Branch

Lt. Col. Paul Graves

Transportation & Shipping

Lt. Col. A. H. Street

Meeting opened at 1600 hours. Col. Walker presided.

1. Col. Walker reported that Brig. Carr is no longer with this office since he has been appointed Acting Executive Commissioner in the absence of Brig. Lush who is on leave. Col. Walker stated that he had not been appointed as yet and he was acting in a temporary capacity. He also mentioned his time here is limited as he is due to return to the States possibly before the end of the year, but will attempt to hold the fort in the meantime. He stated that he will sign correspondence for Brig. Carr, Acting Vice President for the present.

It was also stated that we should try to weed out as much paper work as is unnecessary.

2. Col. Walker reported that the coal situation shows no change from last week's report.

The FOL situation remains the same--at about a 60 day level. In accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January 1946, the Italian Government and the UNRRA Italian Mission have agreed to the following recommendations of the Joint Price Committee on FOL Products.

	Old	New
Gasoline (motor)	(23.00)	27.00 lire per litre
Kerosene	(20.45)	28.50 " " kg.
Diesel Oil	(21.00)	24.00 " " litre

All the above are retail prices and are effective as of 1 Sept. 1946.

On de-requisitioning, not much progress was made during the past week. Only the Magazzini Generali (General Warehouses) at Argenta Scrivia (Province of Alessandria) have been de-requisitioned by 6 S.A.D. However, this is very important for the traffic between the port of Genoa and Northern Italy.

The electricity situation is still grim. Droughts are still persisting in Southern Italy. The Sila reservoir storage is now 64 millions of KWH. 4,500 tons of fuel-oil have been allocated to Capuano steam plant for this month. An extra allocation of 2,000 more tons has not yet been received. The daily generation at Capuano is now about 500,000 KWH.

In Central Italy the drought situation is practically the same. Another 12,000 Kw natural steam unit has been reactivated at Castelnuovo. (The Larderello Group).

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Generation at some thermal plants has been increased from 90,000 to 170,000 KWH per day (average), and most of this output is provided by steam units. Diesel units are operated only during peak-load time.

3. Col. Walker announced that Maj. Elliott is on leave and expects to depart for his home the end of the week.

4. Lt. Col. Graves reported that there was a slight decline in the wheat levels amounting to 14 days' supply of bread and pasta during the week ending 14 September--from 128 days to 114 days.

The wheat stocks for bread on 5 September were sufficient to last until 4 February in Udine and in Venezia Giulia until 3 October. Wheat and flour stocks on the same date were sufficient to furnish pasta through December for Udine and through August for Venezia Giulia.

The S.S. Joan Lykes arrived at Venice on 12 September carrying 7,436 tons of flour. Approximately 2,000 tons of this flour have been shipped to 6 BSD Mestre as repayment of a flour debt due by Udine Province to the Italian Government, which on its turn is applied against the Italian Government's debt towards the British Army on midshift meals and DP's account. The remaining approximately 5,000 tons are destined to Venezia Giulia.

5. Col. Walker reported that Capt. Vaughan is here today, and Lt. Col. Graves stated that he did not know Capt. Vaughan's status, but announced that his work is important.

6. Col. Walker reported that Capt. Saul, Public Works officer in Udine, and Capt. Murphy, Finance Officer, are here on the matter of Public Works projects in Udine Province. It has been agreed between the Ministry of Finance and the Ministry of Public Works that the funds for Public Works in Udine will be released in one block and it will be the responsibility of the Provincial Commissioner there to approve the projects and see that they get started. The unemployment situation is rather acute there and work should start immediately to help relieve the unemployment situation.

Capt. De John commented on the inefficiency of the Message Center, and Lt. Col. Graves mentioned that an officer is being assigned to the Regt. with no definite assignment. He is an expert on army administration and it was suggested that he be put in charge of the Message Center. Capt. De John also stated that he was displeased with some of the translations that were being done in the Section.

The meeting adjourned at 1630 hours.

Col. Walker
CARLOS G. WALKER JR.
Lt. Col., FA
Chief Staff Officer

HEADQUARTERS ALLIED COMMISSION

ALC 794

Economic Section

Ref.: EA/1.27

10 September 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING HELD 9 SEPT. 1946

PRESENT:

Economic Section

Brig. M. Carr
Capt. Delos De John

Industry & Utilities Branch

Col. H.M. Walker
Maj. T. G. Elliott

CEM Branch

Lt. Col. F. G. Green
Maj. F.C.C. Bates

Food, Agriculture & A.M.C. Supply Branch

Lt. Col. Paul Graves
Lt. Col. R.R. Snapp
Lt. Gilbert Mallin

Transportation & Shipping

Lt. Col. A.H. Street

Meeting opened at 1600 hours. Brig. Carr Presided.

1. Brig. Carr announced that he would continue the Economic Section Staff Meetings for the time being, until some other decision is taken.

He stated that papers should not be allowed to accumulate during the day and then sent along at closing time, but should be kept flowing.

In the future, Brig. Carr requested that officers call this office before coming to see him as he might be in conference, or engaged on some other matter from which he should not be disturbed, but stated that he was always glad to see his staff members and assist them.

Brig. Carr gave instructions for starting minute sheets on the files in this section. Each file coming up for action should have a 12 minute sheet, which should be placed on the inner left hand side of the folder. The correspondence in the file should be numbered consecutively and also the minutes should be numbered consecutively.

2. Col. Walker reported that the coal imports in Italy reached 911,000 tons for August, the highest figure since the end of the war. The shipments were made up as follows:

PRESENT:

Economic Section

Brig. M. Carr
Capt. Delos De John

Industry & Utilities Branch

Col. H.M. Walker
Maj. T. G. Elliott

CEM Branch

Lt. Col. F. G. Green
Maj. F.C.G. Bates

Food, Agriculture & A.M.G. Supply Branch

Lt. Col. Paul Graves
Lt. Col. R.R. Snapp
Lt. Gilbert Hollin

Transportation & Shipping

Lt. Col. A.H. Street

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2. Col. Walker reported that the coal imports in Italy reached 911,000 tons for August, the highest figure since the end of the war. The shipments were made up as follows:

UNRRA	871,320	long tons
Military Cargoes	17,000	" "
Venezia Giulia	8,000	" "
Commercial	14,763	" "
	911,083	" "

UNRRA coal allocations were 540,000 tons for the month and the remaining 330,000 tons were to be used in building up the stockpile.

1264

The September estimated arrivals of coal for UNRRA account are about 800,000 tons--600,000 tons of this have been allocated and the rest will go into stock.

92,185 metric tons of Sardinian coal were obtained in August.

There is little change in the POL situation, stocks remaining at about a 60 day level. The price of POL products has been raised since 1 September.

The electricity situation in Southern Italy is bad because of the critical drought, with the exception of Sila area the water flow is 20% less than the minimum reported during the past years. There are about 74 millions of KWH in storage at the Sila reservoir.

No change is reported in the electricity situation in Central Italy. Thermal generation is about 90,000 KWH per day. The transformer at Magliana sub-station (Rome) is out of service, and thus limits the power import from the North. Repair will take about 2 weeks.

3. Maj. Elliott reported that he would be leaving in about two weeks and that Maj. Laughlin should return here about 1 November.

4. Lt. Col. Snapp stated that he was leaving tomorrow for the States, and that he had enjoyed working with all members of this section.

5. Maj. Elliott announced that only a school and insurance institute have been de-requisitioned this week, and that most of this work is for the postoffice.

6. Lt. Col. Snapp reported a slight decline in the wheat situation, amounting to 3 days' supply of bread and pasta during the first week in September.

As of 31 August the wheat stocks for bread in Udine were sufficient to last until 7 March and in Venezia Giulia until 3 October. Wheat and flour stocks on the same date were sufficient to furnish pasta through December for Udine and through August for Venezia Giulia.

Approximately 8,200 tons of wheat and flour are due to arrive on the SS Niki about 14 September.

A new crop of sugar was distributed in August--about 5,225 tons. There may be a lack of distribution in some localities in September because of the shortage of railway cars. The railway car shortage may also affect the distribution of wheat.

The High Commission of Food has allotted the following amounts of food to Displaced Persons Camps operated by UNRRA.

Sugar	30 tons
Preserved meat	30 "
Powd. Milk	5,243 "
Corn Sirup	3,105 "

1 September.

The electricity situation in Southern Italy is bad because of the critical drought, with the exception of Sila area the water flow is 20% less than the minimum reported during the past years. There are about 74 millions of KWH in storage at the Sila reservoir.

No change is reported in the electricity situation in Central Italy. Thermal generation is about 90,000 KWH per day. The transformer at Magliana sub-station (Rome) is out of service, and thus limits the power import from the North. Repair will take about 2 weeks.

3. Maj. Elliott reported that he would be leaving in about two weeks and that Maj. Laughlin should return here about 1 November.

4. Lt. Col. Snapp stated that he was leaving tomorrow for the States, and that he had enjoyed working with all members of this section.

5. Maj. Elliott announced that only a school and insurance institute have been de-requisitioned this week, and that most of this work is for the postoffice.

6. Lt. Col. Snapp reported a slight decline in the wheat situation, amounting to 3 days' supply of bread and pasta during the first week in September.

As of 31 August the wheat stocks for bread in Udine were sufficient to last until 7 March and in Venezia Giulia until 3 October. Wheat and flour stocks on the same date were sufficient to furnish pasta through December for Udine and through August for Venezia Giulia.

Approximately 8,200 tons of wheat and flour are due to arrive on the SS Niki about 14 September.

A new crop of sugar was distributed in August--about 5,225 tons. There may be a lack of distribution in some localities in September because of the shortage of railway cars. The railway car shortage may also affect the distribution of wheat.

The High Commission of Food has allotted the following amounts of food to Displaced Persons Camps operated by UNRRA.

Sugar	30 tons
Preserved meat	30 "
Powd. Milk	5,243 "
Corn Sirup	3,105 "

The following quantities of food have been distributed to Children's Colonies and other Welfare Feeding Agencies not operated by UNRRA.

Preserved Meat	46.5 tons
Canned fish	80.7 "

No significant change in the prices of uncontrolled foods were reported during the week.

7. Lt. Col. Street reported that the first trainload of coal for Italy has left Poland. Also the Modena tunnel into France has been repaired and opened.

He commented on the acute wagon shortage. Committees have been set up with various Italian agencies in an attempt to coordinate the demand and supply. The French and Italian Governments are exchanging wagons so that each country may repair its own.

8. Brig. Carr brought up the question of whether Capt. Vaughan is needed in Venezia Giulia as he does not appear to be controlled by any Branch of this section, although at one time he was considered as coming under the Transportation and Shipping Branch. Lt. Col. Snapp reported that as Port Liaison Officer Capt. Vaughan is necessary there as a person is needed to check off the loads against the manifest. In several cases, valuable items as sugar have disappeared. Lt. Col. Street reported that Lt. Col. Scoggins who left for duty in Trieste in July was going to look into this matter, as Capt. Vaughan's services could be utilized in the Economic Section.

The meeting adjourned at 1645 hours.

W. L. De John
DELOS DE JOHN
Capt., Infantry (Arm'd)
Staff Officer

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HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

SEP 4 1946

Ref: _____

4 September 1946.

As a result of discussion last Wednesday Sir Noel Chavasse and Mr. Greene agreed that the Allied Commission would have the assistance of political advice in the persons of Mr. Harkey and Mr. Greene at the Executive Commissioner's meeting on Tuesdays at 0900 hours (guaranteed release at 0930) and at the Chief Commissioner's meeting with his Vice Presidents and others on Wednesdays at 10.

This morning two important points arose on which we should have valued political advice and which I think both Noels would have been glad to learn.

Could you be good enough to confirm H.H.'s agreement and ask Mr. Harkey to attend these meetings.

(Sgd) 2. 1. 1946

A. Salomon, MBE,
British Embassy.
HONGKONG.



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HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

Ref: ES/1.27

20 August 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 19 AUGUST 1946

PRESENT:

Economic Section

Col. Charles W. Walton
Lt. Col. C.G. Webster Jr.
Capt. Delos De John
Lt. Gilbert Mellin

Industry & Utilities Branch

Col. H.M. Walker
Major T. G. Elliott

CEM Branch

Lt. Col. J.W. Campbell

Food & Agriculture Branch

Lt. Col. R.R. Snapp

Commerce (PT) Branch

Maj. G.A.F. Rothery

Transportation & Shipping

Lt. Col. A.H. Street

Public Relations Officer

Col. Montague
Capt. Judinkin
Brig. M. Carr

Meeting opened at 1600 hours. Colonel Walton presided.

1. Col. Walton announced that Capt. Judinkin is a successor to Col. Montague.

2. Col. Walton stated that this was his last meeting with the Economic Section as he would be leaving shortly for a new assignment and that it had been a great pleasure to work with each member present.

3. Brig. Carr announced that a proposal had been made that he take over Col. Walton's position in addition to his regular duties as Vice President of Civil Affairs Section.

4. Lt. Col. Snapp commented on the food surpluses in Venezia Giulia and Udine. The plan for handling Udine's surplus is satisfactory and AFHQ has been notified of it. Udine has made a careful inventory of stocks needed by ration card holders through 31 December, which amounts have been set aside for such issues. The balance will be supplied to the cooperative stores and to special classes. Venezia Giulia has made no decreases in its surpluses during the last two months and their present stocks of all items are larger than on 10 Jun with the exception of sugar. Meat stocks are especially large relative to current needs. Col. Walton suggested that Col. Snapp, or possibly Lt. Mellin or Maj. Rothery visit Venezia Giulia to assist the local Food Officer in preparing plans to utilize these surpluses.

5. Maj. Elliott reported that there has been no change in the coal situation.

Industry & Utilities Branch

CEM Branch

Food & Agriculture Branch

Commerce (FT) Branch

Transportation & Shipping

Public Relations Officer

Lt. Col. O.G. Webster Jr.
Capt. Delos De John
Lt. Gilbert Mellin

Col. H.M. Walker
Major T. G. Elliott

Lt. Col. J.W. Campbell

Lt. Col. R.R. Snapp

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5. Maj. Elliott reported that there has been no change in the coal situation as outlined in last week's report. Approximately 700,000 tons are due to arrive this month as follows:

Ruhr coal	115,000 tons
U.S. coal	550,000 tons
South African coal	18,000 tons
Polish coal	15,000 tons
U.K. coal	10,000 tons
total	708,000 tons

There is a possibility of a cut in the September allocations from the Ruhr.

Sardinian coal production up to 11 August amounted to 30,826 metric tons, which is about the same as last month's figure for the same period.

The P.O.L. stocks remain at approximately the 60 day level.

The increase of prices for P.O.L. products is being investigated as the present prices are resulting in a loss.

The electricity situation in Southern Italy at the Capuano steam plant was increased from 150,000 to 300,000 KWH per day because of the bad situation of the hydroelectric plants and the necessity to maintain a sufficient water storage in the Sila reservoirs. In Central Italy droughts still persist and about 145,000 KWH are being imported from Northern Italy and may be continued through September. The situation in Northern Italy is normal.

6. Lt. Col. Snapp announced that the wheat situation is about the same as last week. Deliveries of wheat to the amasso for the week were only 52,700 tons. On 15 August the total collections were 1,863,327 metric tons, or 78.9 per cent of the initial goal. There are rumors now that the goal may soon be increased to 2,500,000 (now it is 2,379,852.)

The authority granted by the Ministry of Food for officers to buy olive oil in the olive producing sections has been repealed. Farmers who had complied with the amassing decree claimed that they were discriminated against as they had received prices much below those in effect now. Consumers complained that the black market price of oil has increased due to heavy purchases of oil by the Provincial Food Officers.

The Deputy High Commissioner of Food, Dr. Sansone, presented Italy's 1946-47 cereal requirements to representatives of the USDA and their reaction was unfavorable. His report called for nearly 3,000,000 tons of imported cereals based on a ration of 250 grams of bread daily and 3,000 grams of pasta monthly. The Committee stated that Italy would be fortunate to receive one-half this amount of foreign grain.

Lt. Col. Sharp inquired from the Deputy High Commissioner about rescinding the restrictions on the military and civilians eating in public restaurants. Restrictions are being imposed on restaurants to limit the amount of food served, particularly the number of courses, and ration tickets must be turned in for pasta, bread, etc., so for the time being no action will be taken.

7. Col. Walton inquired how long it would require to turn all C.E.M. over to the Italian Government, providing we had the receipts, and should this decision be made. Lt. Col. Campbell stated it would take about two weeks.

8. Maj. Elliott announced that he expected the derequisitioning of a precision instrument factory in Rome once belonging to the Italian Army and also of a food factory in Naples., the latter being promised for about the middle of next month.

9. 9. Lt. Col. Street announced there is a shortage of 54,000 wagons to move expected traffic for October as heavy traffic was expected including coal, wheat, sugar beet to the factories and Italian military traffic. He stated

about 12,000 more are being imported from Northern Italy and may be continued through September. The situation in Northern Italy is normal.

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9. 9. Lt. Col. Street announced there is a shortage of 54,000 wagons to move expected traffic for October as heavy traffic was expected including coal, wheat, sugar beet to the factories and Italian military traffic. He stated that he was attending a meeting at UNRRA the next day and would inform us of the results. It is expected that a Committee will be set up to fix priorities for use of wagons. It has been agreed to increase the sugar ration three times and the Italians claim they have sufficient. 300,000 tons is the estimated amount for this year.

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10. Col. Montague reported that the labor front is much quieter. The Italian Government has decided there will be no dismissals until 30 September.

11. Lt. Mellin announced that the 42 x 9 truck tire procurement had suffered a setback. Arrangements had been made for 1,000 of these tires and when we went to collect them from 557 BOD it was claimed that A.C. had moved them out in May. No such information has been found available upon checking with ARAR and AFHQ. In case these tires cannot be located Venezia Giulia/Udine will be in a difficult position. Col. Walton suggested that perhaps we could obtain tires from other parts of Northern Italy.

Requisitions for Venezia Giulia/Udine are being prepared for the first half of 1947 and requisitions under LAC Airgram 148 are being refined.

The exchange of blankets for raw cotton in Trieste with UNRRA is still in process. A letter has been written that the deal be approved, but as far as is known Col. Stephens has not received a letter from UNRRA.

12. Maj. Rothery stated that Venezia Giulia should get out a program of the Reserved Commodity List.

13. Col. Walton announced that he had prepared a memorandum to the Chief Commissioner in which he undertook to outline the remaining functions of the Economic Section, that this would be passed around for comments and a copy given to each Branch.

The meeting adjourned at 1700 hours.

CARLOS G. WEBSTER JR.
Lt. Col., FA
Chief Staff Officer

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CROSS REFERENCE SHEET

Ltr 8255/EC fm Hind-Smith to VP Moon Sec and Land Forces
S/C dated 22 Aug 46 re Frding of Promemoria re Meeting
(Equipt of It Army) to be held in CC Conf Room 23 Aug 46

SEE 95 in 900/EC



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AUG 20 1946

Chief Comm

RECEIVED AIRMAIL 20 1946
110 784

ECONOMIC SECTION

Ref: ES/1.27

13 August 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 12 AUGUST 1946

PRESENT:

Economic Section

Col. Charles W. Walton
Lt. Col. C. G. Webster Jr.
Capt. Delos De John
Lt. Gilbert Mellin

Industry & Utilities Branch

Col. H. M. Walker
Major T. G. Elliott

CEM Branch

Lt. Col. J. W. Campbell

Food & Agriculture Branch

Lt. Col. R. R. Snapp

Commerce (FT) Branch

Maj. G. A. F. Rothery

Meeting opened at 1600 hours. Colonel Walton presided.

1. Col. Walker reported that the coal situation in Italy is much better. The July arrivals from all sources totaled 522,000 tons. The August arrivals are expected to be 700,000 tons. At Venice and Genoa there is some congestion because of inability to clear from the ports owing to lack of rail cars. Sardinian coal production for July was 95,514 metric tons. One ship is due now from the Ruhr carrying coal.

There is no significant change in the oil situation. Stocks continue as at the present 60 day level.

In Sardinia about 80% of the electricity is being generated by steam plants (50% in normal times) because of the water shortage. In Sicily in 1946 about 50% of electricity will be generated by steam plants (45% is the average during the past few years). In Southern Italy the hydroelectric plant situation is still bad. The Sila reservoirs now have about 120 millions of KWH stored, as compared with the 190 millions in August 1945. The Capuano steam plant produces from 120 to 150,000 KWH per day. At Pescara III a new hydroelectric unit of 10,000 KWH was reactivated during the past week. In Central Italy a serious drought is still persisting, and the two units in this section generate about 100,000 KWH a day. In Northern Italy the

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These amounts are in addition to the regular issues authorized on the ration cards.

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	1st week May	2nd week July	1st week August
Rome	460	520	570
Naples	450	450	530

In the past few weeks there have been decreases in black market prices of ordinary bread and pasta in most Italian cities. In Rome during the first week in May Bread sold for 110 lire and pasta 160 Lire.

Col. Walton asked Lt. Col. Snapp to check with the High Commissioner of Food regarding civilians eating in Italian restaurants. A discussion followed and it was thought that this restriction should be lifted.

5. Maj. Rothery stated that a ship should be arriving shortly from Eritrea carrying supplies.

It was reported that after a visit from Col. Stevens the State monopoly has been clarified and is moving along through normal channels.

Maj. Rothery reported that Col. Henscock of Corto had discussed obtaining timber and caustic soda from Austria.

6. Maj. Rothery reported that many inquiries are coming in about property control matters and A.J. does not handle matters of this type. Lt. Col. Campbell announced that the Civil Affairs Branch has taken this over.

7. Lt. Mellin commented on the exchange of 60,000 blankets in Trieste for raw cotton. Col. Stephens is handling this and the matter seems to be moving along fine. As soon as confirmation of this is received from AMG 13 Corps, The information will be transmitted to AFHQ.

8. Col. Walton commented on the repair of vessels in Italian yards and payment therefore. Any Allied vessel involved in the repair must be repaired by the Italians who will

AUG 20 1946

Chief Comm

REMARKS BY MEMBERS PRESENT TO SECTION

100 754

ECONOMIC SECTION

Ref: ES/1.27

13 August 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 12 AUGUST 1946

PRESENT:

Economic Section

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Lt. Col. C. G. Webster Jr.
Capt. Delos De John
Lt. Gilbert Mellin

Industry & Utilities Branch

Col. H. M. Walker
Major T. G. Elliott

CEM Branch

Lt. Col. J. W. Campbell

Food & Agriculture Branch

Lt. Col. R. R. Snapp

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2. Lt. Col. Campbell reported that of the releases made by Headquarters from 1 January to 31 July, 40% were made during July. Most of the releases have gone well, although there has been delay on some, taking from 10 to 14 days to contact the people taking over the material from us.

3. a Maj. Elliott stated that 11 of the 12 grain warehouses in Macerata have been derequisitioned and 1 of the 3 warehouses in Venice has been derequisitioned; thus making a total of 12 grain warehouses that have been derequisitioned. There has been a good deal of work going on in Leghorn by PDS and we have taken the matter up with AFHQ and also the Public Relations Officer in Leghorn.

b Maj. Elliott stated he was not pleased with the system of having so many derequisitioning requests come through his office and suggested that the people might be routed through the Ministry of the Interior first, and if the Ministry should think the case justifiable, it could take it up with us. Col. Walton concurred regarding these individual owners, but not in the case of larger problems, as in the case of the hotels to AFHQ. Capt. De John also suggested that they might be sent to the Genio Militare.

4. Lt. Col. Snapp reported that the wheat situation is improving steadily due to the large collections made at the Amasso. The total amassing to 9 August totalled 1,810,600 tons or over 76% of the tentative goal.

Estimates of the total production of all important crops have been published under the date of 7 August. The revisions have been upward in most all cases. The latest cereal estimates total 9,532,100 tons, compared with the 6,438,400 tons in 1945. This increase is equivalent to 386 ship cargoes of 8,000 tons each.

Most of the Prefects are taking advantage of the authority granted them to decrease the milling ration from 91 to 85 per cent. Bread made with the new flour should be available in Rome within the next few days.

The Government yielded to the flour, pasta and rice mill workers of the North and has agreed to allow employers to pay their employees partly in kind.

Workers in	Daily for workers and each dependent
Flour mills	500 grs. Flour
Pasta factories	300 " of pasta

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Workers in	Daily for workers and each
Flour mills	500 grs. Flour dependent
Pasta factories	300 " of pasta
Rice mills	500 Kg. of rice plus
	2 Kg. of rice bran

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These amounts are in addition to the regular issues authorized on the ration cards.

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Col. Walton asked Lt. Col. Snapp to check with the High Commissioner of Food regarding civilians eating in Italian restaurants. A discussion followed and it was thought that this restriction should be lifted.

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It was reported that after a visit from Col. Stevens the State monopoly has been clarified and is moving along through normal channels.

Maj. Rothery reported that Col. Hancock of Corto has discussed obtaining timber and caustic soda from Austria.

6. Maj. Rothery reported that many inquiries are coming in about property control matters and A.C. does not handle matters of this type. Lt. Col. Campbell announced that the Civil Affairs Branch has taken this over.

7. Lt. Mellin commented on the exchange of 60,000 blankets in Trieste for raw cotton. Col. Stephens is handling this and the matter seems to be moving along fine. As soon as confirmation of this is received from AMG 13 Corps, the information will be transmitted to AFHQ.

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8. Col. Walton commented on the repair of vessels in Italian yards and payment therefore. Any Allied vessel involved in occupation purposes must be repaired by the Italians who will stand back of the material and labor costs, but owners of Allied vessels not for occupation purposes would be obliged to pay

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for the material. AFHQ thinks that in this case there is no question as to who should pay for the labor costs.

The meeting adjourned at 1700 hours.

Carlos G. Webster Jr.
CARLOS G. WEBSTER JR.
Lt. Col. FA
Chief Staff Officer.

H. HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

C. Comm
AUG 3 1946

Ref: 1.27/ES

2 August 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 31 JULY 1946

Correction to minute no. 6

Major Laughlin stated that at the meeting of the Central Commission of the Italian Government for the Control of Power that a reduction in the allocation of power for August would have to be made for Central and Southern Italy. This is due to drought conditions affecting the output of the stream flow plants and is expected to last through the rest of this year, since the heavy rains do not start until late November. In Rome it is planned that the area will be divided into 6 sections and the reduction effected by shutting off power 4 hours out of each 24 in each section. The hours will be rotated each week. All industries are asked to reduce their power consumption by 15% below that used in June. Railroads, traction lines, hospitals, water systems and important food industries will be exempted.

558/ce

(Carlos G. Webster Jr)
CARLOS G. WEBSTER JR
Lt. Col. FA
Chief Staff Officer

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JUL 26 1946

Chug Comm

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

24 July 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 22 JULY 1946

PRESENT:

Economic Section

Col. Charles W. Wal
Lt. Col. C. G. Webster
Capt. Delos De John

Industry & Utilities Branch

Col. H. M. Walker
Maj. L. W. Laughlin
Maj. T. G. Elliott

CEM Branch

Lt. Col. J. F. Campbell

Food & Agriculture Branch

Lt. Col. R. R. Snapp

Public Relations Office

Lt. Col. L. Montagu

Meeting opened at 1630 hours. Colonel Walton presided.

1. Colonel Walton stated that a new American Officer, Major Davey, was reporting to Economic Section for a short period of time and that it was proposed to send him to Bolzano to assist Lt. Col. Horn on CEM work.

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2. Colonel Walton requested that Lt. Colonel Snapp make a report on A.C.'s total wheat imports during 1945 and the early part of 1946, including imports under FEA's program.

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from Poland. This is exclusive of military arrivals.

There is an estimated 60 days' supply of fuel oil stocks in Italy. This is approximately 800,000 barrels.

4. Major Elliott reported that a paper plant at Torentino has been derequisitioned during the past week. The in-flow of applications for derequisitioning appear to be dropping off.

5. Lt. Colonel Snapp stated that the food situation is good for the time being and should remain good for the next several months. It is estimated that at the moment Italy has enough wheat to last until 31 October. Up to 20 July, taking the smassing, stock on hand, arrivals to 20 July, and ships now on the water, the total wheat supply is 1,315,998 tons. This would allow for continued ration of 250 grams of bread and 2,000 grams of pasta thru October.

UNRRA has now given consent to the use of powdered skimmed milk in making bread so that the supply of powdered skimmed milk should be used up by 31 August

There is an acute shortage of dried vegetables, except in Udine/Venezia Giulia, and powdered soup is now being used in welfare rations as a substitute for dried vegetables.

The new sugar crop is expected to be ready in September. A good crop is anticipated. Tentative plans are to increase the ration to 200 grams in August and to 300 grams in September.

The food situation in the Venezia Giulia/Udine region is very good. Lt. Col. Snapp has just returned from an inspection trip and stated that there were large stocks of imported goods that would have to be used immediately in order to prevent spoilage. Lard was especially plentiful. Lt. Col. Snapp stated that steps are now being taken to reduce this stock piling through increased rations, lowered prices, and to make this food available for use in industrial messes. He also intends to go to AFHQ, G-5 Section this week for a conference

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Colonel Snapp to give him a complete itemized report of stocks on hand, total tonnages, amounts necessary for ration allowances, etc.

Another problem reported by Lt. Colonel Snapp in the VC/Udine area is the recent shortages in the deliveries from ships unloaded in this zone. This has apparently been due to insufficient supervision and checking of the ship's manifest prior to unloading. Corrective steps are now being taken.

6. Lt. Colonel Campbell stated that there is still a lot of CEM material coming in from AFHQ, 3 District and especially vehicles from PBS. Some of these vehicles are not in very good condition. AFHQ has taken over the PBS vehicles, but are now reaching the point where they state they would rather not take over certain materials when it is in isolated districts and hard to get to. Lt. Col. Campbell pointed out to ARAR that they were obligated to take all material turned to them, that is to sign for it at least whether they actually collected and made use of it or not.

7. Capt. De John stated that AFHQ has advised that the Villa Maria Pia in Naples will be derequisitioned, and that the Palazzo Capo di Monte will not be requisitioned.

8. Colonel Walton reviewed the status of the files of each Branch. Most of the directors reported that the team of American soldiers had already been working on these files.

9. Colonel Walton referred to Office Memorandum N° 8 of 8 July 46, on correspondence and filing, and asked that all Directors familiarize themselves with it. Questions on deviation and non-compliance with this memorandum should be taken up through Lt. Durber.

10. All liaison group have closed except Bolzano and Tenda. There are to be four officers stationed at Sub-Arca Headquarters in Venice; 1 Officer at Tenda. The Bolzano group is scheduled to close as of 31 July except for 1 DP officer and 1 CEM Officer.

11. Colonel Walton reminded all Directors that he expects

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11. Colonel Walton reminded all Directors that he expects to receive, as soon as possible, their personal reports on the civilian personnel employed in each Branch. Upon receipt of these reports Colonel Walton will review the situation personally with

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each Director.

12. Lt. Col. Montague asked for a re-count on the number of Weekly Bulletins needed for Economic Section. It was decided that 20 copies would suffice.

The meeting adjourned at 17:10 hours.

Carlos G. Verster Jr.
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Lt. Colonel, MA
Chief Staff Officer

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

17 July 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 15 JULY 1946

PRESENT:

Economic Section

Col. Charles W. Walton
Lt. Col. Carlos G. Webster, Jr.
Capt. Delos De John
Lt. J.W. Durber

Industry & Utilities Branch

Col. H.M. Walker
Maj. L.W. Laughlin
Maj. T.G. Elliott

CEI Branch

Lt. Col. J.A. Campbell

Commerce (FT) Branch

Maj. G.A.F. Rothery

Transportation & Shipping Branch

Lt. Col. A.H. Street

WC/Uline Sup. Ops. Branch

Lt. J.W. Arensberg

Public Relations Office

Lt. Col. L. Montague

Meeting opened at 1630 hours. Colonel Walton presided.

1. Colonel Walton requested that Lt. Arensberg report before Tuesday on the results of the Ammassi to date. It is expected that the Italian Government will announce the Ammassi goal within two weeks.

2. Colonel Walton asked that Branch Directors in sending cables to AFHQ conform with latest instructions and not include "Attention of" in the address of the cable.

3. Colonel Walton pointed out that the Daily Bulletin has gone into some detail about the necessity of reducing Italian civilian employees of Allied Commission. It is requested that present personnel be reduced and no new hirings made. All Branches are expected to cooperate in this further cut.

4. Colonel Walker reported that there have been no changes in oil supply stocks, but expected deliveries of fuel oil have been cut from 600,000 barrels to 20,000 barrels. This means that conversion of Northern industries from coal to oil will be impossible. There is no change in the position on coal. Estimated arrivals of coal for July stand at 400,000 tons. Ruhr coal is coming in very slowly. The CIP strike remains unsettled.

5. Lt. Col. Campbell reported that the Milan Office is cutting down and making progress toward final closing. Closing held up temporarily.

6. Major Elliott reports that some progress is being made in derequisitioning.

Industry & Utilities Branch

Col. H.M. Walker
Maj. L.W. Laughlin
Maj. T.C. Elliott

OTM Branch

Lt.Col. J.A. Campbell

Commerce (PT) Branch

Maj. G.A.F. Rothery

Transportation & Shipping Branch

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5. Lt.Col. Campbell reported that the Milan Office is cutting down and making progress toward final closing. Closing held up temporarily.
6. Major Elliott reports that some progress is being made in derequisitioning.
Capt. De John stated that AFHQ has replied to the Executive Commissioner's letter suggesting a central de-requisitioning board. At the present AFHQ is not in favor of such a plan. A new request is being forwarded to AFHQ, which, it is hoped, will bring some affirmative action.
7. Lt.Col. Street reported that EMAC is closing down and its functions will be assumed by the Ministry of Transport.
8. Colonel Walton suggested that all Branch Directors obtain appointment to meet new Italian Ministers. Colonel Walton will be glad to accompany Directors for this meeting.

9. Major Rothery reported that Lt. Col. Stevens from the VC/Udine district will be in Rome tomorrow to discuss problems on trade and the Reserved Commodity Lists.

10. Lt. Col. Snapp's written report shows a slight reduction in the cost-of-living this week. The total wheat availability this date is 1,270,000 tons.

11. Colonel Walton stated that he had no further information regarding the future plans for Economic Section of Allied Commission.

12. Lt. Col. Montague stated that a general strike of all printers is expected this week, in which case only Union Jack and Allied Commission's Weekly Bulletin will be published.

The meeting adjourned at 1700 hours.

Carlos G. Webster, Jr.
CARLOS G. WEBSTER, JR.,
Lt. Col., FA
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: ES/1.27

27 August 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 26 AUGUST 1946

PRESENT:

Economic Section

Brig. M. Carr
Lt. Col. C.G. Webster Jr.
Capt. Delos De John
Lt. Gilbert Mellin

Industry & Utilities Branch

Major T.G. Elliott

CEM Branch

Lt/ Col. J.W. Campbell

Food & Agriculture Branch

Lt. Col. R.R. Snapp

Commerce (FT) Branch

Maj. G.A.F. Rothey

Meeting opened at 1600 hours. Brig. Carr presided.

1. Brig. Carr announced that he expected an order would be out stating he would continue his duties as Acting Vice President of the Economic Section and also as Chief of the Civil Affairs Section, and that the two Sections will remain separate.

2. Brig. Carr requested that each Branch prepare a nominal roll of civilian employees, showing the name and classification and should turn it in to Lt. Col. Webster. These lists can be put in a folder, passed on and frequently and any reductions or increases made can be clearly shown. Allied Civilian personnel should be shown on a separate sheet.

Brig. Carr announced that he was seeing all correspondence and when papers were passed out from the A/VP's office for action by Branches of the Economic Section, this action must be followed up to the final preparation of letter. It can be put, if necessary, in draft form (double space) for consideration but not in the form of notes for the drafting

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to be done in the V.P.'s office

3. Lt. Col. Campbell announced that only six releases had been handled this past week, and that there are 150 release notes still to be returned by ARAR to us. We have actually released the material to A.R.A.R., but have not received the signatures.

Lt. Col. Campbell was instructed to discuss the question of collection of outstanding debts for salvage with the A/VP.

4. Lt. Col. Snapp reported that the wheat situation had remained stationary for the second consecutive week, the amassing and imports being approximately equal to the weekly consumption. If this balance can be kept through September the present bread and pasta rations will be covered until the middle of next February. The present stocks of flour are estimated to be sufficient to last for 135 days, or 1,689,868 tons and the amassing is still continuing.

Amassing - Collections during the week ending August were 106,958 tons or nearly twice those of the previous week. The low figure reported last week is apparently due to the mid-summer holidays observed in many provinces on 15-16-17 August. Total collections to 22 August were 1,970,285 metric tons or 82.8 per cent of estimated goal.

Premiums of 300 lire previously paid to farmers for deliveries of wheat before specified dates to be continued if the wheat is delivered within 8 days from the time it is threshed. In Northern Italy the price now paid for hard wheat per quintal is 2,900 lire, in Central Italy 3,000 lire, and in Southern Italy 3,150 lire. In Northern Italy the price now paid for soft wheat per quintal is 2,550 lire, in Central Italy 2,650 lire and in Southern Italy 2,800 lire.

The wheat stocks in Udine were 39,457 tons on 22 August or sufficient to support the present bread ration until 8 March and the pasta ration through December.

The wheat situation in Venezia Giulia is not very good as there is not much local wheat. There is sufficient wheat for bread to 3 October, but pasta flour only for the August issue. However, arrangements have been made to borrow 2,000

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tons of flour from Udine which will be paid back from the next shipment which is expected in September.

5. Maj. Elliott announced that the coal situation is good. The figures quoted last week of 700,000 tons for arrivals in August are expected to be met. 77 ships have been programmed for loading in U.S. ports and 48 of these have sailed up to 22nd August. Arrivals of coal from other sources are anticipated to be up to schedule.

Sardinian coal production up to 19 August amounted to 50,638 tons. This shows a drop over last month, but it can be accounted for by two days extra holiday in the same period.

The P.O.L. stocks are still satisfactory and remain at the 60 day level.

The agricultural institute at Macerata has been derequisitioned and also a villa at Senigallia.

6. Maj. Rothery announced that he had been receiving requests from the Ministry of Industry and Commerce and Ministry of Foreign Commerce to assist the Italian firms who have made contracts with German firms for supplying certain materials, for example generators, looms. Some of these materials have been partially paid for. Lt. Col. Campbell felt that in cases like these the debt was between two firms and did not concern A.C. Brig; Carr requested Lt. Col. Campbell and Major Rothery to discuss the matter further and it may be necessary to draft a letter to AFHQ to find out what the policy is.

7. Lt. Mellin reported that he was leaving for Venezia Giulia and Udine on 27 August.

8. Capt. De John commented on his difficult attempt to contact the various Italian Ministries. Col. Webster suggested that in the future if he would speak to the A.V.P.'s office an appointment would be made for him in the name of the Economic Section and doubted if he would have any trouble.

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9. Brig.Carr Discussed in detail the minutes of the meeting with Col.Bright and asked that each member present follow up on certain matters contained therein.

The meeting adjourned at 1700 hours.

Carlos G. Webster Jr.
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Lt.Col. FA
Chief Staff Officer.

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

2 August 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 31 JULY 1946

Correction to minute no 6

Major Laughlin stated that at the meeting of the Central Commission of the Italian Government for the Control of Power that a reduction in the allocation of power for August would have to be made for Central and Southern Italy. This is due to drought conditions affecting the output of the stream flow plants and is expected to last through the rest of this year, since the heavy rains do not start until late November. In Rome it is planned that the area will be divided into 6 sections and the reduction effected by shutting off power 4 hours out of each 24 in each section. The hours will be rotated each week. All industries are asked to reduce their power consumption by 15% below that used in June. Railroads, traction lines, hospitals, water systems and important food industries will be exempted.

(Signature)
CARLOS G. WEBSTER JR
Lt. Col. FA
Chief Staff Officer

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(Signature)
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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

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Commerce (PT) Branch

Maj. G. A. F. Rothery

Transportation & Shipping Branch

Lt. Col. A. H. Street

VC/Voline Sup. Opns. Branch

Lt. J. M. Arensberg

Public Relations Office

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Capt. De John stated that AFHQ has replied to the Executive Commissioner's letter suggesting a central de-requisitioning board. At the present AFHQ is not in favor of such a plan. A new request is being forwarded to AFHQ, which, it is hoped, will bring some affirmative action.
7. Lt.Col. Street reported that ENAC is closing down and its functions will be assumed by the Ministry of Transport.
8. Colonel Walton suggested that all Branch Directors obtain appointment to meet new Italian Ministers. Colonel Walton will be glad to accompany Directors for this meeting.

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9. Major Rothery reported that Lt. Col. Stevens from the VC/Uding district will be in Rome tomorrow to discuss problems on trade and the Reserved Commodity Lists.

10. Lt. Col. Snapp's written report shows a slight reduction in the cost-of-living this week. The total wheat availability this date is 1,270,000 tons.

11. Colonel Walton stated that he had no further information regarding the future plans for Economic Section of Allied Commission.

12. Lt. Col. Montague stated that a general strike of all printers is expected this week, in which case only Union Jack and Allied Commission's Weekly Bulletin will be published.

The meeting adjourned at 1700 hours.

Carlos G. Webster, Jr.

CARLOS G. WEBSTER, JR.,
Lt. Col., FA
Chief Staff Officer

CROSS REFERENCE SHEET

17 July 1946

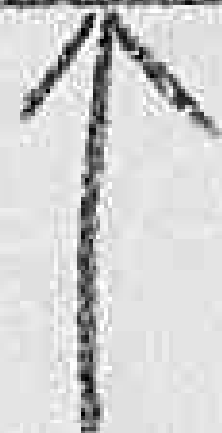
Ref : ES/

Subject: CIP Strike - Effects of

To : CC

From : Walton

SEE 5203/CC



558/CC

REF: 1.27/ES.

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

8 July 1946

MINUTES OF THE ECONOMIC SECTION

PRESENT:

Economic Section

Col. C.W. Walton
Lt.Col. C.G. Webster, Jr.
Lt.Col. R.E. Horn
Capt. Delos De John
Lt. J.W. Durber

Industry & Utilities Branch

Col. H.M. Walker
Maj. L.W. Laughlin
Maj. T.G. Elliott

Food & Agriculture Branch

Lt.Col. R.R. Snapp

Gen Branch

Maj. F.C.G. Bates ..

Commerce (FT) Branch

Maj. G.A.T. Rothery

Transportation & Shipping Branch

Lt.Col. A.H. Street

VG/Udine Sup Opns Branch

Lt. J.M. Arensberg
Lt. C.W. Mellin

Public Relations Office

Lt.Col. L. Montague

Meeting opened at 16:30 hours. Colonel Walton presided.

1. Col. Walker reported that the P.O.I. stocks remain about the same as for last week, as follows:

Motor Gas	60 days' supply
Kerosene	70 days' supply
Fuel Oil	60 days' supply
Gas Oil	60 days' supply

Heavy motor lubricating oil has been in short supply both for civilian and Italian army vehicles, but information has been received of recent shipments which should relieve the situation on arrival.

Some industries in Northern Italy are converting from coal fuel to fuel oil, especially in the sugar refining and canning industries.

Negotiations between the Workers' Committee, C.I.P. and interested Ministries, regarding workers' pay, are being continued, but it is not expected that there will be a final decision until formation of the new government.

The coal stocks as of 1 July were 350,000 tons, estimated arrivals were 400,000 tons, allocations for the month are 475,000 tons, and the estimated stock as of 1 August 275,000 tons. Sardinian coal production was 77,975 tons, a drop of 11,000 tons under May production, and this was due to the fact that some of the miners stayed home to harvest their crops. It is

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Industry & Utilities Branch

Col. H.M. Walker
Maj. L.W. Laughlin
Maj. T.C. Elliott

Food & Agriculture Branch

Lt. Col. R.R. Snapp

CEM Branch

Maj. F.O.G. Bates ..

Commerce (MT) Branch

Maj. G.A.P. Rothery

Transportation & Shipping Branch

Lt. Col. A.H. Street

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2. Major Laughlin reported that the power station reservoirs of Northern Italy are now 64% of being filled. This places them in a position similar to that which existed at this same time last year. Melting snows in the Alps will continue to fill the reservoirs during the months of July, August and September.

The Ministry of Treasury of the Italian Government has asked reconsideration of the proposed autostrada between Trieste and Tarvisio as they feel that too much money is involved and that at present transport requirements are being met by the railroads; also that the money is required for more urgent rehabilitation works in other parts of Italy. This matter has

1234

- 2 -

been forwarded to AFM XIII Corps for necessary action. G-5 AFHQ and AFM Udine Province have been informed.

3. Maj. Elliott stated that the Eternit plant, taken over by the American Ordnance over two and one-half years ago, is being moved out of. The timber plan in Udine, cutting 1,000 tons a month, is going on for another three months.

4. Lt. Col. Snapp reported that the food situation seems to be good, according to UNRRA. There have been some riots in northern cities in Italy as they want more bread. The Government has not yet authorized an increase in the bread ration. There is plenty of wheat for the time being and there is still time for a good rice crop. Venezia Giulia reports there is a 35% increase of wheat in the area.

5. Lt. Col. Street reported that sufficient coal is available to restore all services on the State Railways from 1 July. Extra coal is not needed. The line between here and Leghorn is not electrified all the way.

6. Lt. Arensberg reported that 2 cereal ships are in port, one in Venice and the other in Trieste, and a third should arrive soon. Also one coal ship has arrived and two are expected shortly. AFHQ has ordered that the 42 x 9 tires be released.

7. Col. Walton reported that not much of a change has been shown in the files being turned in for archives. Food and Agriculture Branch are still working in theirs and Industry and Utilities are about 65% ready.

8. Lt. Col. Webster reminded all officers that the monthly reports are due by 10 July.

9. Col. Walton stated that a letter had been received from Sir Quinton Hill, British Embassy, thanking us for the meeting he attended at AC. He wishes copies of all translated Italian Decrees, which will be furnished as far as possible.

Col. Walton reported that there were no new developments in the reorganization of AC.

Meeting adjourned at 17:00 hours.

Carlos G. Webster, Jr.
CARLOS G. WEBSTER, JR.,
Lt. Col., FA
Chief Staff Officer.

REF: 1.2.1.1.

HEADQUARTERS ALLIED COMMISSION

APO 794

ECONOMIC SECTION

PRESENT:

Economic Section

MINUTES OF THE ECONOMIC SECTION

8 July 1946

Col. C.W. Walton
Lt. Col. C.G. Webster, Jr.
Lt. Col. R.E. Horn
Capt. Delos De John
Lt. J.W. Durber

Industry & Utilities Branch

Col. H.M. Walker
Maj. L.W. Laughlin
Maj. T.G. Elliott

Food & Agriculture Branch

Lt. Col. F.R. Shapp

CEM Branch

Maj. F.C.G. Bates

Commerce (PT) Branch

Maj. G.A.F. Rotney

Transportation & Shipping Branch

Lt. Col. A.H. Street

VC/Udine Sup Opns Branch

Lt. J.N. Arensberg
Lt. G.Y. Mellin

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Lt. Col. L. Montague

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Maj. T.G. Elliott

Food & Agriculture Branch

Lt. Col. R.F. Snapp

CEM Branch

Maj. F.C.C. Bates

Commerce (FT) Branch

Maj. G.A.P. Rothery

Transportation & Shipping Branch

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1239

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Carlos G. Webster, Jr.
CARLOS G. WEBSTER, JR.
Lt.Col., FA
Chief Staff Officer.

JUL 6 REGD

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

REF: 1.27/ES.

1 July 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 1 JULY 1946PRESENT:

Economic Section	Col.C.W.Walton Lt.Col.Carlos G.Webster,Jr. Lt.Col.R.E.Horn Capt.Delos De John
Industry & Utilities Branch	Major L.W.Laughlin Major T.G.Elliott
CEM Branch	Major Bates
Transportation & Shipping Branch	Lt.Col.W.P.Scoggins
Commerce (FT) Branch	Major G.A.F.Rothey
Food & Agriculture Branch	Lt.Col.R.R. Snapp
VG/Udine Sup.Opns.Branch	Lt. J.M. Arensberg Lt. Gilbert Mellin
Public Relations Office	Lt.Col. L.Montague

Meeting opened at 16:00 hours. Colonel Walton presided.

1. Colonel Walton stated that there were no announced changes in plans for future operations of Allied Commission.

2. Lt.Col.Snapp reported that the food situation in Italy at the present time is excellent. During the month of June some 300,000 to 400,000 tons of the new wheat crop had been delivered to the Ammassi. The price of wheat delivered to the Ammassi is much higher this year, and therefore much more effective insofar as obtaining early deliveries. The price with bonus, up to July 10 is about 3,000 lire per quintale for soft wheat and a little more for hard wheat.

Decision has been made to restore the 2,000 grams pasta ration for July.

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At the present time there is no thought of repaying diversions, since these diversions were made when the UNRRA import program fell considerably behind schedule.

- 2 -

Sugar shipments will be greatly delayed, according to the last reports, but the 100 gram sugar ration will be continued during July.

Col. Snapp reported that a study of the 10-day reports submitted by Venezia-Giulia/Udine over the last 120 day period indicate that the stocks of food on hand and being unloaded now will be enough, if they continue to issue at the same rate as during the last four months, to last nearly a year. This includes such items as meat, fish, milk, fats and oils, dried vegetables and powdered eggs. It is felt that some action should be taken to avoid spoilage of this food in the warehouses. Col. Walton directed that Lt. Col. Snapp give this matter his attention, and if necessary make an inspection trip to Venezia-Giulia/Udine.

Col. Snapp also reported that some food shipments marked for Allied Commission and stored in Naples were completely lost by spoilage. Col. Walton directed that Col. Snapp clear this situation up through UNRRA and the Italian Ministry of Food, since such food shipments have been turned over to UNRRA and the Italian Government and they should not be allowed to assume that the food is A.C. food and let it rot in the warehouses.

It was reported that prices have not changed much.

3. Major Laughlin stated the POL situation was about the same as last week.

Motor gas	60	days' supply
Kerosene	70	" "
Fuel Oil	60	" "
Gas oil	60	" "

There are some indications that the informal meetings held by CIP and the employees' association are making headway and it is hoped that complete settlement will be negotiated.

The production of coal for Sardinia for the month of July will be approximately 73,000 tons. The actual arrivals of coal in June were 129,550 tons. Stock on hand as of 1 July is 370,000 tons, estimated arrivals during July, 450,000 tons; permitted allocations for July 475,000 tons.

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Allied Commission has received information concerning the final agreement on power between France and Italy. The areas of Briga and Tenda Valleys which are reported to go to France will include the hydro plants situated in those areas. It is

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- 3 -

reported that France, however, is to insure that a part of the power output from the plants involved will continue to go to Italy.

4. Major Elliott reported that a tobacco warehouse at Lecce has been derequisitioned during the past week. G-5, AFHQ has confirmed that the U.S. Navy is to take over the Ansaldo plant. Navy Sub-Commission is inquiring into this matter.

5. Capt. De John stated that his work on derequisitioning is limited to derequisitioning other than industrial properties. At the moment his work is largely that of liaison between the requesting party and the military authority. Col. Walton asked that Major Elliott and Captain De John review their activities to determine where, if possible, coordination and consolidation of their activities could be arranged.

6. Lt. Arensberg stated that two cereal ships are due to arrive in Venezia-Giulia/Udine this week. He is suggesting that they follow allocation's made on ship's manifest.

A coal ship is due to arrive from the U.S. about 6 July. No further reports have been received regarding coal shipments from the Ruhr. Notification has been received that loading of Ruhr coal would start about 4 July.

POL allocations have been made by the U.S.T. for Venezia-Giulia XIII Corps for 1000 tons of fuel oil. AFHQ has instructed that AMG Udine get their supply from XIII Corps on loan pending reply from Washington. No answer has been received, but this will be followed up.

7. Col. Walton stated that Lt. Col. Scoggins, Director of the Transportation & Shipping Branch is to leave the Economic Section for duty in Trieste. He expressed appreciation to Col. Scoggins for his services. Col. Walton asked that Col. Scoggins and Col. Snapp try to make an arrangement whereby XIII Corps would supply its own man for the Port Liaison work, thus releasing Capt. Vaughan, Transportation Officer, A.C. for duty here.

8. Major Fates stated that Major Roworth will be leaving the Milan Office of CEM shortly, and Major Strachan-Audas is going on leave to England sometime this week. Lt. Warren will

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be in charge of the Milan Office. Inasmuch as the Milan Office is due to close within a few days Major Bates said he would like to send the Chief Clerk from Rome to Milan to assist in preparing the files for shipment to Rome. Col. Walton concurred.

9. Lt. Mellin submitted the charts showing status of the files of all Branches. Col. Walton enjoined all Directors make every effort to get their files ready for turn-over to Archives.

10. Major Rothery stated that the determination of the items for import into Venezia-Giulia is a major problem at the moment. Reserve Commodity Lists have again been furnished XIII Corps and it is hoped that within a short time this matter will be resolved.

Meeting adjourned at 16:45 hours.

Carlos G. Webster, Jr.
CARLOS G. WEBSTER, JR.
Lt. Col., F.A.
Chief Staff Officer.

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JUN 29 1946

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Chief Comm.

28 June 1946

Ref: ES/15.05/2

Reference is made to minutes of a meeting held 24 June (ES/15.05/2) at 10:00 hours by the Economic Section, Allied Commission, on the subject of supply of guards for ammunition deposits.

The last paragraph on Page 7 of the minutes, stating:

"Colonel Walton, in summarizing, stated that it was agreed the Aversa dump would be taken over on 5 July; that a decision with regard to the disposition of the air force bombs would be made by 5 July, and that immediately following this decision, and not later than 15 July, guards would be provided for the air force bomb depots,"

is modified by the following:

As regards the turning over and guarding of the deposit of airplane bombs, Prof. Rossi declares that it is not possible to accept any obligation until the Italian Government (that is: the Ministers he intends to consult) have taken the decision to accept or not the bombs in question.

This has been communicated by telephone to Colonel Blakeney, G-4, MTOUSA, who agrees that if the Italian Government does not want the air force bombs they will not be expected to furnish the guards. However, he still is of the opinion that assistance from the Italian Government in a disposal program, by dumping or otherwise, will be necessary.

CHARLES W. WALTON
Colonel, A.C.
Acting Vice President

DISTRIBUTION

1 copy to each of the following:

Col. Charles W. Walton, Economic Section, A.C.
Lt. Col. R. E. Horn, Economic Section, A.C.
Col. C. G. Blakeney, G-4, MTOUSA
Col. W. T. Arnold, G-4, AFHQ
Mr. Joseph Meegan, G-5, AFHQ
Col. D. P. Caulkins, O.F.L.C.
Lt. Col. J. J. W. Nicholson, Ministry of Supply
Mr. W. W. Woodall, Ministry of Supply
Prof. Ernesto Rossi, President of A.R.A.R.
Avv. De Marchi, A.R.A.R.
Col. Fausto Monaco, Ministry of War
Luigi Gorbella, Ministry of Industry & Commerce
Salvatore Romano, Ministry of Industry & Commerce
(continued)

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DISTRIBUTION (continued)

Vittor Giacomo Romano, Ministry of Treasury
Major D. S. Strachan-Audas, C.E.M. Branch

Chief Commissioner, Allied Commission
Executive Commissioner, Allied Commission
Land Forces Sub-Commission
Air Forces Sub-Commission
Navy Sub-Commission

U.N.R.R.A. (Attn: Mr. Harlan Cleveland)
Mr. Bombace, Italian Liaison Officer, Allied Commission

1227

Chief Com JUN 27 RECD

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

24 June 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 24 JUNE 1946Present:

Economic Section

Col. C. W. Walton
Lt. Col. R.E. Horn
Lt. Joseph W. Durber

Industry and Utilities Branch

Major L.W. Laughlin
Major T.G. Elliott

CEM Branch

Lt. Col. J. A. Campbell

Transportation and Shipping Branch

Lt. Col. W.P. Scoggins

Commerce (IT) Branch

Major G.A.F. Rotney

VG/Udine Sup. Opns. Branch

Lt. J.M. Aransberg
Lt. Gilbert MellinMeeting opened at 16:00 hours. Colonel Walton presided.

1. Col. Walton asked if there were any business that should be carried forward from last week's meeting. Maj. Laughlin pointed out that he wanted to correct the figure given in sub-paragraph 2, paragraph 8, of the minutes of 17 June 1946 pertaining to the storage reservoir position in central Italy from 6 million to 12 million. The figure of 6 million KWH was the position on 1 April 1946 and 12 million KWH is the present position.

2. Col. Walton commented on discussions held last week concerning AC's functions ceasing and the creation of a newly named section of AFHQ in Rome. Whereas AC acted in an advisory capacity to the Italian Government, there may now be a consolidation of the 3 sub-commissions under one head, with a group whose job it will be to carry on supply functions for A.M.C. territory, supply functions as regards non military, such as food, supply for displaced persons, channel for finance

1226

-2-

questions, and commerce between AMG and the Italian Government and between AMG and other nations. Under this there are tentatively provided 9 American and 9 British officers which would result in about the same strength as the Econ. Section, except that now we do have more than 9 British officers.

3. Major Othey commented on a newspaper article regarding the 4 Embassies taking over 3 months after the signing of the peace treaty in Paris.

4. Col. Walton inquired if any officers or branches had outside telephone lines and the response was negative.

5. Col. Walton inquired if each Branch is working on files for the archives. Response affirmative. Maj. Laughlin reported that Public Works and Utilities files could be ready in a day's time. CEN Branch is about 40% ready and Supply Operations can turn in its files very soon. Lt. Darber reported that there are some enlisted men available for helping on the files and Col. Walton suggested that this matter be mentioned to Lt. Col. Snapp as he needs assistance on his files.

6. Major Laughlin reported that the P.O.L. situation remains the same as for last week with the exception of gas oil which has been increased from 45 to 60 days' supply. This increase now places all P.O.L. stocks in a satisfactory condition. With regard to the C.I.P. petroleum workers' strike, conferences have been held and a formal meeting is to take place at the end of June 1946.

The coal allocations for July are set at 390,000 tons. This compares with the June allocations totaling 425,000 tons.

It is expected that 30 ships will be cleared from U.S. ports during the second half of June, which equals approximately 200,000 tons. The target for June is 289,000 tons and the target for July is 365,000 tons.

7. Lt. Arensberg reported that USFET had contacted Washington saying they were loading 4 ships of coal from the Ruhr for V/G requirements-- about 32,000 tons.

8. Major Elliott commented on the threatened derequisitioning of the Ansaldo works; also that Major Polish plants are clearing out and disbanding.

- 3 -

9. Lt. Col. Seegins said that it is expected that the rail line from Bologna to Padova will open 1 July giving a direct route to Venice.

10. Lt. Durber reported that American officers in Rome, Naples, Udine, and other territories should check with the Central Dispatch office in each city before departure as often military personnel will be coming to the same destination and there might be available space. Written directive to follow.

11. Major Rothery reported on the fruit and vegetable situation. USFET stated that a contract for supply of fruits and vegetables for Austria had been held up at Bolzano, but it has never been clarified. MTOUSA knows about this contract and asked that a weekly shipment of 1,100 quintals be cleared. The method of payment will be reopened and Major Rothery reported that a letter is being prepared on the history to send to MTOUSA. There is a possibility of non-shipment of these goods and second, non-payment of wines and spirits shipped to Germany.

12. Lt. Arensburg, in Lt. Col. Snapp's absence, reported that the harvest has improved. 141,000 tons are the estimated stocks on hand for 1 July and the arrivals are 80,000 tons. The prices do not seem to change much.

13. Col. Walton reported that with the HQ Commandant he had visited the AC mess and that it was adequate insofar as the charge of 11 Lire per head. The main objection is more of a social one; the females probably do not enjoy eating downstairs as the laborers are fed first. Many of the young women do not eat down there. Under the circumstances, the mess is not as bad as we thought it was last week.

The meeting adjourned at 4:45 p.m.

C. G. Webster
CARLOS G. WEBSTER
Lt. Col. PA.
Chief Staff Officer.

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

24 June 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 24 JUNE 1946

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Lt. Col. R.E. Horn
Lt. Joseph W. Durber

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Major L.W. Laughlin
Major T.G. Elliott

OEN Branch

Lt. Col. J. A. Campbell

Transportation and Shipping Branch

Lt. Col. W.P. Scoggins

Commerce (FT) Branch

Major G.A.F. Rothe

VG/Udine Sup. Opns. Branch

Lt. J.M. Arensberg
Lt. Gilbert Mellin

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3. Major Othey commented on a newspaper article regarding the 4 Embassies taking over 3 months after the signing of the peace treaty in Paris.

4. Col. Walton inquired if any officers or branches had outside telephone lines and the response was negative.

5. Col. Walton inquired if each Branch is working on files for the archives. Response affirmative. Maj. Laughlin reported that Public Works and Utilities files could be ready in a day's time. CEM Branch is about 40% ready and Supply Operations can turn in its files very soon. Lt. Darnall reported that there are some enlisted men available for helping on the files and Col. Walton suggested that this matter be mentioned to Lt. Col. Snapp as he needs assistance on his files.

6. Major Laughlin reported that the P.O.L. situation remains the same as for 1st week with the exception of gas oil which has been increased from 45 to 60 days' supply. This increase now places all P.O.L. stocks in a satisfactory condition. With regard to the C.I.P. petroleum workers' strike, conferences have been held and a formal meeting is to take place at the end of June 1946.

The coal allocations for July are set at 300,000 tons. This compares with the June allocations totaling 425,000 tons.

It is expected that 30 ships will be cleared from U.S. ports during the second half of June, which equals approximately 200,000 tons. The target for June is 289,000 tons and the target for July is 365,000 tons.

7. Lt. Arensburg reported that USFET had contacted Washington saying they were loading 4 ships of coal from the Ruhr for V/G requirements-- about 32,000 tons.

8. Major Elliott commented on the threatened derequisitioning of the Ansaldo works; also that Major Polish plants are clearing out and disbanding.

- 3 -

9. Lt. Col. Scoggins said that it is expected that the rail line from Bologna to Padova will open 1 July giving a direct rout to Venice.

10. Lt. Darber reported that American officers in Rome, Naples, Udine, and other territories should check with the Central Dispatch office in each city before departure as often military personnel will be coming to the same destination and there might be available space. Written directive to follow.

11. Major Rothery reported on the fruit and vegetable situation. USFET stated that a contract for supply of fruits and vegetables for Austria had been held up at Bolzano, but it has never been clarified. MTOUSA knows about this contract and asked that a weekly shipment of 1,100 quintals be cleared. The method of payment will be reopened and Major Rothery reported that a letter is being prepared on the history to send to MTOUSA. There is a possibility of non-shipment of these goods and second, non-payment of wines and spirits shipped to Germany.

12. Lt. Arensberg, in Lt. Col. Snapp's absence, reported that the harvest has improved. 141,000 tons are the estimated stocks on hand for 1 July and the arrivals are 80,000 tons. The prices do not seem to change much.

13. Col. Walton reported that with the HQ Commandant he had visited the AC mess and that it was adequate insofar as the charge of 11 Lire per head. The main objection is more of a social one; the females probably do not enjoy eating downstairs as the laborers are fed first. Many of the young women do not eat down there. Under the circumstances, the mess is not as bad as we thought it was last week.

The meeting adjourned at 4:45 p.m.

C. G. Webster
CARLOS G. WEBSTER
Lt. Col. FA.
Chief Staff Officer.

1223

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Chief Comm.

24 June 1946

ES/15705/2

A meeting was held on 24 June at 10:00 hours by the Economic Section, Allied Commission, on the subject of supply of guards for ammunition deposits.

PRESENT:

Economic Section

G-4, MFOUSA

G-5, AFHQ

G.F.L.C.

Ministry of Supply

A.R.A.R.

Ministry of War

Ministry of Industry & Commerce

Ministry of Interior

Ministry of Treasury

G.E.M.

Col. Charles W. Walton
Lt. Col. R. E. Horn

Col. C. G. Blakeney

Col. W. T. Arnold
Mr. Joseph Meegan

Col. D. P. Caulkins

Lt. Col. J. J. W. Nicholson
Mr. W. W. Woodall

Prof. Ernesto Rossi
Avv. De Marchi

Col. Fausto Monaco

Luigi Gerbella
Salvatore Romano

Roberto Scandaliato

Vittor Giacomo Romano

Major D. S. Strachan-Audas

Colonel Walton presided.

Colonel Walton stated, by way of review, that because of redeployment of Allied troops there is an increase in the volume of surplus material to be turned over to the Italian Government through A.R.A.R., which includes ammunition. It is necessary to have a rapid turn-over because, (a) it will be helpful to Italian economy and, (a) because of the reduction in Allied Forces. The meeting today is to be confined to the discussion of the turn-over of ammunition deposits. Some of the questions to be discussed are:

- (a) What deposits remain to be turned over?
- (b) How many guards are needed for these deposits?
- (c) Can A.R.A.R. assume this responsibility?

122?

558/2

- 2 -

(d) Will the new civil guard corps be able to assume the responsibility, and when?

(e) Are there any other guards available?

Colonel Walton then asked for a statement from the Americans and the British as to what depots (ammunition) remain to be turned over.

Colonel Blakeney, C-4, stated that the Americans have approximately 49,000 tons of air force bombs at Accera, Bari and Manfredonia. In addition there are, roughly, between 6,000 and 7,000 tons of artillery shells, motor projectiles and other ground force ammunition at Aversa. The present commitment of guards is 75 at Accera, 180 at Bari, 50 at Manfredonia, and 224 at Aversa. The American Forces have made a study of the number of guards required and it is felt that 178 total for the Accera, Bari and Manfredonia dumps would be sufficient. Two hundred would be required at Aversa -- or a total of 378 guards for the American depots to be turned over. Colonel Blakeney asked Prof. Rossi if this ammunition were turned over, say 1 July, how long it would take to de-militarize the ammunition and break it down into usable components.

Prof. Rossi said this would depend on the total ammunition turned over by both the Americans and British.

Colonel Walton then asked for a statement of the British ammunition to be turned over.

Lt. Col. Nicholson, Ministry of Supply, reported that the British have already turned over some 50,000 tons, which is now guarded, while there remains only about 5,000 tons to be turned over. It is planned to hand this in at Ancona, furnishing the necessary transport to Ancona. There is already a guard at Ancona, but an extra guard commitment of some 30 to 40 guards may be required.

Colonel Walton asked whether C.E.M. will be making any further turn-overs.

Major Strachan-Audas reported that some 300 small dumps have been turned over in North Italy and guards have been provided. The remainder will be almost negligible.

Colonel Walton summed up the ammunition turn-over to be some 55,000 tons of British ammunition; about the same quantity of American, and an unknown quantity of CEM, or well over 100,000 tons of ammunition in all. He then asked Prof. Rossi, if on the basis of these figures, he would care to answer Col. Blakeney's previous question of how long it would take to de-militarize and break down the ammunition for industrial uses.

Prof. Rossi said that he could not answer that question today because there is the question of whether the air force bombs could be held separately since they are less important to the economy, and whether they will want to take over the air force bombs.

- 3 -

Colonel Walton said he would like to know what the attitude of Italian industry now is with regard to de-militarization of this ammunition. It would seem that in the past few months there is less interest shown.

Prof. Rossi stated that if they can guard this ammunition it could be useful, but it all revolves around the problem of guards.

Colonel Blakeney stated that what he was interested in determining was roughly whether it would take one year, two years, or three years to de-militarize this ammunition.

Mr. Woodall said that the British felt that the rate which ought to be maintained is the rate of break-down achieved in the early days when industry was enthusiastic. In those days a rate of 600 tons per day, per depot was achieved, and it was felt this was a fair rate. On this basis we could figure how long it would take to break down the total.

Prof. Rossi pointed out that this rate was achieved at Nola where there was good equipment and only one type of ammunition involved. Now they have to plan for all different kinds of ammunition, and it may take many months to get the necessary equipment. He asked whether the amounts previously stated were all that would be turned over.

Colonel Blakeney said that as long as it was necessary to maintain forces in Venezia-Giulia there would be no additional ammunition turned over insofar as the United States is concerned. At the conclusion of this commitment in Trieste there will be additional ammunition, but it cannot be stated in what amount.

Prof. Rossi said that he would like a chance to talk with the other interested Ministers, but he felt that he could make the statement for them, that so far as they (A.R.A.R.) are concerned the air force bombs could be dumped into the sea.

Colonel Blakeney asked what help the Italian Government would give in accomplishing this mission.

Prof. Rossi replied that they could give no help; that it would probably be necessary for the Allies to take care of it as they have done at Naples, Bari and Livorno.

Colonel Blakeney pointed out that circumstances have changed, and that if the Allies did do the dumping the Italians should furnish free use of railroads, free use of ports and the required ships. Colonel Blakeney stressed that these were not commitments, since he was "thinking out loud", but he felt these would be at least part of the requirements.

1221 Prof. Rossi said that as far as its being free of charge the Ministry of Treasury would undoubtedly agree, but to provide the material means would be difficult.

- 4 -

Colonel Blakeney said that the Americans might be able to furnish trucks and some personnel, but they had no ships. In attempting to arrive at the number of ships necessary, Colonel Blakeney said that as he remembered in a previous dumping program something like 2,000 tons were dumped using four schooners in about a week. Prof. Rossi indicated that the Italians could not furnish the ships for such an operation.

Mr. Woodall, speaking for the British, stated that so far as they were concerned the air force bombs had already been turned over to the Italians and are being guarded by them. Whatever they decide to do with them is entirely up to the Italian Government and they can expect no help from the British Army authorities. The British Army authorities have already dumped the ammunition they felt necessary and the rest is up to the Italians.

Colonel Walton stated that it would seem the physical means is going to be difficult no matter who undertakes a further dumping program. Whether the Italian Government advises, as they felt before, that these bombs would be useful or not, it is doubtful whether we are getting very far here discussing the matter because guards are required in any case. Suggest letting the question of dumping into the sea or utilizing them rest with the Government.

Prof. Rossi agreed that this is a question for the Council of Ministers.

Colonel Blakeney pointed out that the American Forces have been holding and guarding this air force ammunition for the Italians for more than six months, because the Italians had said they wanted it. It could have been dumped a long time ago.

Avv. De Marchi said that even though the request for such material is much less now, it could be used but there is the big problem of danger to the population.

Prof. Rossi asked if Allied Commission could give any help in organizing and getting the Armed Forces ceilings raised for additional guards.

Colonel Walton stated that in the last meeting General Hamblen had said it was useless to talk about that, and his statement should be taken as final.

Avv. De Marchi said that on the basis of the figures presented today, which were much less than expected particularly on the British side, it would seem that the problem is much simpler.

Colonel Walton pointed out that the total guards necessary would appear to be 418, and asked if A.R.A.R. could provide these necessary guards.

Prof. Rossi asked if they could have more information as to the exact location of the air force bomb dumps, and how far they are from the ports.

Colonel Blakeney replied that Accora is about 20 miles from Naples, but Naples cannot be used for dumping. It is about the same distance from the sea for Bari and Manfredonia. There are about 17,000 tons at Accora, 17,000 tons at Bari and the balance at Manfredonia -- about equally divided.

- 3 -

Colonel Walton again asked whether A.R.A.R. thought it could provide the necessary guards.

Prof. Rossi said that he thought so -- as far as the guards are concerned in the figures presented. He asked if the Italian Government put the ships at the disposal of the Americans, would the Americans be able to do the actual dumping into the sea?

Colonel Blakeney said that he thought we could probably give some assistance, but he was not sure as to how much. He suggested that Prof. Rossi discuss this matter with him if a decision to dump is reached, but the immediate problem is to get guards on these ammunition depots. If a decision is made to dump the air force bombs it will have to be made quickly because the American Forces are getting smaller and smaller.

Prof. Rossi asked if he could have a list of the types of bombs, and Colonel Caulkins stated they had a breakdown available for A.R.A.R. in his office.

Prof. Rossi asked if the chemical composition was indicated on this breakdown. Colonel Caulkins said the list did not include a chemical breakdown but just the amount of powder, steel, brass, etc. Colonel Caulkins said it probably would be possible to get this from Ordnance if urgent, and Prof. Rossi indicated he would like to have these details as soon as possible so that they could get their experts to work on it.

Colonel Walton asked if we could assume the Italian Government would furnish the guards?

Avv. De Marchi said that they would furnish the guards with the exception of the air force bombs.

Colonel Walton stated that we realized this was only one of A.R.A.R.'s problems, but the matter of guarding the ammunition was an important one, and in order for Colonel Blakeney to go ahead with any program it is necessary to settle the problem of guards.

Prof. Rossi said that from a technical point of view it is a problem and guards will be provided, but there is the question of whether A.R.A.R. will take over the air force bombs.

Colonel Walton then pointed out that the air force bomb depots were included in the estimated number of guards required.

Prof. Rossi said that as a technical problem it could be solved, but A.R.A.R. doesn't want to provide guards if they decide not to take over the air force bombs.

Avv. De Marchi pointed out that it is a commercial problem as well as a technical one, and it will undoubtedly be decided this coming week.

Colonel Blakeney said there is no question but what the ground force

- 6 -

ammunition at Aversa is desired. Therefore he would like to turn over the depot at Aversa at once, and let the matter of air force bomb depots wait for a week or 10 days until a decision is reached. He pointed out that the Italian Government has asked for the release of certain Italian troops working with the Allies, but it is not possible to release these troops as long as there is such guard duty to be performed.

Prof. Rossi asked how soon the Italian Government would have to take over the Aversa dump.

Colonel Blakeney stated that the Allies were a little disappointed that the carabinieri were not able to take over the depots in Naples on the 15th, but that they are pleased that they will take over on the 27th of June. It is absolutely essential that the Aversa dump be taken over just as soon as possible -- 1 July should be the outside date. We are just going to have to abandon it if the guards aren't there because we just don't have the people.

Prof. Rossi asked if it would be possible to have at least 10 days.

Colonel Blakeney agreed to setting 5 July as the date for taking over the Aversa dump and 5 July for a decision as to what is going to happen to the air force bombs. He asked when it would be possible to set a date for taking over the guard responsibility on the air force bombs.

Prof. Rossi said that in order to make a decision on the air force bombs they need the data on chemical composition.

Colonel Blakeney said he would have an expert in Rome tomorrow with this information.

Avv. De Marchi said 5 July as a date for the Aversa plant and a decision on the air force stuff was O.K., but the question of guards for the bombs is a question which must be considered by the Italian Ministries.

Prof. Rossi asked whether the guards could be armed.

Lt. Col. Horn stated that Public Safety has ruled that no automatic weapons will be allowed. Guards may carry the ordinary carbine, but it is not desirable to arm civilian guards with automatic weapons.

Prof. Rossi asked if the problem of guards could be examined independently of the guards necessary for the ammunition depots.

Colonel Blakeney said he wished to discuss this so far as the United States is concerned.

Colonel Monaco said he was asked to point out that the Ministry of War would like to avoid keeping soldiers away from their ordinary training and schedule on guard duty, and substitute civilians for military guards.

- 7 -

Colonel Blakeney stated that as long as the U. S. Army has the responsibility it will use Italian military guards. They are now under the control of the U. S. Army and will be used so long as necessary. As for the entire problem as far as the United States Forces are concerned, it is this: The Italian Government has agreed to take over the Naples Ground Force Depot by the 27th of June. There is a depot at Naples containing air technical supplies, that is largely spare parts for airplanes, which will be ready for turn-over on 30 June and will require 56 men. There is an Ordnance Depot at Caserta, presently manned by Air Force personnel, containing trucks, spare parts, and miscellaneous ordnance items. It will be ready for turn-over on 31 July and will require 72 men. There are three depots in Leghorn in which property has been segregated as surplus. One is an engineer's depot, 1 an ordnance vehicle depot, and 1 scrap depot. It is estimated that 75 men will be sufficient and this will be ready for turn-over about 15 July. That is all at the present time. There will be no additional requirements. Not all the material in these depots has been accepted by the Italian Government by signature, but the major part has been.

Colonel Walton stated that the Italian Government has been furnished with a list of the CEM material so far as it is known.

A summary of the necessary guards follows:

Accora, Bari, Manfredonia	178	guards
Aversa	200	"
TOTAL for U.S.	378	"
Arcona	TOTAL ADDITIONAL FOR BRITISH	40
		418

Additional U. S. FORCES DEPOTS

Naples Air Force Technical Depot	56	"	30 June
Air Force Ordnance Depot, Caserta	72	"	31 July
1 Engineer Depot, 1 Ordnance Vehicle Depot, 1 Scrap Depot, Leghorn	75	"	15 July
GRAND TOTAL	621	"	

Colonel Blakeney emphasized that these are the United States Army's best estimates both as to turn-over dates and as to number of guards required, and the estimated number of guards is the minimum number;

Colonel Walton, in summarizing, stated that it was agreed the Aversa dump would be taken over on 5 July; that a decision with regard to the disposition of the air force bombs would be made by 5 July, and that immediately following this decision, and not later than 15 July, guards would be provided for the air force bomb depots.

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MEETING ADJOURNED AT 11:45 A.M.

Charles W. Walton
CHARLES W. WALTON
Colonel, A.C.
Acting Vice President

DISTRIBUTION

1 copy to each of the following:

Col. Charles W. Walton, Economic Section, A.C.
Lt. Col. R. E. Horn, Economic Section, A.C.
Col. C. G. Blakeney, G-4, MIOUSA
Col. W. T. Arnold, G-5, AFHQ
Mr. Joseph Meegan, G-5, AFHQ
Col. D. P. Caulkins, O.F.L.C.
Lt. Col. J.J.W. Nicholson, Ministry of Supply
Mr. W. W. Woodall, Ministry of Supply
Prof. Ernesto Rossi, President of A.R.A.R.
Avv. De Marchi, A.R.A.R.
Col. Fausto Monaco, Ministry of War
Luigi Gerbella, Ministry of Industry & Commerce
Salvatore Romano, Ministry of Industry & Commerce
Vittor Giacomo Romano, Ministry of Treasury
Major D. S. Strachan-Audax, C.E.M. Branch

Chief Commissioner, Allied Commission
Executive Commissioner, Allied Commission
Land Forces Sub-Commission
Air Forces Sub-Commission
Navy Sub-Commission
U.N.R.R.A.

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

17 June 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 17 JUNE 1946

Present:

Economic Section

Col. C.W. Walton
Lt. Col. C.G. Webster
Lt. Col. R.E. Horn
Lt. Joseph W. Durber

Industry and Utilities Branch

Major L.W. Laughlin
Major T.G. Elliott

CEM Branch

Lt. H.D. Phillips

Transportation and Shipping Branch

Lt. Col. W.P. Scoggins

Food & Agriculture Branch

Lt. Col. R.R. Snapp

Commerce (FT) Branch

Major G.A.F. Rothery

VG/Udine Sup. Opns. Branch

Lt. J.M. Arensberg
Lt. Gilbert M. Mollin

Executive Commissioner's Office

Capt. Delos DeJohn

Meeting opened at 16:00 hours. Colonel Walton presided.

1. Col. Walton asked for a report on the Italian Government's provision of guards for property taken over from the British and U.S. Army surplus. Lt. Col. Horn stated that a full report was to be submitted by the Italian Government tomorrow, but that at the moment it does not appear that the Government will be able to furnish sufficient guards.

2. Col. Walton called to the attention of all Branch heads a recent report issued by UNRRA covering the last year's operations. Col. Webster is to obtain additional copies and have them distributed to the Branches.

3. It was reported by Col. Walton that AFHQ has stated they will no longer advance food to Displaced Persons, and that AFHQ has directed us to advise the Italian Government to this effect and get the Italian Government to deliver the necessary requirements prior to the beginning of the succeeding month. Colonel Snapp is to discuss this matter with Colonel Finlay and take the necessary action.

4. Lt. Arensberg stated that a history has been written and submitted to Colonel Walton covering the activities of the VG supply line. It shows that on food about 50% of the wheat and flour, which comprises 5/6ths of the tonnage, has actually arrived. The supply of coal is very low. On the whole it is not a very good picture.

The recent loan of coal to VG from the Lou Gehrig has been negotiated.

5. Colonel Walton stated AFHQ is again questioning position that VG can't use powdered eggs and requesting investigation. Colonel Snapp was asked to look into the previous disposition of this question and make a proper report.

6. Colonel Webster stated that all monthly reports have been received.

7. Major Campbell reported that in the past week a large jam factory in Naples has been derequisitioned, and a service station has been derequisitioned, in Sorrento.

8. Major Laughlin stated that the POL situation is practically the same as last week except that the gas oil supply has risen from 30 to 40 days' supply. There is no new information with regard to the CIP strike. The importation of coal is indefinite. The only information available is that shipping has not yet normal since the ending of the coal strike in the States.

The storage reservoir of power in the North, as brought up at the last meeting, is 680 millions as of 2 June which represents 55% of the storage capacity in Northern Italy and is therefore considered better than average. Major Laughlin stated that this storage will continue to increase. Southern Italy has reached its peak and is now starting on a decline. The position in Central Italy is 6 millions on hand, which is low, but the supply from North Italy and the new units which will soon be working will help to offset the deficiencies. Under the present conditions it is anticipated that power will have to be rationed again this winter in Central and Southern Italy.

Major Laughlin reported that at the meeting with the Army and Navy on armament factories there were no specific conclusions. The Services had all made returns on Italian factories that had been producing armaments. The Air Forces said all of their could be converted to peacetime uses; the Army said not all; the Navy wasn't sure. A letter is being drafted for the Chief Commissioner requesting expert technical assistance is a more detailed report is required.

9. Col. Snapp stated the food situation has not changed a great deal. The harvest is moving along and the new wheat is now available. UNRRA expects a shipment of 20,000 tons of sugar to be loaded in June and July which they say will enable a raising of the ration and will carry them through until the sugar crop is available here in November. The estimates on the sugar crop have been reduced because of lack of good seed, but the crop, it is estimated, will still be sufficient to maintain the 200 gram ration.

Orders have been given to have all stored food in port warehouses moved to the Provinces for distribution.

Colonel Walton asked Colonel Snapp to inquire at UNRRA regarding the amassing plans and development of a distribution system which is under discussion now with UNRRA's regional staff.

Colonel Snapp stated that the decree has been passed maintaining the same family retentions on all cereals except rice which has not yet been announced.

The Ministry of Agriculture is now taking steps to provide proper seed supplies for next year's crops. The Ministry also reports that the farm machinery and AC tractors which had been in storage have all been distributed and are in use. This was accomplished through the Consorzio and not through local distributors. Some 40 tractors remain in a central pool. There is to be a demonstration of American farm machinery at Bologna next Sunday. Colonel Snapp will attend this meeting and make a report.

It is reported that the grasshopper damage in Sardinia is relatively small and that the control measures taken by UNRRA were most effective.

Colonel Snapp stated there have been complaints from his civilian employees regarding the AC Mess, and he asked that some action be taken to try and improve the conditions.

UNRRA is reporting to Colonel Snapp, from time to time regarding RA supplies received in ports on which no notice has been received. Colonel Walton directed Lt. Arensberg to go into this matter with Colonel Snapp and UNRRA and try and get full details and information to regulate shipment and distribution of those supplies.

10. With regard to the AC Mess Colonel Walton asked Capt. DeJohn for any information available. Capt. DeJohn stated that at the time he was working in Headquarters Supply the problem largely revolved around inadequate rations and the low charge to employees. He suggested that in view of the reduced number of people served that ~~1247~~ might now consent to some arrangement whereby AC employees could eat at the UNRRA mess.

11. Colonel Scoggins stated that the due to relaxation of controls on transportation AFHQ has been now authorized ICETO to deal directly with AFHQ.

12. Major Rothery reported that the Italian Government has published a statement to the effect that they propose to resume temporary imports of sugar under the old law. While no mention was made of how it would be controlled, they have stated they intend to control imports.

The exchange problem in VG/UD is in a state of flux, XIII Corps now forwarding their "interpretations" to AC, while it is understood the original arrangement was for the military to follow along with the Italian Government. Major Rothery is now giving this matter full and detailed attention and report will be submitted promptly.

13. Capt. DeJohn drew attention to the mimeographed letter sent by the Executive Commissioner to G-5, AFHQ on the general policy of requisitioning.

The meeting adjourned at 5:15 P.M.

Carlos G. Webster
CARLOS G. WEBSTER
Lt. Col. FA.
Chief Staff Officer

TRANSLATION

ENDIMEA
ENTE NAZIONALE DISTRIBUZIONE MEDICINALI DEGLI ALLEATI

The General Manager
VDJ/en
1266/0071

RESTRICTED PERSONAL

Rome 21 May 1946.

Dear Admiral,

I have the honor of submitting to you the minutes of the ordinary General Assembly of the members of ENDIMEA and the report of the Company's Board of Administration about the first 15 months' activity under the present management and the pertaining balance.

ENDIMEA is really not wellknown or the informations concerning it are not quite exact. The data and informations given in said report without any partiality, put in evidence the actual work of the organization, the difficulties it met, the prospects and necessities for the future.

I trust that you will honor the document I am sending you of your attention and consideration, while I remain at your complete disposal for supplying you any further information you may eventually need and thanking you as

Respectfully yours

/s/ Vittorio de Jorio

1 Encl. — Ecco Lee

Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome.

RC DIST - 29 May

ACTION. RECON SEC (2)

INFO. CC

RC

23 May

SIR:

Colonel Ross will arrive Rome 23 May (AM)
from Treviso. (Phone conversation 1430, 22 May,
Col Ross - Lt Col Neprud).

Lt Col Neprud will report to you this AM with
data as requested.

1245
See file

JGR

MAY 22 1946

HEADQUARTERS
MEDITERRANEAN THEATER OF OPERATIONS
G-5 Section
APO 512 U.S. Army

7389

G-5: 337-5

20 May 1946

MAY 22 1946

SUBJECT: Special Conference

TO : Headquarters, Allied Commission,
(Attn: Chief Commissioner),
APO 791

Reference letter Headquarters MTO, above subject, file
AG 337/0120-0, dated 17 May 1946, which convenes on 22 May 1946,
a special conference to consider the MTO troop basis, and which
desires the presence of the Chief Commissioner. It is not neces-
sary that the Chief Commissioner attend this conference. It is
desired however that the Commanding Officer 2075 Regiment attend
as an advisor of the Commanding Officer RAC.

BY COMMAND LIEUTENANT GENERAL LEB:

*seen by CC
1946*

[Signature]
A. L. HAMBLEY
Brigadier General, G.S.C.
Assistant Chief of Staff, G-5

23 May 46

Gen. James' office stated the CC would attend (phone conv. 1000 hrs).

1: Hambley - Adv. Stone phone conv. 1045 hrs

12:14 gen. LEB attendance not required

Admiral Stone will not attend

EC DIST - 22 May

ACTION - CC

INFO - EC

- EX OFFER (A)

SECRET**SECRET**

AF 75

HEADQUARTERS
MEDITERRANEAN THEATER OF OPERATIONS
UNITED STATES ARMY
APO 512

MAY 20 RECD

23

1115

AG 337/012 C-0

.....
: **SECRET** :
: Auth: CG, MTOUSA :
: Initial :
: Date: 17 May 1946 :
:.....

SUBJECT: Special Conference.

TO: Commanding General, 88th Infantry Division, APO 88
Commanding Officer, Peninsular Base Section, APO 782
Commanding Officer, Rome Area, MTOUSA, APO 794
Commanding Officer, Naples Air Force General Depot, APO 523
Commanding Officer, American Graves Registration Service,
Mediterranean Theater Zone, APO 794
Commanding Officer, Headquarters Command, MTOUSA, APO 512
Chief Commissioner, Allied Commission, APO 394

1. Due to increased Theater commitments and delays in accomplishing liquidation, it becomes necessary to restudy the Theater troop ceiling for 1 July 1946.
2. It is desired that all addressees, together with such staff officers and/or advisors as necessary, assemble by 0845 hours 24 May 1946 in the G-3 AFHQ War Room at Headquarters, MTOUSA, Caserta. The special conference will immediately follow the "Theater Commander's Conference."
3. Attached hereto is the agenda for the conference.

BY COMMAND OF LIEUTENANT GENERAL LEE:

1 Incl
Agenda

Ralph C. Tilley
RALPH C. TILLEY
Colonel, AGD
Adjutant General

DISTRIBUTION:

1213 3 - each addressee
1 - CG MTOUSA
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1 - G-2
1 - IG
1 - G-3, MTOUSA
1 - G-3, AFHQ
1 - G-4
1 - G-5

1 - AG
1 - JAG
1 - OFLC
1 - PRO
1 - SSO
1 - Liaison
1 - SIG
1 - Engr
1 - Fiscal

EC DIST - 20 May

ACTION - Chief Comm.

INFO - Ex. Comm.

- EX OFFR (A)

SECRET**SECRET**

SECRET
SECRET

AGENDA FOR SPECIAL CONFERENCE 24 May 1946

I. Purpose: To determine whether or not the present troop ceiling for 1 July 1946 is sufficient to meet theater requirements.

II. Discussion:

1. Numerous requests for additional overhead spaces and for T/O units have been made by major commands and staff sections.

2. Justifications from the using agencies for additional personnel point out the presence of unforeseen obligations and obstacles in previous phase out estimates. Taken individually they appear to have merit. Taken collectively, they denote that the Theater phase out schedule is not being met.

3. Before any increase in T/O units or extension of their phase out can be approved, and before additional overhead spaces can be allotted, the theater must have authority from the War Department to increase the troop ceiling for 1 July, 1946.

4. It is the Theater Commander's policy to remain within the present 1 July troop ceiling if at all possible. Therefore, only units and spaces which are absolutely necessary will be considered. Every effort must be made by all commanders and staff sections to keep their personnel requirements to the absolute rock bottom minimum.

5. The maximum reduction and consolidation must be effected. With this in mind interested commanders and staff sections will be prepared to discuss:

a. Disband Hq, PBS, augment 10th Port Hq (or similar unit) the minimum amount necessary to assume general administrative responsibility for present PBS units. All policy and control functions to be transferred to Hq, MTOUSA. Inactivate all T/O units made surplus by this disbandment. Alternate plans may be prepared.

b. Eliminate Hq & Hq Command, Rome Area, MTOUSA. Retain Service Company (with minimum augmentation) to administer residual units now assigned or attached, and to continue present rest and leave facilities in Rome. A small U.S. liaison group to be with British Rome Area to represent the Theater Commander in all matters pertaining to U.S. civilian and other agencies. Alternate plans may be prepared.

6. Interested commanders and staff sections be prepared to discuss requirements made necessary by:

a. Construction of VHB bases.

b. Flagstone commitment.

1212

-1-

Incl 1 to Ltr Hq MTOUSA, File AG 337/012 C-O dtd 17 May 1946

SECRET

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SECRET

- c. Retention of German SEP. Flagstone commitment.
- d. Return of 442nd Inf. to U.S.
- e. Delay in closing out Naples area.
- f. Late arrivals of replacement personnel for new units, especially colored personnel.
- g. Delay in turnover of surplus property to OFIC.
- h. Delay in disposal of ammunition.
- i. Delay in turn over of functions from ALCOM to UNRRA and Embassy.
- j. Delay in settlement of United States claims.
- k. AFS personnel required to operate OM sales stores.
- l. Necessity for more personnel to process replacements to and from the theater.
- m. Other commitments which major commands and/or staff sections have assumed.

n. All major commanders and staff sections are reminded that any increase in the troop ceiling will result in an increase in colored strength. Present colored strength approved by War Department is 12.5%.

SECRET

Incl 1 to ltr Hq MTOUSA, 10 AG 337/012 C-O, dtd 17 May 1945 (cont'd)

SECRET

ECON 463

H/ 1931

APRIL 111900A

APRIL 121500

ACABRIT VIENNA FROM GENERAL WINTERTON

OF PRIORITY

ATHQ ALCON, INFO: HQ BTA 13 CORPS MOVEMENTS TRIESTE FOR CAPTAIN ROSE FOR
GENERAL TUIF

UNCLASSIFIED:

1. AM sending representatives from Economic and Finance Divisions to Venice to take opportunity presence there AMHQ and Alcon representatives on UNRRA Conference on 15 th April to discuss financial arrangements for use of Tarvisio/Trieste line and Port of Trieste for general export and import purpose I & for Austrian world trade.
2. Consider it now matter of urgency to set up arrangements on lines as normal as possible and to clear ground without delay for possible Italo-Austrian talks in this regard.
3. Representatives will be Lt Col HANSEN Economic and Lt Col BACK Finance who are also joining Transport Division representatives for railway discussions at Villach on 17th April. They will require visit Trieste for discussions with Port Detachment.
4. Would be grateful if AMHQ and Alcon representatives attending UNRRA Conference could be Briefed on this subject.

AC BIST

ACTION - TWTN BR
FINANCE BR
INFO - CHIEF COMMISSIONER
EC COMM
ECON SEC 2
FILE 2
FLOAT

1210

RAC 4897/117

H/1917

APR 111130B

APR 120900
ROUTINE

BMM ROUMANIA

TROOPERS ALLIED COMMISSION ROME

INFO: BMM HUNGARY BULGARIA

RESTRICTED

RESTRICTED.

1. AT ACC COS meeting held 9 Apr general Viogradov stated a report which I had heard to the effect that ACC proposed (?) to place MA under control of CASBI (the Roumanian organisation charged with custody of enemy property under article 8 of armistice) all Italian property in this country was incorrect. The ACC proposed to prepare complete lists Italian property in connection with coming peace conference but not to hand property over to CASBI.
 2. For addressees other than Rome. Records other points discussed follow by bag.
- 558/ce

AC DIST.

ACTION: EX COMMISSIONER

INFO: CHIEF COMMISSIONER

ECON SEC

FINANCE BR

FILE 2

FLOAT

1200

RESTRICTED

TRANSLATIONSecret

Rome, 9 April 1946.

From trustworthy quarters it is learned that on 27 March 1946 in Milan took place a secret meeting of the Executive committee of the Italian Communist party, during which precise instructions to be carried out immediately after the referendum of 2 June were agreed upon.

- 1) To suppress all members of the House of Savoia and of the Royal household;
- 2) To occupy the factories and invade the land properties, eliminating the owners (industrials and farmers);
- 3) To suppress all the major political exponents of the other political parties and even the moderate members of the socialist and communist parties.
- 4) To reopen the proceedings for a thorough epuration of all ex-Fascist big shots.

With reference to above, it seems that detailed instructions have already been issued to all the military organizations of the party, making lists, setting places etc.

1208

- EXECUTIVE OF THE ITALIAN COMMUNIST PARTY -

Romita is with us; the ministries of the elections are those of the Interior and of Justice.

Our comrade Togliatti controls the situation.

The victory cannot fail us; the abstention of the reactionaries, of the "Uomo Qualunque" party members, of the returned prisoners and of the combat-men who have not joined our movement is playing our game as we can be sure of those votes; give precise instructions with this view, as already ordered before.

If sure comrades cannot be found in order to vote for the absent in favor of the Left block, the same comrades can repeat the operation without any fear four, five times or even more, though there will be our scrutators who will increase the subscriptions to our party on their own. The preferences must be in majority for our candidates. It is not necessary to get hold in the administrative elections of exploiters like Scalera, Vaselli, Tudini, Valente, Federici, Castelli and others, or of monarchic reactionaries who have already been indicated previously.

The abovementioned must be eliminated before the political elections and taken to sure places which are already known; their fate will be decided after the elections which will result in our victory, though also in this case an apparent popular movement will be necessary in order to suppress finally all those whose names have been listed and are well known to our trusted men who do not lack either faith or courage.

All the houses and properties of these gentlemen will be immediately given to the most meritorious and to those who have rendered special services to our cause. The enemy forces are scattered; the Christian Democracy is falling apart because of the greediness and ambitions of a number of men who have no popularity at all and therefore we can count better on our certain victory and on the defeat of our enemies.

Wait for our orders before assaulting churches and homes of the religious. There is already a documentation prescribing the rules to follow and the actions to take. The red flag will give bread and well-being to all workers. Intensify the propaganda in this sense.

To this purpose many thousands of partisans, officially disguised by the Ministry of the Interior as Auxiliary Police, are already arriving in Rome.

Roma, Aprile 1946

Segrete

Da fonte attendibile si apprende che il 27 marzo u.s. avrebbe avuto luogo a Milano una riunione segreta dell'Esecutivo del P.C.I. nella quale sarebbero state concertate disposizioni precise perchè vengano attuate subito dopo il referendum del 2 giugno.

- 1°) Soppressi tutti i membri di Casa Savoia ed il personale affine;
- 2°) Occupate le fabbriche ed invase le terre, eliminandone i proprietari (industriali ed agricoltori);
- 3°) Soppressi tutti i maggiori esponenti politici degli altri partiti politici e gli stessi membri moderati dei partiti socialisti e comunisti.
- 4°) Riaperti i procedimenti per un'ampia epurazione di tutte le ex gerarchie ed alte cariche fasciste.

In relazione a quanto sopra, sarebbero state già emanate disposizioni particolareggiate a tutte le organizzazioni militari del partito, stabilendo elenchi, località, ecc.

Romita è con noi; i ministeri delle elezioni sono quello dell'Interno e quello della Giustizia.

Il nostro compagno Togliatti domina la situazione.

La vittoria è immancabile; l'astensione dalle urne dei reazionari, dei qualunquisti, dei reduci e dei combattenti che non hanno aderito al nostro rivoluzionario movimento fa il nostro gioco e sono tutti voti sicuri per noi; date all'uopo precise istruzioni, come da nostre precedenti disposizioni.

Quando non si trovano compagni sicuri per ripetere il voto degli astenuti e degli assenti a favore del blocco delle sinistre, gli stessi compagni possono ripetere l'operazione senza timore, quattro o cinque volte ed anche di più, seppure vi siano nostri scrutatori che aumentano per conto proprio le adesioni al nostro partito. Le preferenze siano in maggioranza per i nostri compagni candidati. Non è necessario prelevare nelle elezioni amministrative i profittatori tipo Scalera, Vaselli, Tadini, Valente, Federici, Castelli ed altri, né i reazionari monarchici già in precedenza segnalati.

Questi nominativi vanno eliminati prima delle politiche, condotti in luoghi sicuri già ben noti; la loro sorte sarà decisa dopo le elezioni che saranno vittoriose per noi, per quanto anche in questo caso si renderà indispensabile un apparente movimento di piazza onde sopprimere definitivamente tutti coloro che sono stati elencati e dei quali sono a conoscenza i nostri fiduciari, i quali non difettano né di fede né di coraggio.

Tutti i palazzi e le tenute di questi signori saranno subito dati ai più meritevoli, ed a coloro che hanno dimostrato speciali benemeritenze alla nostra causa. Le forze avversarie sono disperse; la Democrazia Cristiana si sta disgregando per gli appetiti e le ambizioni di una valanga di uomini che non hanno alcuna notorietà e per questo possiamo meglio contare sulla nostra immancabile vittoria, e sulla sconfitta degli avversari.

Attendere i nostri ordini prima di dare l'assalto alle chiese ed alle abitazioni dei religiosi. Esiste già in atto una documentazione che detta norme ed azioni da svolgere. La bandiera rossa darà pane, benessere a tutti i lavoratori.

Intensificare la propaganda in questo senso.

A tal punto starebbero affluendo a Roma già alcune migliaia di partigiani ca-

quisti, dei reduci e dei combattenti che non hanno aderito al nostro travelgen-
te movimento fa il nostro ginocchio e sono tutti veti sicuri per noi; date all'uo-
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A tal uopo starebbero affluendo a Roma già alcune migliaia di partigiani ca-
muffati ufficialmente dal Ministero degli Interni come Polizia Ausiliaria.

INTERVIEWSecret

Rome, 9 April 1946.

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- 2) To occupy the factories and invade the land properties, eliminating the owners (industrialists and farmers);
- 3) To suppress all the major political exponents of the other political parties and even the moderate members of the socialist and communist parties.
- 4) To reopen the proceedings for a thorough epuration of all ex-Fascist big shots.

With reference to above, it seems that detailed instructions have already been issued to all the military organizations of the party, making lists, setting places etc.

1204

S. 10
558/10

- DIRECTIVE OF THE ITALIAN COMMUNIST PARTY -

Rossini is with us; the ministries of the elections are those of the Interior and of Justice.

Our comrade Togliatti controls the situation.

The victory cannot fail us; the abstention of the reactionaries, of the "Uomo Qualunque" party members, of the returned prisoners and of the combat-men who have not joined our movement is playing our game as we can be sure of those votes; give precise instructions with this view as already ordered before.

If sure comrades cannot be found in order to vote for the absent in favor of the Left block, the same comrades can repeat the operation without any fear four, five times or even more, though there will be our scrutators who will increase the subscriptions to our party on their own. The preferences must be in majority for our candidates. It is not necessary to get hold in the administrative elections the exploiters like Scalone, Vaselli, Tadini, Valente, Federici, Castelli and others or the monarchic reactionaries who have already been indicated previously.

The above-mentioned must be eliminated before the political elections and taken to sure places which are already known; their fate will be decided after the elections which will result in our victory, though also in this case an apparent popular movement will be necessary in order to suppress finally all those whose names have been listed and are well known to our trusted men who do not lack either faith or courage.

All the houses and properties of these gentlemen will be immediately given to the most meritorious and to those who have rendered special services to our cause. The enemy forces are scattered; the Christian Democracy is falling apart because of the greediness and ambitions of a number of men who have no popularity at all and therefore we can count better on our certain victory and on the defeat of our enemies.

Wait for our orders before assaulting churches and homes of the religious. There is already a documentation prescribing the rules to follow and the actions to take. The red flag will give bread and well-being to all workers. Intensify the propaganda in this sense.

To this purpose many thousands of partisans, officially disguised by the Ministry of the Interior as Auxiliary Police, are already arriving in Rome.

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- REPRESENTATIVE OF THE ITALIAN COMMUNIST PARTY -

Unita is with us; the ministries of the elections are those of the Interior and of Justice.

Our comrade Togliatti controls the situation.

The victory cannot fail us; the abstention of the reactionaries, of the "good bourgeois" party members, of the returned prisoners and of the combat-men who have not joined our movement is playing our game as we can be sure of those votes; give precise instructions with this view as already ordered before.

If some comrades cannot be found in order to vote for the absent in favor of the Left Block, the same comrades can repeat the operation without any fear four, five times or even more, though there will be our scrutators who will increase the subscriptions to our party on their own. The preferences must be in majority for our candidates. It is not necessary to get hold in the administrative elections the exploiters like Scalera, Gaselli, Indini, Valente, Federici, Castelli and others or the monarchic reactionaries who have already been indicated previously.

The above-mentioned must be eliminated before the political elections and taken to sure places which are already known; their fate will be decided after the elections which will result in our victory, though also in this case an apparent popular movement will be necessary in order to suppress finally all those whose names have been listed and are well known to our trusted men who do not lack either faith or courage.

All the houses and properties of these gentlemen will be immediately given to the most meritorious and to those who have rendered special services to our cause. The enemy forces are shattered; the Christian Democracy is falling apart because of the greediness and ambitions of a number of men who have no popularity at all and therefore we can count better on our certain victory and on the defeat of our enemies.

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- EXECUTIVE OF THE ITALIAN COMMUNIST PARTY -

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1358