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AUG. 194

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JOINT ECONOMIC COMMITTEE, HQ AMG 13 CORPS
AUG. 1945 - NOV. 1946

G. M. C. Form 353 (Old No. 490)
Revised July 25, 1918

LIST OF PAPERS

564/CC

Office of the
Chief Commissioner

File under No. 564/CC JOINT ECONOMIC COMMITTEE, HQ AMG 13 CORPS

ALLIED COMMISSION

Vol. II

B-6723

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
13	JEC/Agenda	29 Apr 46		Minutes of 12th Meeting
14	JEC/ 13 Corps	3 May 46		Minutes of 13th Meeting
15	JEC/Agenda	2 Jun 46		Minutes of 13th Meeting ICFP S/C
16	JEC/ 13 Corps	6 Jun 46		Minutes of 14th Meeting
17	JEC/Agenda	22 Jul 46		Minutes of 14th Meeting and con- siderations of ICFP S/C & Lin S/C
18	JEC 13 Corps	25 Jul 46		Minutes of 15th Meeting
19	JEC 13 Corps	21 Nov 46		Minutes of 16th Meeting
2589				

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

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
VENEZIA GIULIA, TRIESTE.

Chief Commissioner
ALCOM
4029

21 November 46

MINUTES

342. The sixteenth meeting of the Joint Economic Committee was held at 10.00 hrs. on 21 NOV 46, in the Main Conference Room at Headquarters, Allied Military Government, Venezia Giulia, TRIESTE.

PRESENT:

Chairman

Brigadier G.D.R. BASTIN, OBE,
Brigadier i/c Administration, G. H. Q.

Members

Lt.Col.C.H. BARNETT,
Transportation, G.H.Q.

Lt.Col. N.T. BEARD,
C.F.O., AMG Venezia Giulia.

Lt.Col. J.E. FODER,
Ind & Utilities,
AMG Venezia Giulia.

Major K. COOPER,
Economics,
AMG Venezia Giulia.

Lt.Col. LENAO, M,
Chief of Yugoslav Delegation.

Ing. KOVACIC, M.
Industry.

Major GOLOB, R,
Transportation.

Major BJELIS, S.

Mr. URSICIC, P,
Finance.

343. ITEM 15 OF THE FIFTEENTH MEETING OF THE INDUSTRY & COMMERCE

COMMITTEE.

The a/m minutes were received and discussed. A written statement was submitted by the Yugoslav delegation on the wording of Minutes 212 and 222 (Appendix "A").

344. BITUMEN FOR THE REPAIR OF THE TRIESTE-POLA ROAD.

The Chairman stated that the written request for bitumen had been received by G.H.Q. through the Yugoslav Military Mission. When a decision was reached, it would be communicated to the Yugoslav Military Government through the same channel.

345. REMOVAL OF MACHINERY FROM POLA.

Col. LENAO submitted a written statement of the views of the Yugoslav Delegation on this matter for inclusion in the minutes (Appendix B). Major COOPER stated he had checked the records of most of the machinery that had been taken out of POLA. Some machinery had gone to Italy but it was not a part of a "plant or industrial facility". Some lathes that

564/10

Brigadier G.E.R. BASTIN, OBE,
Brigadier i/c Administration, G. H. Q.

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Transportation, GHQ.

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C.F.O., AMG Venezia Giulia.

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Lt.Col. J.E. FODEN,
Ind & Utilities,
AMG Venezia Giulia.

Major COLOB, R,
Transportation.

Major K. COOPER,
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Major BJELIS, S.

Mr. URSICIC, P,
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Col. LENAG submitted a written statement of the views of the Yugoslav Delegation on this matter for inclusion in the minutes (Appendix B). Major COOPER stated he had checked the records of most of the machinery that had been taken out of POLA. Some machinery had gone to Italy but it was not a part of a "plant or industrial facility". Some lathes that were personal property had been moved.

Col. LENAG asked for a written reply to the statement submitted by the Yugoslav Delegation.

The Chairman replied that this would be sent.

346. CORRECTION TO MINUTE 215 OF THE INDUSTRY & COMMERCE SUB-COMMITTEE.

Col. BARNETT pointed out that there had never been any question of the movement of a transformer from OPICINA to MILAN, as stated in the minute. It was from OPICINA to RIFREDI, near Florence.

564/11

-2-

347. REMOVAL OF MACHINERY FROM ISOLA D'ISTRIA.

The Chairman referred to a letter sent to the Yugoslav Military Government on the 12 NOV asking for information about the removal of machinery from the premises of the following firms :-

SAPCI of Isola.
 ATRIGONI of Isola and Umago.
 MATTELLI of Isola.

and asked if the Yugoslav Delegation had the required information.

Col. LEMAC said that he had not the information and had not seen the letter in question.

A copy of the letter was handed to the Yugoslav delegation.

348. RECOVERY OF MACHINERY REMOVED BY THE GERMANS.

Major COOPER, referring to the Yugoslav request for assistance in recovering machinery removed by the Germans from the ROMSA factory, the Silurificio Fiumano, and the Matulje power station, asked if the Yugoslav Delegation had now got a list of the machinery.

Col. LEMAC said it was first desired to know if AMG would help in the recovery before the considerable work involved in preparing a list of machines was undertaken. The machines belonging to the torpedo factory were in a store near UDINE.

After further discussion, it was agreed that the Yugoslav Delegation, without preparing detailed lists of the machines, should furnish, in writing, general information on the machinery, the circumstances under which it was removed, and where to, so that a preliminary investigation could be made.

349. TRAFFIC ACCIDENTS.

The Chairman stated that two letters received from the Yugoslav Military Government about traffic accidents in March and April 1946 had been traced, namely JMG letter S.1020, which was replied to on the 12 APRIL 46 to the effect that no vehicle with the WD number quoted could be traced in either 13 Corps or AMG, and JMG letter S.1633, to which a reply was sent on the 7 JUN 46, through the Yugoslav Military Mission, stating that Gen. del Canola and the Administration Officer of the British Liaison detachment, Boundary Commission, had agreed at the time of the accident that the matter could be considered closed.

The Yugoslav Delegation submitted a copy of a further letter, S.1256 of 25 April 46, addressed to AMG Trieste, to which they could not trace a reply.

350. LIFTHOUNDING IN TRIESTE OF A TRUCK BELONGING TO SIOMLA.

The Chairman stated that information received from the VG Police was that this truck belongs to the SIOMLA Company of Trieste and was registered in Trieste. It was seized by Partisans in May 1945 and taken away. In October 1946 it was seen by SIOMLA in Trieste and at their request was impounded by the Police. After proof of ownership by SIOMLA it was handed back to that firm.

Major COOPER added that a similar case had occurred yesterday, when a car was identified by a man who claimed to be its rightful owner. If positive identity of

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Major COOPER added that a similar case had occurred yesterday, when a car was identified by a man who claimed to be its rightful owner. This car was now in the custody of the Police. If positive identity of the car is established it will be turned over to the owner.

Col. LEMLO replied that in this particular case he could not agree. It was admitted that the truck belonged to SICLA, whose timber works were in Zone B. The truck when seized was working for these factories, and another truck would have to be found for them if the supply of timber was to be kept up. Such action as the impounding of this truck merely had the effect of restricting trade between Zone A and Zone B.

Col. BEARD suggested that information be obtained whether the SICLA Company in Trieste were receiving the proceeds of the sale of their wood.

The Chairman said that if in fact the truck was working for SICLA, the matter would be re-examined.

351. DUCROVIC - RETURN OF IMPOUNDED TRAILER.

The Yugoslav Delegation were informed that full details were requested of the circumstances, place and date, to enable the Police to trace the matter.

352. RELEASE OF PRESIDENT OF TOLMINO NATIONAL COMMITTEE.

Col. LENIC stated that the circumstances of the arrest were now known to him.

It was agreed to consider the matter closed.

353. ARSA COAL.

Col. FODEN reported that at the beginning of the week an option was received from UNVED for 5,000 tons of coal dust. This option had been taken up. The total contracts signed since the Sub-Committee meeting of the 4 NOV amounted to 11,000 tons of coal dust. Coal was required as well as dust.

The Chairman stressed that General Harding was most anxious that any exportable surplus of coal should be made available to Zone "A" and the north of Italy, and enquired if there were any difficulties in the way of transport.

Major GOLOB replied that 60% of the production of Arsa was dust. All available surplus was going to Zone "A" or to Italy by sea. He would find out whether any coal, other than dust, was available.

354. REPAIRS AT KORITJA POWER STATION.

Colonel LENAC informed the Committee that considerable damage had been done by unknown persons to the Selveg plant at Koritja and that Selveg had not yet repaired it.

Colonel FODEN said that possibly it was physically impossible for Selveg to repair it at the moment.

Colonel LENAC added that negotiations had been started with Selveg but if no agreement was reached soon it would be necessary for the Yugoslav Militia Government to take action themselves and recover the expense by auctioning it from the amount owing to Selveg or by other means.

355. SHIPS BOILER CERTIFICATES.

Major GOLOB stated that the certificates and documents relating to the boilers of ships registered in Zone B, and which he asked for some time ago, had never been received. They were at the Ufficio Sorveglianza per Caldare a Vapore, Trieste.

The Chairman instructed the Secretary to obtain these documents.

356. TIMBER FOR REPAIR OF DISTRESSED VILLAGES.

A letter received from Public Works JMG was read to the Yugoslav Delegation asking if timber could be supplied from Zone "B" for the reconstruction of distressed villages situated in that part of the territory which may be ceded to Yugoslavia.

Colonel LENIC replied that if the demands for timber were met, but through normal channels, every effort would be made on their side.

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Colonel LENAC replied that if the demands for timber were put through normal channels, every effort would be made on their side to supply the timber, not only for that part of the territory referred to in the letter, but for any needs of Zone "A".

357. VISITS OF POL. DOCTORS TO PATIENTS IN ZONE "B".

Major COOPER brought to the notice of the Yugoslav delegation that Pola doctors, when visiting patients in Zone "B", were held up at the check posts and subject to search. In some cases they had received abusive treatment.

Col. LENAC said that he would issue instructions to the frontier posts on this subject.

-4-

358. IMPORT OF FOODSTUFFS INTO POLA FROM ZONE "B".

Major COOPER asked if it were true that the Yugoslav Military Government had issued instructions prohibiting the movement from Zone "B" into Pola of vegetables, fruit, milk, butter and meat. He pointed out that Zone "B" was receiving many needed supplies from Pola, and asked for an assurance that the restrictions on imports of foodstuffs into Pola would be removed.

Major GOLOB replied that it was a question of ensuring sufficient supplies for the people in Zone "B". In addition they were very anxious to prevent any black market dealings in UNRRA supplies.

Major COOPER pointed out that food such as fresh vegetables, fresh milk and fresh eggs was not an UNRRA supply.

Major GOLOB stated that he understood that these articles were allowed to go freely out of Zone "B" and that the restriction would be confined mainly to preventing the export of UNRRA supplies.

359. DETENTION AT ROVIGNO OF MOTOR LAUNCH "ISTRELA".

The Chairman handed to the Yugoslav Delegation a copy of a letter received from the Resident Naval Officer Pola, on the subject of the detention of the launch "ISTRELA" by the Captain of the Port of Rovigno.

Colonel LEUAC said the matter would be investigated.

360. OIL FROM THE "REX".

Major COOPER said that oil from the "REX" was arriving in Trieste and was getting into the black market. Centroprom had not dealt with this matter through the proper channels and the sale of this oil had not been cleared by the Commerce Division of AMG.

Colonel BEARD said that it was for AMG to take action with Centroprom.

This was agreed to.

361. MINUTES OF THE TENTH MEETING OF THE FINANCE SUB-COMMITTEE.

The 1/2 minutes were received and discussed.

362. PRICE OF ELECTRICITY IN ZONE "A" AND ZONE "B".

Mr. PESICIC enquired if information was now available why electricity was dearer in Zone "B" than in Zone "A".

Colonel BEARD replied the answer was that Selveg supplied electricity wholesale to distributors in both zones at the same price. It was therefore the distributors in Zone "B" who were charging more than the distributors in Zone "A".

363. RUPENA, TRIESTE - APPOINTMENT AS AGENT FOR IMPORT & EXPORT.

Major GOLOB asked if the firm of RUPENA could be appointed as agent for imports and exports between the zones, and enjoy the same facilities as Uivod and Centroprom.

Colonel BEARD said that in principle he saw no objection and suggested that the head of the firm should come to see him.

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Colonel BEARD said that in principle he saw no objection and suggested that the head of the firm should come to see him.

364. LA FIUME - S.A. DI ASSICURAZIONE E RISSICURAZIONE.

Colonel BEARD referred to a letter sent to the Yugoslav Military Government in July 1946 requesting that the Italian portfolio of the S.A. society be transferred to Trieste.

A copy of the letter was handed to the Yugoslav Delegation who promised a reply.

2585

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365. DETENTION OF SCHOLARS "SALPA" AND "CICI".

Colonel BEARD referred to the detention in UMAGO of the "SALPA" and "CICI" and stated that as these vessels were carrying tobacco belonging to the Monopoli, a claim would have to be made in due course for any damage done to the cargo.

366. PROPERTY OF ALLIED NATIONALS IN ZONE "B".

Colonel BEARD asked if allied nationals with property in Zone "B" could now draw the revenue from these properties, since many of them were without means of subsistence and had to be maintained by AMG.

Colonel LEWIS said that when the matter of allied owned property was discussed some time ago, he had received a list of these properties but on checking the list it had been found that some of the properties were not owned by allied nationals. A letter had been sent out asking for proof of ownership. A copy of this letter could be forwarded.

367. (i) CAPODISTRIA BRANCH OF THE ISTITUTO DELLA PREVIDENZA SOCIALE.
(ii) CUSTOMS PREMISES AT ISOLA D'ISTRIA.

The Yugoslav delegation was handed copies of the JEG Secretariat's letters to Yugoslav Military Government on the above-mentioned subjects, and an early decision was asked for.

368. DATE OF NEXT MEETING.

It was decided that no date be fixed for the next meeting of either of the Sub-Committees, but that when either the British-American or the Yugoslav Delegations consider a meeting necessary, they will inform the Secretary who will then arrange a suitable date. The Secretary to arrange a meeting of the Main Committee when requested to do so by either of the Sub-Committees.

TEBB/LWW

ENCLOSURES:

Appendix "A" and "B".

T.G.R. BURGESS,
Major, D.M.C.
Secretary,
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46. 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

T.G.R. BURROWS,
Major, D.M.C.
Secretary,
Joint Economic Committee.

TCRB/LNW

ENCLOSURES:

Appendix "A" and "B".

2584

19

APPENDIX "A" TO MINUTES OF SIXTEENTH
MEETING OF JOINT ECONOMIC COMMITTEE
HELD 21 NOVEMBER 46.

TRANSITION

REMARKS OF THE JUGOSLAV DELEGATION ON THE
MINUTES OF THE INDUSTRY & COMMERCE SUB-COMMITTEE
MEETING HELD ON 4 NOVEMBER 46.

Min. 212 should read: Bjelis stated that the Yugoslav Delegation had put forward their amendments in writing to the minutes of the shipping conference held on the 5th April 46 and finds that the British and Americans have rejected these without explanation. Therefore he could not accept the A/M minutes because they are not exact.

Cooper stated that he was not acquainted with the amendment. After some discussion it was decided to state in the minutes, upon request of the Yugoslav Delegation, that they did not consider the minutes of the shipping conference held on April the 5th to be a true record of the proceedings of the Joint Economic Committee.

Min. 224, last paragraph, should read:...that every case has its special circumstances and that therefore, each concrete case should be dealt with separately. He added that the Yugoslavs had no objection to a special meeting at which all shipping questions would be discussed, to be called, if the British and Americans considered this to be necessary.

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2583

19

APPENDIX "B" TO MINUTES OF SIXTEEN, PM.
MEETING OF JOINT ECONOMIC COMMITTEE
HELD 24 NOVEMBER 45

TRANSLATION

JOINT ECONOMIC COMMITTEE
J.M.G. DELE
J.M.

ref : 2/305
date : 23 Nov 45.

To: JOINT ECONOMIC COMMITTEE
Secretariat

We have made representations several times in the past that the Brit/American delegation should undertake measures to prevent the export of machinery and machines from Pola, as well as material in general.

The respective answers, and especially the actual results show that not only has nothing been done on your side to prevent export, but that export has become systematic and continuous.

Throughout a series of minutes of the Joint Economic Committee we have received evasive answers from the Brit/American delegation which has, we think, only had a tendency to defer the settlement of this question. These answers consist of: "We will investigate", "We do not know", "We are not exporting" and so on. We remarked at the last meeting a new method of drawing matters out, based on the fact that the Morgan-Jovanovic Agreement could not specify cases of export of machinery from one place in one Zone to another place inside the same Zone, because at the time of the Agreement such cases could not be envisaged. In view of the prospective demarcation by which Pola would belong to Yugoslavia, this question is obviously becoming important. And now, without taking in consideration these fresh circumstances, export from Pola is daily increasing.

The Yugoslav Delegation, some time ago, in the interests of the people in Zone A, agreed to single machines being taken from Trieste to Pola or vice-versa, where the machines in question belonged. to firms with affiliations in one or the other place in Zone A.

But reality shows that what we stated in this matter is not being adhered to because material is being exported regardless of this statement and is even being exported out of Zone A.

We feel that the Brit/American Delegation should seriously examine this question and settle the problem if they consider the Yugoslav Delegation to be co-members with parallel rights and entitlements in the Joint Economic Committee. On the other hand we must state that the fact that up to now you have to say the least tolerated this export is neither in accordance with the spirit of the Morgan-Jovanovic Agreement nor with the statements made by the Brit/American Delegation which have been made very often, i.e. that the B/A Delegation are working in the interests of the people in Venezia Giulia.

Could this declaration, please, be noted and a copy of it be included in the minutes of the main meeting held on the 21st of this month.

Death to Fascism

Liberty to People.

President of the
J.M.G. Delegation
Lt. Col. Mirko Lonac Sgd.

1007

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President of the
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Lt. Col. Mirko Loncar Sgd.

19

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JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
VENEZIA GIULIA, TRIESTE.

13 NOV 46.

JOINT ECONOMIC COMMITTEE - AGENDA.

The sixteenth meeting of the Joint Economic Committee will be held at 10.00 hrs on THURSDAY, 21 NOVEMBER 1946, in the Main Conference Room No.68, HQ AMG VENEZIA GIULIA, TRIESTE. Consider the following Agenda:-

1. Minutes of the fifteenth meeting held on 25 JULY 46.
2. To consider the minutes of the meetings of the following sub-Committees:-
 - a) Industry & Commerce and Fuel & Power Sub-Committee meeting of 4 NOV 46. (Appendix A)
 - b) Finance Sub-Committee meeting of 4 NOV 46. (Appendix B)
3. Any other business.
4. To set a date for the next meeting.

T.G.R. BURROTS,
Major, I.M.I.G.,
Secretary,
Joint Economic Committee.

LV7.

ATTACHMENTS:

2590

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1. Minutes of the fifteenth meeting held on 25 JULY 46.
2. To consider the minutes of the meetings of the following Sub-Committees :-
 - a) Industry & Commerce and Fuel & Power Sub-Committee meeting of 4 NOV 46. (Appendix A)
 - b) Finance Sub-Committee meeting of 4 NOV 46. (Appendix B)
3. Any other business.
4. To set a date for the next meeting.

T.C.R. BURGESS,
Major, I.M.C.,
Secretary,
Joint Economic Committee.

ATTACHMENTS:

Appendices "A" and "B".

LVM.

2530

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APPENDIX "A"

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
VENEZIA GIULIA, TRIESTE, ITALY.

4 NOV 46.

MINUTES

INDUSTRY & COMMERCE SUB-COMMITTEE and the
FUEL & POWER SUB-COMMITTEE.

211. The fifteenth meeting of the Industry & Commerce and the Fuel & Power Sub-Committee was held at 11.00 hrs., 4 NOV 46, in the Economic Section, AMG Venezia Giulia, TRIESTE.

PRESENT:

Chairman

Major K. COOPER,
Economics Section,
HQ AMG Venezia Giulia.

Members

Lt. Col. J.E. FODEN,
Ind & Utilities,
AMG Venezia Giulia.

Ing. KOVACIC, M.
Major EJEJIS, S.
Major GOLDB, R.
Mr. URSICIC, P.

In Attendance

Lt. Col. J.A.W. STEPHENS,
Commerce, AMG Venezia Giulia.

Major D.J. MAHNEY,
Economics, AMG Venezia Giulia.

Major J.R. SQUIRE,
Public Wks., AMG Venezia Giulia.

Capt. LENC, V.C.F.F.

212. MINUTES OF THE MEETING HELD ON THE 5 APRIL 46 ON SHIPPING.

Major EJEJIS referred to Minute 339 of the fifteenth meeting of the General Committee and stated that since the British-American delegation did not wish to take into consideration the Yugoslav objections to the minutes of the Shipping meeting, the Yugoslav delegation rejected the whole of the minutes.

After further discussion it was agreed to put on record that the Yugoslav delegation do not consider that the minutes of the shipping meeting held on the 5th of April 1946 are an accurate record of what took place at the meeting.

213. PLANS OF THE CARSIAC AQUEDUCT "MONTE RE".

Ing. KOVACIC asked if the plans of the aqueduct could now be produced.

Major COOPER replied that a thorough search had been carried out in Trieste and in Gorizia, but the plans could not be found. Public Works had stated that the plans were not in existence when they took

PRESENT:

Chairman

Major K. COOPER,
Economics Section,
HQ AMG Venezia Giulia.

Members

Lt. Col. J. E. FODEN,
Ind & Utilities,
AMG Venezia Giulia.

Ing. KOVACIC, M.
Major BUELLS, S.
Major GOLOB, R.
Mr. URSICIC, P.

In Attendance

Lt. Col. J. A. W. STEPHENS,
Commerce, AMG Venezia Giulia.

Major D. J. MARIETI,
Economics, AMG Venezia Giulia.

Major J. R. SQUIRKS,
Public Wks., AMG Venezia Giulia.

Capt. LENC, V.C.R.F.

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After further discussion it was agreed to put on record that the Yugoslav delegation do not consider that the minutes of the shipping meeting held on the 5th of April 1946 are an accurate record of what took place at the meeting.

213. PLANS OF THE CARSIK AQUEDUCT "MONTE PE".

Ing. KOVACIC asked if the plans of the aqueduct could now be produced.

Major COOPER replied that a thorough search had been carried out in Trieste and in Gorizia, but the plans could not be found. Public Works had stated that the plans were not in existence when they took over in June 1945. An attempt to make new copies from memory is now being made by the engineer who knew of the plans, but this engineer has been in hospital for a few weeks. As soon as the plans are completed they will be forwarded.

214. BITUMEN FOR THE REPAIR OF THE POLA ROAD.

Major GOLOB said that he had asked for bitumen for the repair of the Trieste-Pola road. The agreement was that the Allies supplied the bitumen and the Yugoslavs supplied the labour to keep the road in repair.

Major SQUIRKS.../

(19)

214. (Contd).

Major SQUIRE said that bitumen was supplied in the early part of this year but the empty barrels were not returned as agreed. The position is now different and the Allies are not in a position to provide any more bitumen. The State Roads have a certain quantity but who is going to pay for it if it is furnished? Moreover, can the work be done this winter? The only successful way is by using hot emulsion.

Major GOLOB replied that the road was used by Allied vehicles. The Agreement was that the Allies supply the bitumen, and therefore there was no question of paying for it.

The Chairman said that the matter would be discussed at the main meeting, and that before that meeting the agreement referred to would be consulted if it could be found. It appeared from the discussion that the agreement was a military one.

Major SQUIRE inquired what quantities were required.

Major GOLOB stated that the Yugoslav technical experts have already informed AIG of the quantity necessary. The Chairman requested copies of the information.

215. EXPORT OF MACHINERY FROM POLA.

Major BIELIS said that he had information that the export of machinery from Pola was being hastened, and enquired if this was because Pola was likely to be ceded to Yugoslavia, and whether the Allies intended to take all the machinery out of Pola.

The Chairman stated that the Allies themselves were not taking anything out of Pola, and that Col. Lenac had himself stated at a previous meeting that there was no objection to a firm moving its machinery within the Zone.

Major GOLOB pointed out that the statement of Col. Lenac was that he had nothing against a firm moving its plant to another branch or affiliation within the Zone. Now there were concrete cases of machinery being taken to other places than branches of the same firm, and even taken overseas. Amongst others 4 lathes and a whole blacksmith's shop had been removed. There was also the case of the removal of a transformer from Opicina to Milan.

The Chairman stated that it was not the policy of AIG to strip Pola of its industrial capacity, and that he would answer any queries if the Yugoslav delegation would submit full details of specific cases. On the other hand, he himself had similar reports of machinery being removed to other parts of Zone B from that part of Zone B proposed for inclusion in the international territory.

Major GOLOB stated that he would submit full details of these removals from Pola.

Colonel FODEN enquired if it was true that machinery was being removed from that part of Zone B that was likely to be included in the international State.

Major BIELIS replied that this was not true.

Referring again to the transformer at Opicina, he stated that the dismantling was being continued, and that this matter had been referred to him by the Yugoslav members of the Joint Operating Committee.

The Chairman said that it was a matter for the Joint Operating Committee, but the matter could be brought up at the main meeting.

216. 40-TON CRANE.

Major SMITHS inquired what quantities were required. Major GOLOB stated that the Yugoslav technical experts have already informed AIG of the quantity necessary. The Chairman requested copies of the information.

215. EXPORT OF MACHINERY FROM POLA.

Major BELLIS said that he had information that the export of machinery from Pola was being hastened, and enquired if this was because Pola was likely to be ceded to Yugoslavia, and whether the Allies intended to take all the machinery out of Pola.

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The Chairman said that it was a matter for the Joint Operating Committee, but the matter could be brought up at the main meeting.

216. 40-TON CRANE.

Ing. KOVACIC referred to the decision of the Allied authorities not to release this crane, and said that this decision was not acceptable, since the crane had been awarded as war booty and was urgently required.

The Secretary remarked that this decision was one of the War Booty Committee and not of the Joint Economic Committee. The Yugoslav members of the War Booty Committee were aware of the reasons.

The Chairman

-3-

216. (Contd.).

The Chairman suggested that the Yugoslav Delegation take the matter up with their War booty Committee, and if necessary they could raise the matter again at the main meeting of the Joint Economic Committee.

217. RECOVERY OF MACHINERY REMOVED BY THE GERMANS.

Major COLON asked for allied help in recovering the following machinery removed by the Germans:

1. ROKSA machinery.
2. Silurificio Finanziario. Approx. 1,000 machines taken in 1944 to Italy.
3. Metulje - Part of power station taken in 1944 to Campobasso, and a machine taken to Udine.

The Chairman asked for a letter giving full details and stated that on receipt of these details the question would be examined and the Yugoslav Delegation informed if it was possible to help them in this matter or not.

218. DIFFERENCE IN THE PRICE OF ELECTRIC POWER IN ZONE A AND ZONE B.

Mr. UKSIC asked why the price of electric power was higher in Zone B than in Zone A.

It was agreed that this should be brought before the Finance Sub-Committee meeting to be held that afternoon.

219. TRAFFIC ACCIDENTS.

Major BUELLIS referred to letters written by the Yugoslav Military Government in March and April 1946 on the subject of traffic accidents which have occurred on the Trieste - Pola road, and asked if JIG were prepared to pay compensation.

It was agreed that the Yugoslav Delegation would furnish copies of their letters, when the matter would be investigated and discussed at the main meeting.

220. (1. LOADING OF SODA TRUCK IN TRIESTE.(2. DUBROVNIK - RETURN OF L. DUBROVNIK TRUCK.(3. RELEASE FROM PRISON OF PRESIDENT OF POLISH NATIONAL CONGRESS.

The Chairman informed the Yugoslav Delegation that the Secretary had seen the Chief Police Officer, but more details were required.

Capt. LERO of the V.C. Police stated that he would investigate

(1, and (2).

Major BUELLIS said, with regard to (3), that ERVOKIRKO had been arrested and put into Gorizia prison. He was transporting materials with

details. Major BUELLIS said he would investigate on receipt of full

221. TRAFFIC LIBRARY.

2577

3. Katulje - Part of power station taken in 1944 to Campo Bossa, and a machine taken to Udine.

The Chairman asked for a letter giving full details and stated that on receipt of these details the question would be examined and the Yugoslav delegation informed if it was possible to help them in this matter or not.

218. DIFFERENCES IN THE PRICES OF ELECTRIC POWER IN ZONE A AND ZONE B.

Mr. VRSIC asked why the price of electric power was higher in Zone B than in Zone A.

It was agreed that this should be brought before the Finance Sub-Committee meeting to be held that afternoon.

219. TRAFIC INCIDENTS.

Major BUELLIS referred to letters written by the Yugoslav Military Government in March and April 1946 on the subject of traffic accidents which have occurred on the Trieste - Pola road, and asked if JIG were prepared to pay compensation.

It was agreed that the Yugoslav delegation would furnish copies of their letters, when the matter would be investigated and discussed at the main meeting.

220. (1. LOADING OF SMALL TRUCK IN TRIESTE.

(2. DEPARTURE - RETURN OF L. DUBOVAR TRUCK.

(3. RELEASE FROM PRISON OF PRESIDENT OF POLITICAL COM. UGLE.

The Chairman informed the Yugoslav delegation that the Secretary had seen the Chief Police Officer, but more details were required.

Capt. LENO of the V.C. Police stated that he would investigate (1, and (2).

Major BUELLIS said, with regard to (3, that ERV3. Birko had been arrested and put into Gorizia prison. He was transporting materials with ERV3. Birko.

Mr. STANIS said he would investigate on receipt of full details.

2577 - 24. LIBRARY.

Ing. KOVACIC asked for the return to the Idria High School of its library, at present in Gorizia.

The Chairman said the matter would be investigated on receipt of full details.

222. MOTOR BOAT - 14.

Major COOPER asked if the Yugoslav delegation could now give their promised answer about the motor boat M. Was it requisitioned or had it been taken irregularly. The owner claimed that he received no papers when the boat was taken.

Major BUELLIS/

222. (Contd.)

Major BJELIS said the boat was now in Capodistria being repaired. The owner, if he can prove his ownership, should get in touch with the Yugoslav Military Government.

Major DOOP asked if the owner would be given some form of document if he did so.

In the case of the tug Vetrino the Yugoslav delegates had agreed that on payment of the costs the craft would be returned, but the boat is still in Zone B, even though the owner has met all the conditions requested by the Yugoslav Military Government.

Major BJELIS replied that every case has its special circumstances and he did not desire to discuss the question any more. If a shipping conference is desired, the matter can then be discussed.

223. IRS. COAL.

The Chairman stated that the supply of irse coal to Zone A had almost stopped. Is there any policy by Yugoslav Military Government on the export of irse coal?

Col. STEVENS added that his information was that supplies from Zone B have been restricted until such times as the Yugoslavs receive from Italy goods that they have on order, such as machinery.

IVOD had been asked on many occasions how much coal they could place at the disposal of Zone A, but no satisfactory answer was ever received.

Major COLON replied that export of irse coal had not stopped, but of course he had to see what his own requirements were. Zone B was always a creditor in the import-export trade. He required goods in exchange for coal, in preference to a bank credit.

Col. STEVENS asked for details of what goods Zone B had ordered from Italy and not received. He would then see what he could do to help.

Major COLON emphasised the details and added that in one case a firm had received from J.M.G. a permit to buy vehicles in Italy.

A permit to export coal had also been given. The coal had been exported but they were still awaiting the vehicles.

Col. STEVENS said he would take this matter of exports up with the Italian Ministry of Commerce.

In answer to a question from the Chairman, Major COLON stated that he did not consider that M.M.G. were making any regulations that were hindering trade. It was the slowness of Italian firms in delivering the goods that was the trouble.

224. DE GRATION LINE - AREA DA GRADLA OF ALTURA - COLA.

Major DOOP said the point here was that although the seed and fertiliser came from Pola, at the harvest the crop was taken by the Zone B authorities. The owner of the land should be allowed to dispose of his crop.

Major COLON remarked that in cases like this it was necessary to prove ownership of land on both sides of the line.

Major DOOP said he would produce a letter and a map, and the answer could be given at the main meeting.

225. RE COAL OF HOUSEHOLD GOODS IN COAL ZONE B.

The Chairman enquired if it were true that Italian nationals leaving Zone B were not allowed to take with them pianos, radio sets,

The Chairman stated that the supply of area coal to Zone A had almost stopped. Is there any policy by Yugoslav Military Government on the export of area coal?

Col. STEVENS added that his information was that supplies from Zone B have been restricted until such times as the Yugoslavs receive from Italy goods that they have an order, such as machinery.

MAJOR GOLOB stated that export of area coal had not stopped, but of course he had to see what his own requirements were. Zone B was always a creditor in the import-export trade. He required goods in exchange for coal, in preference to a hard credit.

Col. STEVENS asked for details of what goods Zone B had ordered from Italy, and not received. He would then see what he could do to help.

MAJOR GOLOB promised the details and added that in one case a firm had received from J.M.G. a permit to buy vehicles in Italy. a permit to export coal had also been given. The coal had been exported but they were still awaiting the vehicles.

Col. STEVENS said he would take this matter of exports up with the Italian Ministry of Commerce.

In answer to a question from the Chairman, MAJOR GOLOB stated that he did not consider that J.M.G. were making any regulations that were hindering trade. It was the slowness of Italian firms in delivering the goods that was the trouble.

224. DE ARGENTINE LINE - ARRIVAL OF GOODS FROM POLA.

MAJOR COOPER said the point here was that although the seed and fertilizer came from Pola, at the harvest the crop was taken by the Zone B authorities. The owner of the land should be allowed to dispose of his crop.

MAJOR GOLOB remarked that in cases like this it was necessary to prove ownership of land on both sides of the line.

MAJOR COOPER said he would produce a letter and a map, and the answer could be given at the next meeting.

225. REMOVAL OF HOUSEHOLD GOODS FROM ZONE B.

2576

The Chairman enquired if it were true that Italian nationals leaving Zone B were not allowed to take with them pianos, radio sets, bicycles, and other articles of that nature.

MAJOR GOLOB stated that whilst it was possible to take away pianos, gramophones and sewing machines, permission could not be given to take out of Zone B technical articles such as radios and bicycles since it was necessary at the present time to import such articles, but people were allowed to sell these before leaving.

226. ALCOHOL RATIONING.

Col. POLA:/

(19)

226. ELECTRICITY RATIONING.

Col. FODEN stated that it was necessary to cut the consumption of electricity by 20 per cent immediately, both in Zone A and Zone B, and that arrangements to that effect were being made with Ing. SIKOSTKA, the Yugoslav representative. It had been agreed that as the Yugoslavs have two thermal stations in Zone B, they will operate these to offset the reduction they must make in the amount of current taken from Selveg.

227. WOOD CONTRACT FOR POLA.

Col. SILLERMAN referred to the delay that had taken place in the signing of the contract for the supply of wood to Pola. Although the quotation received from UNIC had been accepted a month ago, it had been impossible to get the contract signed and it had been necessary to send an officer to Pola for that purpose.

Major COLICE said it was due to a misunderstanding, and as soon as the officer arrived the matter was arranged satisfactorily.

TCRB/LVM

P. H. BURTON,
Major, D.V.C.,
Secretary,
Joint Economic Committee.

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
VENEZIA GIULIA, TRIESTE, ITALY.

4 NOV 46

MINUTES

FINANCE SUB-COMMITTEE

82. The 4th meeting of the Finance Sub-Committee was held at 15.30 hours, 4 NOV 46, in the Finance Division, HQ JAG Venezia Giulia, TRIESTE.

PRESENT:

Chairman

Lt.Col. N.T. BEARD,
CFC, JAG Venezia Giulia.

Members

Ing. KOVACIC, M. }
Mr. URSICIC, P. } Jugoslavia.
Major BJELIS, S. }
Major GOLOB, R. }

83. PAYMENTS BY UIVOD FOR EXPORTS TO COPE B.

Mr. URSICIC said that he understood that when an order for goods is placed, the whole of the purchase price is blocked in UIVOD's account, although delivery may not take place for several months afterwards. He asked for this to be altered and payment to be made on delivery.

Lt.Col. BEARD stated that it was not his order that the whole purchase price must be paid at the time of ordering goods. If firms required a deposit with the order, that was another matter and depended on the conditions of sale, but in that case the final adjustment only took place when the goods entered the Mergin Lina.

Major GOLOB then enquired if UIVOD could use the balance of the account at any time for business.

Lt.Col. BEARD explained that the account could be used for the purchase of goods for which a permit is issued, and that was the idea of the clearing account. The accounts of UIVOD and CENTROBOM were also used for the payment of such organizations as the Yugoslav Mission for UPRR, and other services.

84. PAYMENT OF EMPLOYEES OF ITALIAN BANKS IN FIUME.

Mr. URSICIC asked what arrangements could be made for the payment of the employees of Italian banks in Fiume, since there was a regulation forbidding the export of currency.

Lt.Col. BEARD asked, as the banks were without money, whether the Yugoslavs preferred money to be sent or whether they desired the payments to be made through UIVOD.

It was agreed that the banks should furnish to the Yugoslavs a list of amounts to be paid. Payments would then be made from UIVOD's

PRESENT:Chairman

Lt. Col. N.T. BEARD,
CWO, JMG Von zi. Giulio.

Members

Ing. KOVACIC, H. } Jugoslavian.
Mr. URSICIC, P. }
Major BJELIS, S. }
Major GOLOB, R. }

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Lt. Col. BEARD stated that it was not his order that the whole purchase price must be paid at the time of ordering goods. If firms required credit with the order, that was another matter and depended on the conditions of sale, but in that case the final adjustment only took place when the goods crossed the Morgan Line.

Major GOLOB then enquired if UIVOD could use the balance of the account at any time for business.

Lt. Col. BEARD explained that the account could be used for the purchase of goods for which a permit is issued, and that was the idea of the clearing account. The accounts of UIVOD and CENTROPER were also used for the payment of such organizations as the Yugoslav Mission for UNRRA, and other services.

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Lt. Col. BEARD asked, as the banks were without money, whether the Yugoslavs preferred money to be sent or whether they desired the payments to be made through UIVOD.

It was agreed that the banks should furnish to the Yugoslavs a list of amounts to be paid. Payments would then be made from UIVOD's account in Zone B and UIVOD's account in Trieste would be credited with the total sum.

85. CASSA RURALE AT LIBONA.

Mr. URSICIC raised the question of a letter that had been sent direct from JMG to the Cassa Rurale at Libona.

Lt. Col. BEARD agreed that the correspondence should have passed through the Yugoslav Military Government, and regretted that due to an error in this particular case, the letter had been sent direct.

-2-

86. PRICES OF ELECTRICITY IN ZONES A AND B.

Mr. URSICIC stated that Solveg was charging more for electricity to consumers in Zone B than in Zone A and asked for prices to be made equal in both Zones.

Lt.Col. BEARD said that he would ask Solveg why the rates charged are not the same, and if there were no legitimate reasons, the prices should be equal.

87. EVALUATION OF LIRA.

Lt.Col. BEARD enquired if the recent decrees published by the Yugoslav Military Government on the value of the Lira in Zone B had yet produced any noticeable effect in that Zone.

Mr. URSICIC replied that not as yet, but it would have an effect and according to the economic circumstances any necessary action would be taken.

T. G. R. Burrows

T. G. R. BURROWS,
Major, D.Q.C.,
Secretary,
Joint Economic Committee.

TGRB/LWI

2573

25 JULY 45.

MEMORANDUM

The fifteenth meeting of the Joint Economic Committee was held at 10.00 hours, on 25 JULY 45, in the main Conference Room at HQ AMF, 15 Corps, Trieste.

PRESENT:

Chairman

Brigadier G.L.R. BARTLE, OBE,
Brigadier i/c Admin, 15 Corps.

Members

Colonel G.L. BARLUM,
ED 15, TRIESTE.

Mr. G.L. BART, HEAD
CU, AM 15 Corps.

Lt. Col. H.S. BLOOMSBURY,
Economics AM 13 Corps.

Lt. Col. A.D. MURPHY,
i/c (Gen), 15 Corps.

Lt. Col. J.S. FORD,
i/c Finance,
AM 13 Corps.

Lt. Col. LEMAC, R,
Chief of Yugoslav Delegation.

Mr. KOVACIC, R,
Industry, Yugoslavia.

Major GILCHRIST, R,
Transportation, Yugoslavia.

Mr. JUSCIC, R,
Finance, Yugoslavia.

In Attendance

Lt. Col. C.A.W. BEEHNS,
Chief of Police Officer,
AM 13 Corps.

Major K. GORDON,
Economics, AM 15 Corps.

252. MEMORANDUM OF THE JOINT ECONOMIC COMMITTEE OF THE LINGERS A COMMITTEE
SUB-COMMITTEE.

The c/m minutes were received.

2572. MEMORANDUM OF THE JOINT ECONOMIC COMMITTEE OF THE LINGERS A COMMITTEE.

Lt. Col. BLOOMSBURY handed to the Yugoslav Delegation a list of machinery removed from the cotton mill at Podgora, and also a list of machinery put in the mill in replacement.

Lt. Col. LEMAC expressed his satisfaction and stated that all would be required.

564/a

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JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
15 CORPS, TRIESTE, ITALY.

Chief of Administration
25 JULY 1945
10

Brigadier Genl. A. E. SMITH, OBE,
Brigadier i/c Admin, 15 Corps.

Members

Colonel C. C. BARNETT,
DAMI, TENNESSEE.

LT. COL. LUTAO, JR.
Chief of Jap. Navy Delegation.

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Ing. KOVÁČIO, M.,
Inžinier, Župčianska.

Dr. J. L. R. D. D. D. D.

Major Gordon, 2,
Transvaal, Jan 21/1914.

Lt. Col. A.J. STELLS,
U.S.A. (ev), 15 Jeros.

Mr. WISLIZ, F,
Finance, Yugoslavia.

LEWIS, J. B. ROWE,
D. Williams,
May 13 1900.

In Accordance

LT. COL. C.A.W. SUMPINS
Chief of Force Office,
AME 13 Corps.

Major K. Cooper,
Electronics, AIG 13 Corps.

U.S. BIRDS OF THE COLUMBIAN PLATEAU OF THE INDIAN & COASTAL
SOUTHWEST.

The α/π minutes were reduced.

2572. MAGNETRY REMOVED FROM THE COUNTRY: KILL AT POLIGNA.

LT. COL. BICKERSWITH banded to the Yugoslav Delegation a list of machinery removed from the cotton mill at Podgora, and also a list of machinery out in the mill in replacement.

10. Lt. Col. LIND expressed his satisfaction and stated that this was all that he required.

5. MACHINE BY REMOVED FROM STOCKING, ARS AND REMOVED.

Lt. Col. DIMMICKSON asked if the Junior Delegation would prepare for him a list of machinery removed from the mine at Sibbiolo, the mine at Arsa, and the IGMA installation at Fiume.

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Lt. Col. BERTALDO

325. (contd.).

Lt. Col. MORGENTHAU insisted that he still required the lists, and pointed out that in similar cases in the past, he had given lists to the Yugoslav Delegation.

Lt. Col. LUKAS said that the movement of machinery in question was for economic reasons, one of which was to increase the output of the iron mines. Such movement was not forbidden by the Morgan-Trojanovic agreement and he still did not see any necessity to produce lists.

The Chairman stated that the point was that although the Yugoslav delegates now admitted that machinery had been moved, they were unwilling to produce a list of such machinery when asked to do so.

Lt. Col. LUKAS replied that he could produce lists and even a statement on how before any machinery was moved out of Zone "A", but he did not consider it necessary to do so when the movement was not out of the zone. He asked that it should be recorded in the minutes that movement of machinery in Zone "A" to anywhere else in Zone "A", or of machinery in Zone "A" to anywhere else in Zone "A" was not outside the Morgan-Trojanovic agreement.

After further discussion the Yugoslav delegation agreed to produce the lists of machinery asked for by Lt. Col. MORGENTHAU, and that they accepted the wording of the minute as recorded, but wished the following statement made by them to be added:

"The discussion that was held about the removal of machinery from the Podgora on one side and the question of removal of machinery from the zone on the other side, must not influence the removal of machinery in connection with the newly created electrical situation, that is to say, on the grounds of this discussion it would not be considered permissible to remove machinery from Pola except to the mines or the same firm the same is one 'A'."

The British-Yugoslav Delegation made no comment on this statement.

326. GOODS EXAMINERS FROM ITALY.

Major GLOB stated that export licences to permit entry of goods into Zone "A" and Yugoslavia were being issued very slowly.

The Chairman asked if the list of goods for which facilities were required was ready.

Major GLOB said it was difficult to compile the list, but that it would be produced.

Lt. Col. SMITH pointed out that for export of goods from Italy a certificate from the local Chamber of Commerce that the goods were surplus and could be exported was necessary before a licence could be issued. This procedure was not being followed with the result that the issue of necessary licences was held up.

Major GLOB said that he would mention this to Centropo and

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327. AREA VOLTAGE.

Lt. Col. SMITH, referring to Minute 197 of the Industry and Commerce Sub-Committee, said that ACO are placing orders for coal and that the same matter is being discussed.

on early delegates now admitted that machinery had been moved, they were unwilling to produce a list of such machinery when asked to do so.

Mr. Col. LITAC replied that he would produce lists and even not earlier than before any machinery was moved out of Zone "B", but he did not consider it necessary to do so when the movement was not out of the zone. He added that it should be recorded in the minutes that movement of machinery in Zone "B" to anywhere else in Zone "B", or of machinery in Zone "B" to anywhere else in Zone "A" was not outside the limits of Zone "B".

After further discussion the Yugoslav delegation agreed to produce the lists of machinery asked for by Mr. Col. LITAC, and that they accepted the wording of the minutes as recorded, but wished the following amendment made by them to be added:

"The discussion that was held about the removal of machinery from the Podgora on one side and the question of removal of machinery from the fields on the other side, must not influence the removal of machinery in connection with the newly created official situation, that is to say, on the grounds of this discussion it should not be considered permissible to remove machinery from Pola except to premises of the same firm as the machinery in Zone "A".

The British-American Delegation made no comment on this statement.

277. GOODS IN TRANSIT FROM ITALY.

Major GOLOB stated that export licences to permit entry of goods into Zone "A" and Yugoslavia were being issued very slowly.

The Chairman asked if the list of goods for which facilities were required was ready.

Major GOLOB said it was difficult to compile the list, but that it would be produced.

Mr. Col. STAMER pointed out that for export of goods from Italy a certificate from the local Chamber of Commerce that the goods were genuine and would be exported was necessary before a licence could be issued. This procedure was not being followed with the result that the issue of the necessary licences was held up.

Major GOLOB said that he would mention this to Centonar and

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277. AREA "A".

Mr. Col. STAMER, referring to Minute 197 of the Industry and Commerce Sub-Committee, said that the AC are placing orders for coal in Zone "A" in the same manner as everyone else.

278. POSTAL FACILITIES FOR YUGOSLAVIA IN ZONE "A".

Mr. Col. LITAC asked for the inclusion of a Yugoslav official on the Railway Coordinating Committee to be in charge of arrangements for safeguarding the transit of Yugoslav mail and postal packages.

The Chairman stated that on the trains the Yugoslavs had their own guards provided from the Yugoslav detachment.

Mr. Col. LITAC said that trains consisted chiefly of UNRRA goods and included a Postal van. It was the duty of the Yugoslav guard to look after the whole of the train.

Mr. Col. LITAC said that he took note that the Anglo-American delegation consider that the Yugoslavs are given full opportunity to safeguard their postal packages and do not think it necessary for a Yugoslav official to be used for this purpose.

(17)

249. RETURN OF LO-TOY CRANE TO ZONE "B".

Colonel BIKSANT said that an answer had been sent on the 14th July 46 to the Joint Operating Committee.

Lt. Col. LITAC pointed out that the crane was a floating crane and should be used for construction purposes and not for unloading goods. It was urgently needed for repair of the port of Fiume.

Colonel BIKSANT replied that he had gone carefully into the matter. The crane was used chiefly for heavy lifts from ships and he could not give him a reply.

250. REPAIRS TO THE CARSTO AQUEDUCT "DUTY MEN".

The Yugoslav Delegation handed to Lt. Col. BIKSANT a written application for the aqueduct plans.

251. AIRCRAFT PERMISSIONED BY C. A. L. POLA.

Lt. Col. BIKSANT stated that details would be forwarded to the Jugoslav Delegation before the next meeting.

252. MOVEMENT OF PARA PRODUCE ACROSS THE MORGAN LINE.

Ing. KOVACIC stated that the limit of 1 kilometre each side the Morgan Line allowed to farmers, whose farms lie across the line, for moving their produce, was not sufficient. It was not possible to give particulars of cases since there were too many instances.

Major GOLOZ considered that the limit should be 5 kilo metres.

Lt. Col. BIKSANT said that a general limit of 5 kms. could not be given but if there was a 1 km. limit was insufficient, the para were reported to the CAO of the Commune, the limit could be extended by him.

Ing. KOVACIC agreed and asked that CAO be instructed accordingly.

Lt. Col. BIKSANT said he would do so.

253. FINANCE SUB-COMMITTEE.

The minutes of the ninth meeting of the Finance Sub-Committee were received.

254. DISCUSSED FORWARDS FROM ZONE B.

Lt. Col. BIKSANT stated that a ruling had been made to the effect that where a contribution was contributed, he must receive benefit. If there were five of any case where this is not so, he would take the matter up with the Insurance Company.

Mr. TISIC said he would furnish details.

255. SOCIAL SECURITY AND TAXATION RECORDS.

In reply to Lt. Col. BIKSANT, Mr. TISIC said he would try to produce the records shortly.

256. YUGOSLAV OCCUPATION LIFE ASSURED BY U.S. COMPANIES.

Lt. Col. LITAC stated that he now agreed to exchange the Yugoslav occupation line taken by the bus companies.

351. APPROXIMATE JUSTIFICATION BY C. A. L. POLA.

Lt. Col. BICKELMANN stated that details would be forwarded to the Yugoslav Delegation before the next meeting.

352. MOVEMENT OF FARM PRODUCE ACROSS THE ORGAN LINE.

Lt. Col. KOVACIC stated that the limit of 1 kilometre each side the Organ Line allotted to farmers, whose farms lie across the line, for moving their produce, was not sufficient. It was not possible to give particulars of cases since there were too many instances.

Major GOLON considered that the limit should be 5 kilo. but Lt. Col. BICKELMANN said that a general limit of 5 km. could not be given but if, where the 1 km. limit was insufficient, the matter were referred to the CAC of the Company, the limit could be extended by him.

Lt. Col. KOVACIC agreed and asked that CACs be instructed accordingly.

Lt. Col. BICKELMANN said he would do so.

353. FINANCE SUB-COMMITTEE.

The minutes of the ninth meeting of the Finance Sub-Committee were received.

354. DISCUSSION FORWARDS FROM ZONE D.

Lt. Col. LEAD stated that a ruling had been made to the effect that where a woman has contributed, he must receive benefit. If details were given of any case where this is not so, he would take the matter up with the Insurance Company.

Lt. Col. KOVACIC said he would furnish details.

355. REAL ESTATE AND TAXATION RECORDS.

In reply to Lt. Col. LEAD, Lt. Col. KOVACIC said he would try to produce the records monthly.

356. YUGOSLAV OCCUPATION LINE ACCEPTED BY BUS COMPANIES.

Lt. Col. LEAD stated that he now agreed to exchange the Yugoslav occupation line taken by the bus companies.

357. YUGOSLAV OCCUPATION LINE AT BERNARD BROUIN TWO ZONE "A" AND CONFISCATED.

Lt. Col. LEAD considered that the confiscated Yugoslav occupation line and dinars should now be returned since he had agreed to exchange the Yugoslav occupation line of the bus companies, although that money was taken into Zone "A" in an irregular way.

Lt. Col. LEAD replied that the bus companies' takings must be exchanged or they could not continue to operate, but if people officially brought Yugoslav occupation line and dinars into Zone "A", this money would have to be confiscated. Nevertheless, he would consider Lt. Col. LEAD's request, but only for currency already confiscated, and not for the future.

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BEST COPY POSSIBLE

ANNOUNCEMENT OF THE BOARD OF DIRECTORS TO THE STOCKHOLDERS

Mr. MacCris reported that he had received a request from a certain Insurance Company for permission to open an office in Detroit. Lt. Col. Blum asked for a written application, giving name of Company, details of plans of business, proposed and financial position of the Company. The matter would then be considered.

339. REPORT OF THE SHIPPING COMMITTEE.

Lt. Col. MacCris stated that the amendments proposed by the Committee to the minutes of the Shipping Conference were not accepted by the British-American delegation.

Lt. Col. MacCris stated that this is not dealt with at this meeting as the committee official was not present.

The Chairman stated that the British-American delegation wished their statement to be recorded in the minutes. This could save time when the matter came up again.

340. REPORT OF THE POLA.

Lt. Col. MacCris asked if the British-American delegation knew that parts of art are being removed from the Museum at Pola.

The Chairman stated that the matter would be investigated.

341. REPORT OF THE POLA.

It was decided that no date be fixed for the next meeting of either of the Sub-Committees. But that when either the British-American or the Yugoslav delegations consider a meeting necessary, they will inform the Secretary who will then arrange a suitable date. The Secretary to arrange a meeting of the Main Committee when requested to do so by either of the Sub-Committees.

T. G. R. BUREAU,
Major, RAFC, C.
Secretary,
Joint Economic Committee.

ARMY/NAVY

-DISTRIBUTION-

1. CIO, AFHQ.
2. D/CIO, AFHQ.
- 3/6. G-5, AFHQ.
7. G-4, AFHQ.
8. G (Maint), CIO, AFHQ.
9. M & TI, AFHQ.
10. US POLID, AFHQ.
11. RESIN, AFHQ.
12. TN (LITH) ROLE, CIE.
13. G.O.C., 13 Corps.
- 14/15. D. & IG, 13 Corps.
17. MIG (Inv), 13 Corps.
18. Chief Commissioner, ALCON.
19. HQ ALCON.
- 20/29. Economic Section, ALCON.
30. Industry & Utilities Sub-Commission, ALCON.
(att: Chief, Electrical Division)
31. Industry & Utilities Sub-Commission, ALCON.
(att: Coal Division)
32. Industry & Utilities Sub-Commission, ALCON.
33. Finance Sub-Commission, ALCON.
34. American Embassy, ROLE.
35. British Embassy, ROLE.
36. SCIO, MIG 13 Corps.
- 37/38. D/SCIO, MIG 13 Corps.
39. Economic Adviser, MIG 13 Corps.
40. Public Relations Officer, MIG 13 Corps.
41. Legal, MIG 13 Corps.
42. Finance, MIG 13 Corps.
- 43/44. Supplies, MIG 13 Corps.
45. Transportation, MIG 13 Corps.
46. Labour, MIG 13 Corps.
47. Public Works, MIG 13 Corps.
- 48/67. Jugoslav Delegation.
68. Commerce, MIG 13 Corps.
69. Col. C.H. B. HUNT, DD.Tn, TRIESTE.
70. G-II, MIG 13 Corps.
71. Ind & Utilities, MIG 13 Corps.
72. G-II (B) Main 13 Corps.
- 73/100. Spares.

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JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
XIII CORPS, TRIESTE, ITALY.

22 JUL 46.

JOINT ECONOMIC COMMITTEE - AGENDA

The fifteenth meeting of the Joint Economic Committee (per agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Yugoslav Army) will be held at 10.00 hrs on TUESDAY, 25 JULY 1946, in the Main Conference Room No. 68, HQ AFM 13 Corps, TRIESTE, to consider the following Agenda :-

1. Minutes of the fourteenth meeting held on 6 JUN 1946.
2. To consider the minutes of the meetings of the following Sub-Committees :-
 - a) Industry & Commerce and Fuel & Power Sub-Committee meeting of 10 JUL 46. (appx A)
 - b) Finance Sub-Committee meeting of 10 JUL 46. (appx B)
3. Any other business.
4. To set a date for the next meeting.

564/a.

Kenneth G. May
H 516 r u n h
H. ST.G. FRENCH,
Major, DCMG,
Secretary,
Joint Economic Committee.

ATTACHMENTS:

Appendices "A" & "B".

ONE

2567

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
13 CORPS, TRIESTE, ITALY.

10 JULY 46

MINUTES.

INDUSTRY & COMMERCE SUB-COMMITTEE and the
FUEL & POWER SUB-COMMITTEE

193. The fourteenth meeting of the Industry & Commerce and the Fuel & Power Sub-Committee was held at 10.00 hours, 10 JUL 46, in the Economic Section, HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Lt. Col. D.S. BICKERSTETH,
Economics, HQ AMG 13 Corps.

Members

Lt. Col. J.E. FODEN,
Ind & Utilities,
AMG 13 Corps.

Ing. KOVACIC, M.
Maj. BIELIS, S.
Maj. COLOB, R.
Mr. URSICIC, P.

In Attendance

Lt. Col. C.A.W. STEPHENS,
Commerce, HQ AMG 13 Corps.

194. CONTROL OF GOODS CROSSING THE MORGAN LINE.

The Yugoslavs said they had investigated the statement that importers were having their permits taken from them at Yugoslav check posts, and the matter had now been settled.

195. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORA.

Major BIELIS said the Yugoslavs had been informed that machinery is still being removed from the cotton mill.

Lt. Col. BICKERSTETH agreed, but he said that other machinery was being brought in. He pointed out that any operating factory must change machines from time to time, and it was not intended to prevent firms carrying on business in a normal manner, providing no violation of the Morgan - Jovanovic agreement was involved. The object of the relevant clause in the agreement was to prevent the dismantling of factories and their removal from Venezia Giulia either to Italy or Yugoslavia. It was the principle which mattered, not the actual moving of a piece of machinery.

The Yugoslavs said that lists of machinery removed and brought in had been promised at the last main meeting, but they had not yet received those lists. It appeared their information differed from that in the

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Chairman

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Members

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Ind & Utilities,
AMG 13 Corps.

Ing. KOVACIC, M.
Maj. BIELIS, S.
Maj. GOLOB, R.
Mr. URSICIC, P.

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The Jugoslavs said that lists of machinery removed and brought in had been promised at the last main meeting, but they had not yet received those lists. It appeared their information differed from that in the possession of the Anglo-American side, and the lists they had requested would prove the facts and rule out the possibility of one side or the other being mis-informed.

Lt. Col. BICKERSTETH said he had written to the mill for a complete list of all machinery which had been removed since 1945. He had not had a reply yet, but he would press the matter and pass the list to the Jugoslavs before the next meeting.

196. GOODS IN TRANSIT FROM ITALY.

Lt. Col. STEPHENS, referring to Minute 297 of the fourteenth meeting of the Joint Economic Committee, said the promised list of goods had not yet been received.

The Jugoslavs said they would hasten the matter.

-2-

197. APSA COAL.

Lt. Col. BICKERSTETH said that AMG really wanted a six months programme specifying deliveries of so many tons per month.

Major COLOB replied that this would be difficult, since Yugoslav requirements were not yet known. In answer to Lt. Col. FODEN he said it might be possible to arrange an agreement based on minimum quantities, which could be increased according to circumstances. However, considerable quantities of coal, especially coal dust, had already been put at the disposal of Zone A, but transport had always been the difficulty.

Lt. Col. FODEN said he would like particulars of the transport difficulties, and he enquired whether there were any existing stocks which AMG had failed to remove.

Major COLOB said the Yugoslav Military Government were not selling Arsa coal - they gave it to UIVOD, a commercial concern, who pass the coal on to Italy. Could AMG assist UIVOD in the matter of licenses, transport etc?

Lt. Col. STEPHENS asked whether AMG could be given the first refusal of any coal offered. AMG would then be in a stronger position to demand railway wagons and a quicker turn-over could be made. He hoped the coal position would be much improved next month by supplies from normal sources.

Major COLOB said AMG should refer the question to UIVOD and the Jugoslavs also would pass on Lt. Col. STEPHEN'S request.

198. POSTAL FACILITIES FOR JUGOSLAVIA IN ZONE A.

Lt. Col. BICKERSTETH said that both UNRA and the Post Office were satisfied with the present position, and there was no need for a Yugoslav official.

The Jugoslavs replied that UNRA and the Post Office might be satisfied, but people who receive parcels were not, because parcels had been stolen and sometimes received with half their contents missing. They would now like a definite answer.

Lt. Col. BICKERSTETH replied that the Yugoslav application would not be granted.

199. ASSAULTS ON JUGOSLAV FUNCTIONARIES.

The Jugoslavs acknowledged receipt of the AMG reply to their report, and they expressed thanks for the measures taken.

200. CONSORZIO PER LA BONIFICA DELL'ISTRIA.

The Jugoslavs said the President of this Company had not yet visited ABRAZIA, and Lt. Col. BICKERSTETH said he would take the matter up by letter.

201. REMOVAL OF COFFER TO LUBLJANA.

The Jugoslavs handed a letter to the Chairman which stated that the copper referred to by them at previous meetings had been sent to LUBLJANA from S. PIETRO DEL CARSO, in Zone B. This action did not infringe the Morgan-Jovanovic Agreement.

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The Yugoslavs handed a letter to the Chairman which stated that the copper referred to by them at previous meetings had been sent to LUBLJANA from S. PIETRO DEL CARSO, in Zone B. This action did not infringe the Morgan-Jovanovic Agreement.

202. TUG "NETTUNO".

In reply to Lt.Col. BICKERSTETH, the Yugoslavs said the owner of the tug should get in touch with Yugoslav Military Government, who would then give him a reply.

203. RETURN OF 40-TON CRANE TO ZONE B.

In reply to the Yugoslavs, the Chairman said this was a matter for decision by Colonel BARRETT. He would, however, ask Colonel BARRETT for an answer.

204...../

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204. GRAZING FOR CATTLE.

Lt. Col. BICKERSTETH said he had taken action on this matter yesterday, and he apologized for the delay. Permission to graze cattle from Zone B on the Zone A side of the Morgan Line would be subject to approval by the Public Health Division.

205. REPAIRS TO THE CARGIC AQUEDUCT "MONTE RE".

The Chairman said that AMG had agreed to carry out the necessary repairs in Zone A. Would the Jugoslavs take similar action in Zone "B"?

The Jugoslavs said they were now repairing all aqueducts, but the main difficulties were caused by the lack of plans and particulars. Could AMG supply plans of the aqueducts - Istria, Nanos, Huber and Vipacco?

The Chairman asked for a written application, which he would then pass to the appropriate authorities for action.

206. AUTOBUS REQUISITIONED BY C.P.L. POLA.

Lt. Col. BICKERSTETH said this bus belonged to the Istituto Nazionale Trasporti, Trieste, and it had been requisitioned by C.P.L., Pola. The owners were trying to recover the bus, and C.P.L. had stated last May that they had got in touch with the Communication Section of the Peoples' Liberation Council for Istria, and hoped for a speedy decision. No further reply had since been received.

The Jugoslavs requested written particulars, and it was agreed to furnish them with copies of the correspondence.

207. CONFERENCE ON SHIPPING.

The Jugoslavs handed over a revised version of the minutes taken at the shipping conference on 5 APRIL 46 and requested acceptance.

Lt. Col. BICKERSTETH said he would refer the Yugoslav draft to Major COCKER, who was Chairman of the meeting in question.

208. IRREGULAR REPORTS OF FOODSTUFFS FROM ZONE B TO ZONE A.

The Chairman said that considerable quantities of flour were coming into Zone A from Zone B and that AMG and URRAs were making investigations.

The Jugoslavs replied that they had received similar information from URRAs Jugoslavia, and they had begun enquiries. It was contrary to Yugoslav regulations to export flour.

209. MOVEMENT OF FARM PRODUCE ACROSS THE MORGAN LINE.

The Jugoslavs said they permitted farmers resident in Zone A, whose farms lay in Zone B, to move hay and other farm produce across the line. Complaints had been made that AMG did not allow similar concessions to Zone B residents.

Lt. Col. BICKERSTETH requested the Jugoslavs to furnish particulars of specific cases, and action would then be taken.

210. DATE OF THE NEXT MEETING.

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Lt. Col. BICKERSTETH requested the Jugoslavs to furnish particulars of specific cases, and action would then be taken.

210. DATE OF THE NEXT MEETING.

Lt. Col. BICKERSTETH said the Anglo-American side felt it was unnecessary to continue holding meetings of the main committee for the present, since the sub-Committees were capable of undertaking the work involved.

The Jugoslavs agreed, and it was decided that either side could call for a sub-Committee meeting whenever the necessity arose.

HSJGE/LWW

HSJGE
H. ST.G. FRENCH,
Major, DAQM, G,
Secretary,
Joint Economic Committee.

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
13 CORPS, TRIESTE, ITALY.

10 JUL 46.

75. The ninth meeting of the Finance Sub-Committee was held at 14.30 hours, on 10 JULY 46, in the Finance Division, HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Capt. R.E. HUGHES,
Finance Division,
HQ AMG 13 Corps.

Members

Ing. KOVACIC, M.)
Mr. URSICIC, F.) } Jugoslavia.
Major BJELIS, S.)

76. DISMISSED WORKERS FROM ZONE B.

Referring to the payment of unemployment benefits to insured workers, the Jugoslavs asked what action had been taken by AMG. They said the question had now been outstanding for a considerable time, and workers without financial means were suffering hardship. Since Lt. Col. ELARD had agreed that insured workmen were entitled to unemployment benefits, it then now only be necessary to confirm with the insurance companies that the premiums had been duly paid.

The Jugoslavs emphasized that an answer to this question was less important than appropriate action in the matter.

Capt. HUGHES confirmed that it had been agreed that where contributions are paid the benefits accrue to the employees, and the insurance companies were making payments. Was it possible that contributions were not made in some cases?

Mr. URSICIC said that employers deducted insurance premiums from wages before the workers were paid, and therefore there could be no doubt that contributions had been made.

Capt. HUGHES promised to confirm the present position in this matter by letter before the next meeting.

77. PAYMENT OF CHARGES FOR ELECTRIC CURRENT.

Capt. HUGHES enquired whether the Jugoslavs possessed any further information regarding electric meters for Zone B.

Major BJELIS replied that SELVEG had agreed to remove the meters from OFICINA and instal them in DIV. CCL, but the Anglo-American side had refused permission.

It was agreed that this question was a matter for decision by the Joint Operating Committee.

78. BRITISH OWNED PROPERTY IN ZONE B.

Members

Ing. KOVACIC, M.)
Mr. URSICIC, F.) Jugoslavia.
Major BJELIS, S.)

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It was agreed that this question was a matter for decision by the Joint Operating Committee.

78. BRITISH OWNED PROPERTY IN ZONE B.

With reference to proposed visits to Zone B by property owners, the Jugoslavs said it would first be necessary to establish proof of ownership. They had not yet received notice of any proposed visits.

A letter from AMG Property Control was read, which stated that an accredited representative of the Societa Anonima Minieria Triestina (S.A.M.T.) would shortly be making application for permission to visit the company's mines and works.

Capt. HUGHES said he could not appreciate why it was necessary to establish proof of ownership before entering Zone B.

The Jugoslavs said the representative should bring with him all documents proving right of ownership, and on his arrival the Jugoslav Military Government Legal Section would examine these documents. If they were found to be in order the representative would be given access to property.

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79. REAL ESTATE AND TAXATION RECORDS.

In reply to Capt. HUGHES, the Jugoslavs said that all possible steps had been taken to secure the tax rolls requested. The books from which extracts were being made were located in a district situated partly in Zone A and partly in Zone B, and it had not been possible to make copies in a short time. They hoped it would now be only a matter of days before the extracts could be forwarded to MIG.

80. CARGO TAX ON VESSELS.

Capt. HUGHES asked whether it was a fact that a 10% cargo tax was being levied on vessels registered in Zone B. This information was sought in order to deal with a certain case which had arisen, particulars of which would be brought forward in due course.

The Jugoslavs replied that written particulars should be forwarded, which they would then pass to their Finance Section.

81. CLAIMS.

Capt. HUGHES said that MIG Finance Division had from time to time forwarded through the Joint Economic Committee various claims for compensation, some of which related to property taken by Yugoslav Partisans as long ago as 1943. Had the Jugoslavs any machinery for dealing with such claims?

The Jugoslavs replied that all such claims were referred to the Yugoslav Government. There had been several claims from people whose property had been taken by Partisans, some of which had been paid. A discussion on the subject had been held at one of the Finance meetings.

HSTCE/LM

W. French
H. ST. C. FRENCH,
Major, DQAG,
Secretary,
Joint Economic Committee.

Enclosure:

Appendix "A" - MEMORANDUMS.

APPENDIX "A"AMENDMENTS TO MINUTES.

At the request of the Yugoslavs, the following amendments to Minute 316 of the Main meeting, held on 6 JUN 46, were agreed.

- Para. 3.
- a) Delete the words "from the Americans".
 - b) Delete "did not wish"
Substitute "was not able".
 - c) For 100% read 300%.

Para. 7. Amend the first sentence to read "Lt. Col. LEMIG alluded to the difficult conditions which had prevailed in Yugoslavia and said it had been extremely hard to establish favourable circumstances for effecting payment".

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E.C.

More marked
paras - of
interest

See TWS

M. S. LUSH

28/VI PA. CC

Brie. Drew to 28/VI
Mr 28/VI

Chief Commissioner, COPY NO. 18
 JOINT ECONOMIC COMMITTEE
 HEADQUARTERS, ALLIED MILITARY GOVERNMENT
 13 CORPS, TRIESTE, ITALY
 JUN 28 1946

6 JUN 46

MINUTES

290. The fourteenth meeting of the Joint Economic Committee was held at 10.30 hours, on 6 JUNE 46, in the Main Conference Room at HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Brigadier G.J.R. BASTIN, OBE
 Brigadier i/c Admin, Rear 13 Corps.

Members

| | |
|--|---|
| Colonel C.H. BARNETT,
ED.M., TRIESTE. | Lt.Col. LENAC, M,
Chief of Yugoslav Delegation. |
| Lt.Col. N.T. BEARD,
E.F.O. AMG 13 Corps. | Ing. KOVACIC, M,
Industry, Yugoslavia. |
| Lt.Col. D.S. BICKURSTETH
Economics, AMG 13 Corps. | Mr. URSISIC, P,
Finance, Yugoslavia. |
| Lt.Col. A.J. MILMAN,
"Q" (Gov) Rear 13 Corps. | Major GOLCB, R,
Transportation, Yugoslavia. |
| Lt.Col. J.B. FODEN,
Ind & Utilities,
AMG 13 Corps. | Major BJELLIS, S,
Transportation,
Yugoslavia. |

In Attendance

Lt.Col. C.A.W. STEPHENS,
Chief Commerce Officer,
AMG 13 Corps.

 Major K. COOPER,
Economics, AMG 13 Corps.

291. LETTER FROM THE COMMANDER 13 CORPS.

The Chairman read to the meeting a letter from the Corps Commander, addressed to Di & QMG, Rear HQ 13 Corps (Appx.A attached).
 A translation was passed to the Yugoslav Delegation.

292. MINUTES OF THE THIRTEENTH MEETING OF THE INDUSTRY AND COMMERCE SUB-COMMITTEE.

The a/m minutes were received.

564/00

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564/00

Brigadier G.E.R. EASTIN, OBE
Brigadier i/c Admin, Rear 13 Corps.

Members

Colonel C.H. BARNETT,
ED.M., TRIESTE.

Lt.Col. K.T. BRADY,
C.F.O. ANG 13 Corps.

Lt.Col. D.S. BICKERSTETH
Economics, ANG 13 Corps.

Lt.Col. A.J. MILLAN,
"Q" (Mov) Rear 13 Corps.

Lt.Col. J.L. POSEN,
Ind & Utilities,
ANG 13 Corps.

Lt.Col. LUNAC, M,
Chief of Yugoslav Delegation.

Ing. KOVACIC, M,
Industry, Yugoslavia.

Mr. URSISIC, P,
Finance, Yugoslavia.

Major GOLUB, R,
Transportation, Yugoslavia.

Major BVELIS, S,
Transportation,
Yugoslavia.

In Attendance

Lt.Col. C.A.W. STEPHENS,
Chief Commerce Officer,
ANG 13 Corps.

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Economics, ANG 13 Corps.

291. LETTER FROM THE COMMANDER 13 CORPS.

The Chairman read to the meeting a letter from the Corps
Commander, addressed to DA & QMG, Rear HQ 13 Corps (Appx.A attached).
A translation was passed to the Yugoslav Delegation.

292. MINUTES OF THE THIRTY-SEVENTH MEETING OF THE INDUSTRY AND
COMMERCE SUB-COMMITTEE.

The a/m minutes were received.

293. CONTROL OF GOODS CROSSING THE MORGAN LINE.

Ing. KOVACIC referred to the need for establishing
additional control posts and requested that the matter be hastened in
the interests of their people.

Major COOPER replied that a request for additional posts
had been forwarded to higher authority.

Lt.Col. STEPHENS said he had been informed by the Supply
Officer for Gorizia Area that General Order No.45 is being implemented,
to ensure that persons importing goods from Zone B are in possession
of a Yugoslav Export Permit. Importers have stated that permits are
being taken from them at Yugoslav check-posts, and he requested the
Yugoslavs to look into the matter. The Yugoslavs agreed to do so.

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294. BUSES OWNED BY GRATON.

Referring to Minute 175 of the Industry & Commerce Sub-Committee meeting on 31 MAY 46, Lt.Col. LEMMIG said the Yugoslavs did not agree with the Anglo-American reply. Since the Allies would take no further steps it was no use continuing the discussion.

295. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORICA.

Brigadier BASTIN said that Lt.Col. BICKERSTETH had examined the situation at the cotton mill and was satisfied that any machinery removed is being replaced. The general organization was intact, and therefore it was not intended to produce detailed lists of machinery removed or brought in.

Major BJELIS said the Anglo-American delegation had agreed that some machinery had been taken from the cotton mill and that this machinery was being renewed, and lists of materials sent out and brought in had been promised. The Yugoslavs knew the mill is still functioning efficiently, but the lists promised by Major COOPER would confirm this fact. They enquired whether these lists were now ready. The Chairman enquired whether the Yugoslavs produce similar lists of machinery removed from Zone B.

Major BJELIS replied that no machinery was being exported from Zone B. If the Yugoslavs at any time did so they might produce such lists if the Allies were interested.

Lt.Col. BICKERSTETH said he had given his personal assurance that the plant had not been impaired by the removal of machinery. Lists, however, could be produced, but he did not see any reason for doing so, and he suggested the question might be referred to higher authority.

The Chairman ruled that in this particular case lists would be produced, and the question whether in future cases detailed lists should be produced, or whether a guarantee that the efficient working of factories had not been impaired would suffice, will be referred to AFHQ for a decision.

296. RELEASE OF M/V SVIR AND LABOR

The Yugoslavs enquired whether the Allies had changed their opinion in this matter.

The Chairman said that the whereabouts of the LABOR was known, that she was unharmed, and that she was not under any restraint.

Lt.Col. LEMMIG said this meant that the Allies would not take any action, and the Chairman replied that the position remained as before. The Allies had suggested that the owners of the ships should meet and decide what they wished to do. Lt.Col. LEMMIG enquired whether the matter had been referred to the Legal Division.

Major COOPER replied that he had done so and the position remained as had been stated at the last meeting.

Lt.Col. LEMMIG asked whether the Anglo-American attitude remained unchanged and Major COOPER replied in the affirmative.

297. GOODS IN TRANSIT FROM ITALY

Ing. KOVACIC said that Centropron had been requested to send the Commerce Division a list of goods for which facilities to cross the Murgun Line were desirable.

Major BUELLIS said the Anglo-American delegation had agreed that some machinery had been taken from the cotton mill and that this machinery was being renewed, and lists of materials sent out and brought in had been promised. The Yugoslavs knew the mill is still functioning efficiently, but the lists promised by Major COOPER would confirm this fact. They enquired whether these lists were now ready. The Chairman enquired whether the Yugoslavs produce similar lists of machinery removed from Zone B.

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The Yugoslavs enquired whether the Allies had changed their opinion in this matter.

The Chairman said that the whereabouts of the LABOR was known, that she was unharmed, and that she was not under any constraint.

Lt.Col. LEMMON said this meant that the Allies would not take any action, and the Chairman replied that the position remained as before. The Allies had suggested that the owners of the ships should meet and decide what they wished to do. Lt.Col. LEMMON enquired whether the matter had been referred to the Legal Division.

Major COOPER replied that he had done so and the position remained as had been stated at the last meeting.

Lt.Col. LEMMON asked whether the Anglo-American attitude remained unchanged and Major COOPER replied in the affirmative.

297. GOODS IN TRANSIT FROM ITALY

Ing. KOVACIC said that Centroprom had been requested to send the Commerce Division a list of goods for which facilities to cross the Morgan Line were desirable.

298. ARSA COAL

Lt.Col. STEPHENS said he had suggested a meeting between representatives of AMG, JTG and UIVOD to plan a programme for supplying coal.

Major GOLOB said the Yugoslavs agreed in principle, but they did not think a meeting would be necessary. UIVOD was the supplying party and anyone interested could approach UIVOD direct.

Lt.Col. HEARD enquired whether the Yugoslavs could state the quantities of monthly coal surpluses.

The Yugoslavs/

The Yugoslavs replied they were unable to do so and they could not undertake obligations to supply any specified quantities over a period of time. Major COOPER added that coal which had already been sold to Zone A was still awaiting transport from Zone B.

Lt.Col. BEARD said the fault for this lay with the Anglo-American side, and Major COOPER said it was hoped to clear the coal by sea within 7 days.

Lt.Col. BEARD said that if the Yugoslavs would state their requirements trade could be arranged, but the debt to SELVEG was steadily increasing and he hoped the Yugoslavs would produce a great deal more coal in order to clear this debt. ANG had financed SELVEG and the Allies were naturally anxious to obtain re-payment.

Lt.Col. LEMAC enquired whether SELVEG had complained to ANG and if so, could the Yugoslavs be given a copy of the complaint.

Lt.Col. BEARD replied that SELVEG's complaint had been

discussed about five months ago. The Yugoslavs owed about 20,000,000 lire and the debt was increasing by 10,000,000 lire per month.

Then SELVEG received all the coal allotted to them the Yugoslavs would still owe 30,000,000 lire. It must be apparent that the amount of coal allotted to SELVEG was not sufficient to meet the debt.

Lt.Col. LEMAC said this position showed SELVEG to be bad tradesmen, because knowing the quality of the coal, they had failed to ask for a sufficient quantity to cover the debt. He added that the question of additional debts would be studied with the Manager of SELVEG.

Lt.Col. BEARD said the Yugoslavs had stated at the Finance meeting that they had cleared the debt and that they would discuss at a later date the 30,000,000 lire still due.

Lt.Col. LEMAC said that, since then, an additional 25,000,000 lire had been agreed with SELVEG.

Lt.Col. BEARD said the Allies could not accept lire. It was agreed that when goods and services left Zone A, only goods and services could be accepted in return. He suggested a meeting to discuss the question of compensation.

Lt.Col. LEMAC said the question of supply had been settled, and he did not see the necessity of a separate agreement for compensation, or of receiving fresh directions on the subject.

Lt.Col. BEARD said the Anglo-American side would write to the Yugoslavs explaining how it was proposed to deal.

299. POSTAL FACILITIES FOR JUGOSLAVIA IN ZONE A.

Major COOPER said he had investigated the case, and it had been found that URRAs were already carrying out the duties mentioned in the Yugoslav application. It was therefore felt that the need for a Yugoslav Postal Official in Zone A did not exist.

Lt.Col. LEMAC said that if Major COOPER had carried his investigations further he would have stated that a great deal of theft was going on and that many parcels were not arriving at their destinations. The duty of the proposed Yugoslav representative would be to forward the post parcels (not the URRAs parcels) from the USA to Yugoslavia.

If ANG did not approve Mr. LEMAC's nomination, the Yugoslavs might nominate another official. They were only concerned to satisfy the people who received parcels, and many complaints have been received that parcels are arriving with half their contents missing. It had been agreed that postal services should function normally and it was the duty of ANG, as well as JAG, to ensure this. If a Yugoslav representative could be sent to Zone A he could be incorporated with the Railway Coordinating Committee to carry out his duties.

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Lt.Col. LEMMO said this position showed SELVEG to be bad tradesmen, because knowing the quality of the coal, they had failed to ask for a sufficient quantity to cover the debt. He added that the question of additional debts would be studied with the Manager of SELVEG.

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If JIG did not approve Mr. LEMMO's nomination, the Jugoslavs might nominate another official. They were only concerned to satisfy the people who received parcels, and many complaints have been received that parcels are arriving with half their contents missing. It had been agreed that postal services should function normally and it was the duty of JIG, as well as JIG, to ensure this. If a Yugoslav representative could be sent to Zone A he could be incorporated with the Railway Coordinating Committee to carry out his duties.

Major COOPER said the JIG refusal was not based on personalities it was based on the lack of sufficient evidence to justify the application. If Lt.Col. LEMMO could state that JIG was not furnishing proper postal facilities Major COOPER would look into the matter and discuss it with him at a later date.

Lt.Col. LEMMO replied that General Harding had said in his letter that time must not be wasted by going into details, and he therefore suggested that JIG should either accept or reject the proposal. JIG permission could always be withdrawn at a future date if it was thought that losses were no longer occurring.

Major COOPER/

Major COOPER said that if the Jugoslavs could put forward any further information in writing it would be discussed at the next Industry & Commerce meeting.

The Chairman enquired how much was being lost and Lt. Col. LEMAC replied that he could not state exact quantities, but the amount was considerable. It was not Jugoslav Military Government but individuals who were losing.

The Chairman said that Major COOPER would investigate the matter and give the Jugoslavs an answer as soon as possible.

300. ACT OF PIRACY AGAINST M/V SALPA

Brigadier BASTIN enquired whether the Jugoslavs could return the registration book belonging to the seized car. If not, he suggested cancelling the book and the Police could issue a new one.

Lt. Col. LEMAC said he had no information yet, but he thought the book could probably be returned.

Brigadier BASTIN directed the cancellation of the book and a note of the loss to be entered in the new book.

301. ASSAULTS ON JUGOSLAV FUNCTIONARIES

The Chairman said that the Jugoslav report had been brought before the Corps Commander, who had ordered a full investigation to be carried out by M.G. This investigation was now proceeding.

302. CONSORZIO PER LA BONIFICA DELL'ISTRIA

The Chairman enquired whether there was any objection to an M.G. officer accompanying the President of the Company to ABRELL, since M.G. had an interest in the concern.

The Jugoslavs replied that they saw no necessity for this. The President would not be restricted and he would be able to keep M.G. informed.

303. REMOVAL OF COOPER TO LUBLJANA

Lt. Col. LEMAC said it had been necessary to write to LUBLJANA for information and it now appeared that some cooper had been exported. It was not yet possible to give a definite answer, but if the facts are as stated by the Allies, would they say what action the Jugoslavs should take.

The Chairman said that enquiries on this point would be made.

Lt. Col. LEMAC said it would appear from this case that M.G. and J.M.G. should inform some Ministry whenever exports are made. In answer to a question from the Chairman, he said he was not aware of any existing agreement that such movement must be recorded.

304. INTER CAR II POUNDED BY VENETIAN GIULIA POLICE FORCE

Referring to Minute 187 of the thirteenth meeting of the Industry & Commerce Sub-Committee, the Jugoslavs said the minute should be amended to read "Military Police" instead of "Venetian Giulia Police". Also, for "UNPRA" read "an UNPRA representative".

Lt. Col. LEMAC said the Jugoslavs had handed a written complaint to the Chairman of the Industry & Commerce Sub-Committee meeting on 31 MAY 46.

2557

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Brigadier BASTIN directed the cancellation of the book and a note of the loss to be entered in the new book.

301. ASSAULTS ON JUGOSLAV FUNCTIONARIES

The Chairman said that the Yugoslav report had been brought before the Corps Commander, who had ordered a full investigation to be carried out by A.G. This investigation was now proceeding.

302. CONSORZIO PER LA BONIFICA DELL'ISTRIA

The Chairman enquired whether there was any objection to an A.M.G. officer accompanying the President of the Company to ABRAZZA, since A.M.G. had an interest in the concern.

The Yugoslavs replied that they saw no necessity for this. The President would not be restricted and he would be able to keep A.M.G. informed.

303. RETURN OF COPPER TO LUBLJANA

Lt. Col. LEMIC said it had been necessary to write to LUBLJANA for information and it now appeared that some copper had been exported. It was not yet possible to give a definite answer, but if the facts are as stated by the Allies, would they say what action the Yugoslavs should take.

The Chairman said that enquiries on this point would be made.

Lt. Col. LEMIC said it would appear from this case that A.M.G. and J.M.G. should inform some Ministry whenever exports are made. In answer to a question from the Chairman, he said he was not aware of any existing agreement that such movement must be recorded.

304. WATER CAR EMPLOYED BY VINELLI GIULIA POLICE FORCE

Referring to Minute 187 of the thirteenth meeting of the Industry & Commerce Sub-Committee, the Yugoslavs said the minute should be amended to read "Military Police" instead of "Venetian Giulia Police". Also, for "UNRRA" read "an UNRRA representative".

Lt. Col. LEMIC said the Yugoslavs had handed a written complaint to the Chairman of the Industry & Commerce Sub-Committee meeting on 31 MAY 46.

The Chairman said the whole case was now under investigation, and a reply would be given as soon as possible.

305. REFERS TO AQUEDUCT AT VITANOVO

Lt. Col. LEMIC said that this aqueduct had been included in a General rehabilitation plan, and Lt. Col. BICKERTON said it would be much appreciated if the work could be expedited.

Lt. Col. LEMIC replied that he understood the necessity for the aqueduct and that work on it had already begun.

306. RETURN OF M/V ASTRAL

Lt. Col. LEMIC said/

306. (contd)

Lt.Col. LENCIC said the ship was owned by Bruno Chiogga, had been registered in TRIESTE, and had been sunk in Zone B waters while flying the German flag. The Jugoslavs had raised the ship and carried out some repairs. They had no objection to the return of the ship, provided the owner would pay the cost of the repairs.

Major COOPER enquired whether the Jugoslavs would return the ship on payment of Lire 1,000,000.

Lt.Col. LENCIC replied that he did not know whether this amount was correct, but the matter would be settled if the owners would meet the bills presented by the firm who carried out the repairs.

Major COOPER said he would leave the owner to negotiate the matter of the repair bill himself.

Lt.Col. LENCIC said the Jugoslavs would not have gone into this question but for the fact that Yugoslav Military Government had financed the repair work.

Lt.Col. BLARD asked whether this established the principle that the owner of a ship which had undergone repairs can regain possession of the ship on payment of the cost of repairs.

Lt.Col. LENCIC said that this was a different question. There were not so many cases like this one, and there was no necessity to establish a principle. Each individual case should be discussed on its merits.

307. ROMSA OIL REFINERY

Lt. Col. LENCIC said that enquiries had been made and ROMSA had replied that no drilling shafts had been exported.

If the Anglo-American Delegation considered further investigations were necessary the Jugoslavs were willing to do so.

The Chairman said the Anglo-American side would accept this answer as a statement, and would inform the enquirer.

Lt.Col. LENCIC added that ROMSA stated they had never known of the existence in FIUME of any machinery belonging to AGIP. Therefore none could have been exported.

308. TUG NETTUNO

Lt.Col. BICKERSTEN said the tug NETTUNO was lying at FIUME and the owners wished to bring it to TRIESTE for repairs. The Company was prepared to pay for the cost of salvage, and it was presumed the Jugoslavs would have no objection to the removal of the tug against payment of costs.

Lt.Col. LENCIC said the question would be referred to the Yugoslav Navy and a reply forwarded to AG.

309. DEALINGS IN UNERA SUPPLIES

The Chairman read a report from a Trieste lawyer stating that a local merchant had bought a large consignment of UNERA soap from a dealer in Zone B. The matter was now in the hands of AG Legal Division, and UNERA were anxious to prevent any further illicit dealings in relief supplies.

Lt.Col. LENCIC said it was clear that such things should not happen and the Jugoslavs would take steps to prevent any recurrence. They had not issued export permits.

1034

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Lt.Col. LEMCO said the question would be referred to the Yugoslav Navy and a reply forwarded to AG.

309. DEALINGS IN UNRA SUPPLIES

The Chairman read a report from a Trieste lawyer stating that a local merchant had bought a large consignment of UNRA soap from a dealer in Zone B. The latter was now in the hands of AG Legal Division, and UNRA were anxious to prevent any further illicit dealings in relief supplies.

Lt.Col. LEMCO said it was clear that such things should not happen and the Yugoslavs would take steps to prevent any recurrence. They had not issued export permits.

310. RETURN OF 40-TON CRANE TO ZONE B

Lt.Col. LEMCO said that this question had been raised a long time ago and the crane was urgently needed in FIUME.

This crane should have been returned to Zone B. A considerable sum had been spent on repairs to the crane and the Yugoslavs would like to know whether it could now be released.

Colonel BARNETT replied that the crane was being used for heavy lifts in connection with UNRA cargoes.

Lt.Col. LEMCO said this matter had been discussed three or four months ago and at that time the Yugoslav request had been rejected by the Anglo-American delegation. The Yugoslavs had invested a considerable amount of capital in the crane, and with Allied goodwill it could be released.

2556

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310. (Contd.).

Brigadier BASTIN said that Colonel BARNETT would examine the position and ascertain whether any adjustments could be made in the operation of the port.

The Yugoslavs enquired how soon they could receive an answer, and Colonel BARNETT replied he would make a statement at the meeting of the Joint Operating Committee on 15 JUNE 46.

311. BOILER CERTIFICATES

Lt.Col. LEMAG said that hardly any ships in Zone B are in possession of boiler certificates. These certificates are urgently needed, since the ships should not sail without them. The certificates were held in TRIESTE and he would be glad if they could be issued as soon as possible.

The Chairman said the certificates were probably not out of date and the boilers should be re-tested.

Lt.Col. LEMAG said the Yugoslavs would do so, but they wanted the old certificates as a basis to work on.

The Chairman instructed the Secretary to apply to N.O.I.C. Trieste or the Port Control authorities, for the certificates.

312. GRAZING FOR CATTLE

Lt.Col. LEMAG said that Anglo-American frontier guards had recently been preventing cattle crossing the Morgan Line from Zone B for grazing purposes. Since there were no suitable pastures in the vicinity, on the Zone B side of the line, could urgent instructions be given to permit the cattle to cross into Zone A.

The Chairman pointed out that a special agreement existed permitting movement within 1 Km. either side of the Morgan Line.

Lt.Col. LEMAG said this agreement referred to the transport of farm produce, and the question he was raising was a seasonal one. There are certain months every year when the cattle are driven from the mountains for grazing purposes.

The Chairman enquired how far across the line it would be necessary to drive the cattle and Lt.Col. LEMAG said he was not sure, but he thought about 4-5 kms.

Lt.Col. BICKERSTETH said he agreed in principle and he would work out a plan as soon as possible.

313. FINANCE SUB-COMMITTEE

The Minutes of the eighth meeting of the Finance Sub-Committee were received.

314. DISMISSED WORKERS FROM ZONE B

Lt.Col. HARRD agreed that workers dismissed in Zone A who resided in Zone B, and who had contributed to insurance societies, were entitled to unemployment benefits.

In reply to Mr. URSIC he promised to take the matter up with the societies.

315. PAYMENT OF CHARGES FOR ELECTRIC CURRENT

The Chairman said the certificates were probably new out of date and the boilers should be re-tested.

Lt.Col. LEMAC said the Jugoslavs would do so, but they wanted the old certificates as a basis to work on.

The Chairman instructed the Secretary to apply to N.O.I.C. Trieste or the Port Control authorities, for the certificates.

312. GRADING FOR CATTLE

Lt.Col. LEMAC said that Anglo-American frontier guards had recently been preventing cattle crossing the Mergan Line from Zone B for grading purposes. Since there were no suitable pastures in the vicinity, on the Zone B side of the line, could urgent instructions be given to permit the cattle to cross into Zone A.

The Chairman pointed out that a special agreement existed permitting movement within 1 Km. either side of the Mergan Line.

Lt.Col. LEMAC said this agreement referred to the transport of farm produce, and the question he was raising was a seasonal one. There are certain months every year when the cattle are driven from the mountains for grading purposes.

The Chairman enquired how far across the line it would be necessary to drive the cattle and Lt.Col. LEMAC said he was not sure, but he thought about 4-5 Kms.

Lt.Col. BICKERSTETH said he agreed in principle and he would work out a plan as soon as possible.

313. FINANCE SUB-COMMITTEE

The Minutes of the eighth meeting of the Finance Sub-Committee were received.

314. DISMISSED WORKERS FROM ZONE B

Lt.Col. BLAIR agreed that workers dismissed in Zone A who resided in Zone B, and who had contributed to insurance societies, were entitled to unemployment benefits.

In reply to Mr. URSIC he promised to take the matter up with the societies.

315. PAYMENT OF CHARGES FOR LEMAC'S CURRENT

Lt.Col. BLAIR said that if these charges were not by payment in kind a license from the Commerce Division must be obtained. Payment in lire could not be accepted.

Lt.Col. LEMAC said it was SELVAC's responsibility to obtain the license, and with reference to Minute 70 of the eighth meeting of the Finance Sub-Committee, the meters should be set up in Divacein, not in Opicina, as recorded in the minute. Unless these measuring instruments were installed it was not possible to estimate the amount of current consumed by the railways in Zone B. As soon as the Jugoslavs were in possession of these instruments they would take action to calculate the amount due from them.

Lt.Col. BLAIR said he would discuss the matter with Colonel BARKETT.

16

316. DEBTS BY JUGOSLAWS RESIDENTS IN ZONE A

-7-

Lt. Col. BEARD said that the question of these debts had now been outstanding for six months and he would appreciate an answer.

Lt. Col. LEMAC protested against the wording of Minute 71 to the eighth meeting of the Finance Sub-Committee. He thought the expressions used were too sharp in tone, and such expressions would not lead to a satisfactory solution of the question. The Jugoslavs should be addressed and treated as equals.

Referring to the statement in the minute that "these persons had been awaiting payment for months" Lt. Col. LEMAC said that the Jugoslavs themselves were awaiting payment from the Americans, but he did not wish to discuss the point. He had been informed that the final phase in the examination of these debts had been reached, but of course the bill would have to be reviewed. In many cases, it was an issue between the purchaser and the seller of goods, and not a matter to be dealt with, either by Allied Military Government or Yugoslav Military Government. Some of the bills showed expenses of 100%, and in other cases, goods had been ordered but not yet delivered. The Jugoslavs would not pay in these cases, but such debts which are found to be in order will be settled.

Brigadier EASTON said he was quite certain that nobody had any intention to treat the Jugoslavs other than as equals, and the wording of the minute could be altered if they wished. He wanted the Jugoslavs to understand that it was not his intention to treat them as in any way inferior, and it would be recorded that Lt. Col. LEMAC had objected to the rather sharp expressions used in Minute 71.

Lt. Col. BEARD said there were no debts owing to the Jugoslavs by the Americans. Some firms had been waiting eight months for payment from the Jugoslavs; C.R.D.A. for instance, are owed 159,000,000 lire. The time must come when these firms can no longer carry on through lack of working capital, which would surely affect the economy of the territory.

Lt. Col. LEMAC replied that it had been pointed out several times that the Yugoslav delegates were not competent to deal with this question. However, he had been told that preliminary action had been taken and condition had been arranged for payment to be made.

Lt. Col. LEMAC alluded to the difficult conditions prevailing in Yugoslavia and said it was extremely hard to establish favourable circumstances for effecting payment. Furthermore, in many cases, firms had forwarded bills which had not been agreed by the other side. When payment could be made firms will mutually agree the amounts payable.

Lt. Col. BEARD said that these debts had arisen from transactions between firms and the Yugoslav Government, and not between firms and other firms. He would like to be given an approximate date when settlements would take place. If any disputes about prices arose they could be referred to the Price Fixing Committee, which is the competent body for deciding such questions.

Lt. Col. LEMAC said the statements he had just made were based on a recent conversation with an official who was dealing with the matter. He could not give the date for settlement but would do so as soon as possible.

Brigadier EASTON said it seemed a waste of time to discuss the question since the Yugoslav Delegates were not competent to deal with it, and he suggested referring the matter to a higher level. Any price questions could be passed to the Price Control Committee for decision.

Lt. Col. LEMAC agreed.

317. BRITISH OWNED PROPERTY IN ZONE B

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Lt. Col. LEMAC agreed.

317. BRITISH OWNED PROPERTY IN ZONE B

Lt. Col. BEARD said he would be obliged if the Yugoslavs could now give an answer to the questions recorded in Minute 72 of the Finance Sub-Committee meeting on 1 JUN 46.

Lt. Col. LEMAC acknowledged the receipt of a list of British owned properties, and he replied that the Yugoslavs had never said that owners could not participate or direct the disposal of their properties. He had checked about six items on the list and found them to be Italian, not British property.

The question/

-8-

317 (contd)

The question of altering the registration of properties should be discussed by the Legal Division of Allied Military Government and Jugoslav Military Government and when this matter has been agreed the other questions could be easily solved.

With reference to Lt.Col. BLARD's question whether it was in accordance with Jugoslav policy to sell British property without the consent of the owners, Lt.Col. LEMAC said this was a different question and he considered it should be cancelled. He had not known that these properties were British owned until he received Lt.Col. BLARD's statement and it would be necessary to check the information.

Lt.Col. BLARD said he was seeking to establish a general principle regarding British property in general, not only the property he had listed.

Lt.Col. LEMAC replied that if an owner established proof of ownership he would be free to dispose of his property in any way he wished, and this principle was applicable to all property owners, not only British owners. When proof of ownership had been given, owners would of course be permitted to administer their properties. These owners were all in accordance with Jugoslav policy.

Lt.Col. LEMAC requested that the reference to the Peace Conference in Minute 72 should either be deleted, or amended to read "such questions would be settled after the Peace Conference".

The Chairman said it was now agreed that proved owners would be permitted to visit their properties.

Lt.Col. LEMAC enquired whether the Jugoslavs could be informed when the owners would arrive, and the Chairman replied that no notice would be given.

318. SOULI INSURANCE POLICIES IN ZONE B

The Jugoslavs handed in a written reply to Lt.Col. BLARD's letter on this subject.

319. REAL ESTATE AND TAXATION RECORDS

Lt.Col. BLARD said that last January he had requested the return of tax rolls belonging to various communes in Zone B, but he had not yet received them. These documents were kept separately by Germans and it should not be difficult to find them.

Lt.Col. LEMAC said the authorities had been approached and it had been found that there were two kinds of rolls, one civil and one military. Experts were now at work sorting them out.

Lt.Col. BLARD enquired when the rolls would be available, and Lt.Col. LEMAC replied they would be ready on or about 25 JUL.

320. MINUTES TO MINUTES

With reference to the thirteenth meeting of the Joint Economic Committee, it was agreed to amend the last paragraph of Min.272 to read as follows: "At the request of Lt.Col. LEMAC it will be recorded in the minutes that the Anglo-American delegation considers to be unable

and he considered it should be cancelled. He had not known that these properties were British owned until he received Lt.Col. BEARD's statement and it would be necessary to check the information.

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The Chairman said it was now agreed that proved owners would be permitted to visit their properties.

Lt.Col. LEVAC enquired whether the Yugoslavs could be informed when the owners would arrive, and the Chairman replied that due notice would be given.

318. SOCIAL INSURANCE PAYMENTS IN ZONE B

The Yugoslavs handed in a written reply to Lt.Col. BEARD's letter on this subject.

319. REAL ESTATE AND TAXATION RECORDS

Lt.Col. BEARD said that last January he had requested the return of tax rolls belonging to various communes in Zone A, but he had not yet received them. These documents were kept separately by Communes and it should not be difficult to find them.

Lt.Col. LEVAC said the authorities had been approached and it had been found that there were two kinds of rolls, one civil and one military. Experts were now at work sorting them out.

Lt.Col. BEARD enquired when the rolls would be available, and Lt.Col. LEVAC replied they would be ready on or about 25 JUL.

320. MINUTES TO MINUTES

With reference to the thirteenth meeting of the Joint Economic Committee, it was agreed to amend the last paragraph of Min. 272 to read as follows: "At the request of Lt.Col. LEVAC it will be recorded in the minutes that the Anglo-American delegation considers to be unable to take any measures for the ships to return to their ports of registration, and at the Chairman's request, it will be recorded that the Anglo-American delegation suggests that the owners should meet to discuss about the future of the ships".

The Yugoslavs proposed that the heading of the minute be amended to read "ILLEGAL RETENTION OF THE SVETI AND LAVOR" and, after discussion, the Chairman ruled that the present heading would remain unaltered.

321.

321. DATE OF THE NEXT MEETING

The Chairman said it had been suggested that more business could be dealt with by the Sub-Committees and that the main meeting should only be called about once in every six weeks.

Lt. Col. LEMAO suggested fixing a date now for the next main meeting, and he would put the suggestion to the Yugoslav Military Government.

The date for the next meeting was fixed tentatively for 25 JULY 46 at 10.00 hours.

Both Sub-Committees would meet on 10 JULY 46 :-

| | | |
|---------------------|---|------------|
| Industry & Commerce | - | 10.00 hrs. |
| Finance | - | 14.30 " |

NOTES/LWT

W. G. French
H. ST. G. FRENCH,
Major, DIGIG,
Secretary,
Joint Economic Committee.

- DISTRIBUTION -

1. CAO, AFHQ.
2. D/CAO, AFHQ.
- 3/6 G-5, AFHQ.
7. G-4, MTOUSA.
8. C (Maint), GAF, GAF.
9. M & Tn, AFHQ.
10. US POLID, AFHQ.
11. RESMIN, AFHQ.
12. Tn (Main) ROCE, GAF.
13. G.O.C, 13 Corps.
- 14/16 DA & QIE, 13 Corps.
17. AQIE (Inv), 13 Corps.
18. Chief Commissioner, ALCOM.
19. HQ ALCOM.
- 20/29 Economic Section, ALCOM.
30. Industry & Utilities Sub-Commission, ALCOM
(att: Chief Electrical Division)
31. Industry & Utilities Sub-Commission, ALCOM.
(att: Coal Division)
32. Industry & Utilities Sub-Commission, ALCOM.
33. Finance Sub-Commission, ALCOM.
34. American Embassy, ROCE.
35. British Embassy, ROCE.
36. SCAC, 13 Corps.
- 37/38 D/SCAC, 13 Corps.
39. Economic Adviser, 13 Corps.
40. Public Relations Officer, 13 Corps.
41. Legal, 13 Corps.
42. Finance, 13 Corps.
- 43/44. Supplies, 13 Corps.

W. G. French

H. ST. G. FRENCH,
Major, AIGMG,
Secretary,
Joint Economic Committee.

ESTER/LWT

- DISTRIBUTION -

1. CIO, AFHQ.
2. D/CIO, AFHQ.
- 3/6 C-5, AFHQ.
7. G-4, MTOUSA
8. O(Maint), GHD, JEF.
9. M & Tn, AFHQ.
10. US POLAD, AFHQ.
11. RESMTH, AFHQ.
12. Tn (Main) ROHE, GHD.
13. G.O.C., 13 Corps.
- 14/16 DA & QMG, 13 Corps.
17. AQMB (Mv), 13 Corps.
18. Chief Commissioner, ALCOM.
19. HQ ALCOM
- 20/29 Economic Section, ALCOM.
30. Industry & Utilities Sub-Commission, ALCOM
(att: Chief Electrical Division)
31. Industry & Utilities Sub-Commission, ALCOM.
(att: Coal Division)
32. Industry & Utilities Sub-Commission, ALCOM.
33. Finance Sub-Commission, ALCOM.
34. American Embassy, ROME.
35. British Embassy, ROME.
36. SOAO., JEF 13 Corps.
- 37/38 D/CIO, ANG 13 Corps.
39. Economic Adviser, ANG 13 Corps.
40. Public Relations Officer, ANG 13 Corps.
41. Legal, ANG 13 Corps.
42. Finance, ANG 13 Corps.
- 43/44 Supplies, ANG 13 Corps.
45. Transportation, ANG 13 Corps.
46. Labour, ANG 13 Corps.
47. Public Works, ANG 13 Corps.
- 48/67 Yugoslav Delegation
68. Commerce, ANG 13 Corps.
69. Col. C.H. BARNETT, DD.Tn, TRIESTE.
70. G-II, ANG 13 Corps.
71. Ind & Utilities, ANG 13 Corps.
72. GSI (B) Main 13 Corps.
- 73/100 - Spares.

2552

16

10831

APPENDIX A

SUBJECT:- Joint Economic Committee - Minutes of Meetings

Hq 13 Corps
5709/G
17 Feb 46.

1A & QMG
Rear HQ 13 Corps.

Copy to:- BGS

From the minutes of recent meetings of the Joint Economic Committee it appears to me that a great deal of time is being wasted in discussion of unimportant details and the wording of the minutes of previous meetings, which are immaterial to the business of the Committee.

You should point out to all members of the Committee that I cannot take to allow members of my Staff to waste their time in this way; that the Committee must in future confine itself to important matters, and conduct its business much more promptly, otherwise I shall have to recommend to the Supreme Allied Commander that its proceedings be drastically curtailed or suspended altogether.

(signed)

J. HARDING,
Lieutenant General,
Commander.

CMF
H/L

1064

Declassified E.O. 12356 Section 3.3/NND No. 785015

E.C.

The marked
Q's are of
interest.

End
cc

28/VI
2550

Chief Commissioner. Alcom

COPY NO. 18.

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
XIII CORPS, TRIESTE, ITALY.

2 JUNE 1946

JOINT ECONOMIC COMMITTEE - AGENDA

The fourteenth meeting of the Joint Economic Committee (per agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Yugoslav Army) will be held at 10.00 hrs on THURSDAY, 6 JUNE 1946, in the Main Conference Room No. 68, HQ. M.G. 13 Corps, TRIESTE, to consider the following Agenda :-

- 1) Minutes of the thirteenth meeting held on 3 MAY 1946.
- 2) To consider the minutes of the meetings of the following Sub-Committees:-
 - a - Industry & Commerce and Fuel & Power Sub-Committee meeting of 31 MAY 46. (Appx. A)
 - b - Finance Sub-Committee meeting of 1 JUNE 46 (Appx. B)
- 3) Any other business.
- 4) To set a date for the next meeting.

564/c

1/4, f. 1

H. ST.G. FRENCH,
Major, D.A.Q.G.,
Secretary,
Joint Economic Committee.

HSTCE/LVM

ATTACHMENTS :-

Appendices "A" and "B".

2544

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
13 CORPS, TRIESTE, ITALY

31 MAY 1946.

MINUTES

INDUSTRY & COMMERCE SUB-COMMITTEE and the
FUEL & POWER SUB-COMMITTEE

173. The thirteenth meeting of the Industry & Commerce and the Fuel & Power Sub-Committee was held at 10.00 hours, 31 MAY 1946, in the Economic Section, HQ JAG 13 Corps, TRIESTE.

PRESENT:

Chairman

Major K. COOPER,
Economics, JAG 13 Corps.

Members

Lt. Col. J.E. FORDEN,
Ind & Utilities,
JAG 13 Corps.

Ing. KOVACIC, L.
Maj. EVELIS, S.
Mr. URSINJIC, P.

In Attendance

Lt. Col. C.M.F. STEPHENS,
Commerce, JAG 13 Corps.

Capt. M.J. LISTER,
Economics, JAG 13 Corps.

174. CONTROL OF GOODS CROSSING THE MORGAN LINE.

The Jugoslavs acknowledged receipt of a letter on this subject from the Economic Section, JAG 13 Corps, dated 18 APRIL 1946, and they asked whether any action had been taken about this matter.

The Chairman replied that he had asked higher authority for personnel for 15 additional control posts. So far, no reply had been received, but he had reason to believe that part of these additional guards would be supplied.

The Jugoslavs requested that the matter be expedited and Major COOPER replied that all possible speed is being made.

175. EUSIS OMAED BY CANTON.

The Chairman said that he had found out that the owner is unwilling to return to Zone B and he suggested that if a breach of contract is involved, the Jugoslavs should take legal action in Zone A courts.

176. MACHINERY EXPORTED FROM THE COTTEN MILL AT PODGOR.

The Jugoslavs requested a list of the machines removed from the cotton mill at PODGOR, and also particulars of the new machines which

PRESENT:

Chairman

Major K. COOPER,
Economics, IIG 13 Corps.

Members

Lt.Col. J.E. FODEN,
Ind & Utilities,
IIG 13 Corps.

Ing. KOVACIC, L.
Maj. BUELLIS, S.
Mr. URSICIC, P.

In Attendance

Lt.Col. C. W. STEWART,
Commerce, IIG 13 Corps.

Capt. M.J. LISTER,
Economics, IIG 13 Corps.

174. CONTROL OF GOODS CROSSING THE LONG-LINE.

The Jugoslavs acknowledged receipt of a letter on this subject from the Economic Section, IIG 13 Corps, dated 18 APRIL 1946, and they asked whether any action had been taken about this matter.

The Chairman replied that he had asked higher authority for personnel for 15 additional control posts. So far, no reply had been received, but he had reason to believe that part of these additional guards would be supplied.

The Jugoslavs requested that the matter be expedited and Major COOPER replied that all possible speed is being made.

175. BUSES OWNED BY GALTONI.

The Chairman said that he had found out that the owner is unwilling to return to Zone B and he suggested that if a breach of contract is involved, the Jugoslavs should take legal action in Zone A courts.

176. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGOR.

The Jugoslavs requested a list of the machines removed from the cotton mill at PODGOR., and also particulars of the new machines which had been brought in.

Major COOPER said he would hand these lists in at the main meeting.

177. FORESTRY OFFICE.

A written statement was handed to the Yugoslav delegates for delivery to the Forestry and Agriculture Section at JUDUSSIN.

178. RELEASE OF L/V "ZVIR" AND "L.BOR".

The Jugoslavs asked what further action had been taken in the matter.

Major COOPER/

178 (cont'd)

-2-

Major COOPER replied that he had telephoned to higher headquarters for information respecting the 37th and that he had discovered the location of the LABOR. A complete answer would be furnished at the main meeting. He added that the Secretary had been to VENICE to find out the exact situation with regard to the LABOR.

179. GOODS IN TRANSIT FROM ITALY.

Lt. Col. STEPHENS said that he had asked CENTROPRON for consolidated lists of those goods which it was desirable to facilitate crossing the Morgan Line, but he had not yet received them. He added that individual cases should be put up to JMG through CENTROPRON. In this way, they will go through much quicker.

The Jugoslavs said they would get in touch with CENTROPRON on the matter.

180. IMPORT OF GOODS INTO ZONE A FROM ZONE B.

Lt. Col. STEPHENS said that the amendment to General Order No. 45 had been made to fall in line with Yugoslav wishes.

Major COOPER handed a copy of the English version of the amendments to the Jugoslavs.

181. AREA CCL.

Lt. Col. STEPHENS said that JMG had suggested to UIVOD that they should import coal into Zone A and he hoped to make a further statement at the next meeting.

The Jugoslavs said that as far as they knew UIVOD is exporting some coal but there has been no definite agreement with the allies.

The Chairman suggested that a conference should be held between representatives of Yugoslav Military Government, UIVOD and Allied Military Government to work out how much coal could be exported, and Lt. Col. STEPHENS agreed.

The Jugoslavs replied that they would give an answer at the main meeting.

182. POSTAL FACILITIES FOR JUGOSLAVS IN ZONE A.

The Chairman acknowledged an application from the Jugoslavs for a permit for Mr. LENSKI to come to Zone A to represent the Yugoslav Post Office. He said he would consult the JMG Telecom. Officer and give a reply at the main meeting.

183. ACT OF PIRACY AGINST M/V "SILPA".

The Chairman said that Colonel IENAG had promised to return the registration book of the car which had been seized with the above vessel, and he asked if the Jugoslavs could give an answer now.

The Jugoslavs replied they had asked their competent authorities but had received no reply so far.

In this way, they will go through much quicker.
The Jugoslavs said they would get in touch with CENTROPERC on the matter.

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The Jugoslavs replied that they would give an answer at the main meeting.

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The Chairman acknowledged an application from the Jugoslavs for a permit for Mr. LENSKI to come to Zone A to represent the Yugoslav Post Office. He said he would consult the AMG Telecom. Officer and give a reply at the main meeting.

183. ACT OF PIRACY AGAINST M/V "S.I.P."

The Chairman said that Colonel LENCO had promised to return the registration book of the car which had been seized with the above vessel, and he asked if the Jugoslavs could give an answer now.

The Jugoslavs replied they had asked their competent authorities but had received no reply so far.

184. ASSAULTS ON JUGOSLAV FUNCTIONARIES.

The Jugoslavs enquired whether their letter on this subject had been received and the Secretary replied that it had been, and a written acknowledgement had been passed to them today.

185. CONSORZIO PER LA BONIFICAZIONE DELL'ISTRIA.

The Jugoslavs considered that if an AMG officer should accompany the President to TRIESTE it might appear that he did so in the capacity of an escort. There was no objection to the Manager of the Company visiting TRIESTE himself.

186. /

2547

186. REMOVAL OF COPPER TO LUBLJANA.

In answer to the Chairman, the Yugoslavs said they were investigating the matter and would try to have an answer for the main meeting. They would contact the proper authorities again in order to speed up the enquiries.

187. MOTOR CAR IMPOUNDED BY VENEZIA GIULIA POLICE FORCE

The Yugoslavs said they had received a letter from the Institution for Special Purchases stating that eight months ago the Institution had bought a 1500 Fiat car. Some months later a man appeared and said the car was his property and it was impounded by the Venezia Giulia Police Force. After further investigation, the car was returned in a very damaged condition, about a month ago the car was again seized by the Police without any reason being given. The car was being used by the Institution for Special Purchases and for UNRRA supplies. UNRRA intervened in the matter, but the car is still being held, and it is now in the Milano Garage. The Yugoslavs asked what steps they should take to avoid having their cars impounded.

The Chairman said he would like a copy of the letter, and the matter would be investigated before the main meeting.

188. REPAIRS TO AQUEDUCT AT VITICCO.

The Chairman enquired what progress had been made with these repairs and the Yugoslavs replied that aqueducts in general are being repaired. The Peoples' Authority and the people in Zone B are doing all they can to repair not only aqueducts, but houses, schools, etc.

Lt. Col. FODEN explained that the aqueduct at VITICCO starts in Zone B and supplies various villages such as Soarpa, Rifemborgo etc. in Zone A. All these villages are short of water and we were now asking the Yugoslavs to give us a reply on this question. In this particular case we are interested in the Yugoslavs carrying out repairs to this aqueduct on their side of the line.

The Chairman requested the Yugoslavs to furnish an answer at the main meeting.

189. FISHING RIGHTS IN POLA WATERS

The Chairman read a letter from the Harbourmaster at POLA stating that Zone A fishermen are not permitted to fish in Zone B waters. On the other hand many fishermen resident in Zone B, fish undisturbed in the waters of POLA and the local fishermen consider this unjust.

The Yugoslavs enquired which waters were affected and the Chairman replied, the Brioni Islands in particular.

The Yugoslavs requested that copies of any complaints from POLA should be forwarded to them, and they would take steps to permit Zone A fishermen to fish in Zone B waters.

190. RETURN OF M/V ASTRA

and said the car was his property and it was impounded by the Venezia Giulia Police Force. After further investigation, the car was returned in a very damaged condition. About a month ago the car was again seized by the Police without any reason being given. The car was being used by the Institution for Special Purchases and for UNRRA supplies.

UNRRA intervened in the matter, but the car is still being held, and it is now in the Milano Garage. The Jugoslavs asked what steps they should take to avoid having their cars impounded.

The Chairman said he would like a copy of the letter, and the matter would be investigated before the main meeting.

188. REPAIRS TO AQUEDUCT AT VIPACCO.

The Chairman enquired what progress had been made with these repairs and the Jugoslavs replied that aqueducts in general are being repaired. The Peoples' Authority and the people in Zone B are doing all they can to repair not only aqueducts, but houses, schools, etc.

Lt. Col. FODEN explained that the aqueduct at VIPACCO starts in Zone B and supplies various villages such as Scarpa, Rifemborgo etc. in Zone A. All these villages are short of water and we were now asking the Jugoslavs to give us a reply on this question. In this particular case we are interested in the Jugoslavs carrying out repairs to this aqueduct on their side of the line.

The Chairman requested the Jugoslavs to furnish an answer at the main meeting.

189. FISHING RIGHTS IN POLA WATERS

The Chairman read a letter from the Harbourmaster at POLA stating that Zone A fishermen are not permitted to fish in Zone B waters. On the other hand many fishermen resident in Zone B, fish undisturbed in the waters of POLA and the local fishermen consider this unjust.

The Jugoslavs enquired which waters were affected and the Chairman replied, the Brioni Islands in particular.

The Jugoslavs requested that copies of any complaints from POLA should be forwarded to them, and they would take steps to permit Zone A fishermen to fish in Zone B waters.

190. RETURN OF M/V ASTRA

The Chairman said that a list of vessels which the Jugoslavs considered should be returned was handed to the Jugoslavs on 17 JANUARY 46. This list included the name of M/V ASTRA. At a shipping conference on the 5 APRIL the Jugoslavs promised to look into the matter but no reply has yet been received. This week a paper was received saying that this ship was registered in TRIESTE and the owners have been told they can have her back on payment of one million lire. If the ship had been requisitioned by the Jugoslavs no such payment should be necessary.

The Jugoslavs enquired under which paragraph of the minutes this matter had been brought up and Major COOPER replied "para 5" but that there had been no discussion about this particular ship. The Jugoslavs said that this matter was beyond the competence of Jugoslav Military Government and had been referred to the Navy. A reply had been pressed for, but not yet received.

The Chairman said/

190. (cont'd)

The Chairman said he would bring additional information to the main meeting. He requested that the minutes of the shipping conference held on 5 APRIL 46 should be attached to the minutes of this present meeting (see Appendix i). Any suggested amendments should be brought up before the main meeting took place.

191. ROMS. OIL REFINERY.

The Chairman read a letter from the Headquarters, Allied Commission, stating that the Italian Ministry of Foreign Affairs reported that Yugoslav Armed Forces had removed a number of drilling shafts belonging to the AGIP, from the ROMS. depot at FIUME, on the excuse that this equipment belongs to the Italian State and is, therefore, their lawful war booty. The equipment in question is not, however, Italian State property, but the property of AGIP which is a share company. He asked the Yugoslavs to look into the matter.

The Yugoslavs expressed surprise and requested further particulars. It was agreed that both sides would make further enquiries.

192. AMENDMENTS TO MINUTES.

The Yugoslavs proposed amendments to certain minutes of the thirteenth meeting of the Joint Economic Committee, particulars of which are attached at Appendix (ii).

HSTCE/LWW

H. ST.G. FRENCH,
Major, D.M.E.,
Secretary,
Joint Economic Committee.

APPENDIX (1) TO 13TH MEETING
INDUSTRY & COMMERCE SUB-COMMITTEE

MINUTES OF A MEETING HELD AT 10.30 HRS ON 5 APRIL 46
IN ECONOMIC SECTION ON SHIPPING (JOINT ECONOMIC
COMMITTEE)

PRESENT :

Major BJELIS } Yugoslav representatives.
Mr. MEDANIC }
Mr. DRGUSTIN }

Major K. COOPER,
Economics (Chairman)
Major H. ST. G. FRENCH,
Secretary, Joint Economic Committee.
Lieut. N. J. LISTER, Economics.

IN ATTENDANCE : Major A. E. GOLD, Legal.
Comdr. E. B. TUNOCK, EM - D/MOIC.

1. The Yugoslav representatives produced a list of ships registered in Zone B in the year 1939 for whose return, in view of shortage of shipping space, they ask urgently :-

1. MOENIGO - In Civitavecchia, used for communication.
2. RISMONDO - Requisitioned by the Allied Navy in Southern Italy.
3. POLA - Requisitioned by the Allies.
4. LUSSINO -do-
5. SAN VITO -do-
6. BRAZIL - Requisitioned by the Allies, now in Taranto.
7. LVRANG - Requisitioned by the Allies.
8. ST. JIR. - Given to Greece by the Allies.
9. ROSSINI - According to information, in the Aegean Sea.

Major COOPER promised to forward the list to the appropriate authorities, if requisitions were not in accordance with Morgan-Jovanovic agreement.

2. The Yugoslavs produced in addition the names of ships registered in Zone B, and now sunk, also requesting their return :-

1. RACIC - Believed sunk off LIVORNO OR SPEZIA.
2. SCARFANTO - No information as to whereabouts.
3. JADERA -do-
4. LAUREZO MARCELLO - Believed sunk off Greece.

Major COOPER stated no action was possible at present as ships were sunk but the request would be forwarded to higher authorities for comment.

3. The Yugoslavs asked for further information on :-

Major K. COOPER,
Economics (Chairman)
Major H. ST. G. FRENCH,
Secretary, Joint Economic Committee.
Lieut. N. J. LISTER, Economics.

IN ATTENDANCE : Major A. E. GOLD, Legal.
Comdr. E. B. TUNCOCK, EM - D/NOIC.

1. The Yugoslav representatives produced a list of ships registered in Zone B in the year 1939 for whose return, in view of shortage of shipping space, they ask urgently :-

1. MOCENIGO - In Civitavecchia, used for communication.
2. RISMONDO - Requisitioned by the Allied Navy in Southern Italy.
3. POLI - Requisitioned by the Allies.
4. IUSSINIO - -do-
5. SAN VITO - -do-
6. ABAZIA - Requisitioned by the Allies, now in Taranto.
7. LAVRAN - Requisitioned by the Allies.
8. ST. IER. - Given to Greece by the Allies.
9. ROSSINI - According to information, in the Aegean Sea.

Major COOPER promised to forward the list to the appropriate authorities, if requisitions were not in accordance with Morgan-Jovanovic agreement.

2. The Yugoslavs produced in addition the names of ships registered in Zone B, and now sunk, also requesting their return :-

1. RACI - Believed sunk off LIVORNO OR SPEZIA.
2. SC. REP. ANTO - No information as to whereabouts.
3. J. DER. - -do-
4. LAUREZO MARCELLO - Believed sunk off Greece.

Major COOPER stated no action was possible at present as ships were sunk but the request would be forwarded to higher authorities for comment.

3. The Yugoslavs asked for further information on :-

ZVIR
LABOR

which ships, they stated, were being prevented by the Allies from returning to Zone B.

Major COOPER replied that both ZVIR and LABOR had been engaged on taking coal from ARSA to VENICE. The coal had been impounded by Italian Government authorities. The ships, however, were released immediately.

The ZVIR and LABOR were both inspected by a R.A.S.C. Water Transport Coy. in VENICE and the ZVIR was requisitioned, without the knowledge of A.S.G. as a result of action by A.M.G. with the military authorities the ZVIR was released, is now in BARI, and the Captain of the ship is free to sail wherever he wishes.

The LABOR /

3. (contd)

-2-

The LABOR is undergoing repair in VENICE, but is free to sail wherever the Captain wishes.

Therefore it will be seen that neither the ZVIR nor the LABOR are in any way under the control of the Allies and are free to return to Zone B.

The Yugoslavs asked for the return of the following ships in addition to those already listed above :-

1. ISTOK II - Believed to be based on ANCONA and operating under Allies between BRINDISI and SICILY.
2. TRULIA - Previously called PELIKAN. Was operating as an ship in POLA under Germans in 1941, but was subsequently sunk. Reported to have been salvaged recently by divers STURLESSE, PIVKILVITZ and TROLIS. No knowledge of present whereabouts.
3. RITA - Motor sailing boat registered at LUSSINPICCOLO, owner GEMERICH DOMENICO. No knowledge of present whereabouts.

An investigation of these facts, and the legal implication, was promised by Major COOPER.

4. Major COOPER then produced a list of the following ships, which it was reported, were being held in Zone B by Yugoslav authorities:-

1. In PARENZO : NICOLETTA
DIVINA MADRE
ARDITA PESCIOTORE
ROMANO B
ERNESTO LEONE

Was it a fact that these ships were being held in Zone B as reprisals for the alleged holding of the ZVIR and LABOR by the Allies.

The Yugoslav Delegation replied that this was a fact, and the ships were being held in Zone B until ZVIR and LABOR sailed into a Zone B port.

Major COOPER stated that the ZVIR and LABOR were perfectly free to sail wherever they wished, and that the act of holding five ships by the Yugoslavs by force, was contrary to International Law. We had no alternative but to take the matter up on the highest level. We had fulfilled our part of the bargain by releasing the ZVIR from requisition and it was up to the Yugoslav Military Government to reciprocate. The fact that the Yugoslavs have seized, and are holding by force in Zone B, ships from Italy will have the effect of stopping coastal trade with Zone B. This is hardly in the best interests of Yugoslav Military Government.

5. Major COOPER then referred to a list of ships which had been removed from the Port of Trieste by the Yugoslav forces during their occupation, without any form of receipt or requisition. The Yugoslav Military Government had been given this list on 17 JAN 46 for the second time (Appendix "I" to the tenth meeting of Joint Economic Committee held on 19 JAN 46) having been handed the list for the first

3. RITA

- No knowledge of present whereabouts.
Motor sailing boat registered at LUSSINPICCOLO,
owner GABRIEL DOLNICO. No knowledge of
present whereabouts.

An investigation of these facts, and the legal implication, was promised
by Major COOPER.

4. Major COOPER then produced a list of the following ships,
which it was reported, were being held in Zone B by Yugoslav Authorities:-

1. In PARENZO : NIOLETTA
DIVINA MADRE
ARBITA PESCIATORE
ROMANO B
ERNESTO LEONE

Was it a fact that these ships were being held in Zone B as reprisals
for the alleged holding of the ZVIR and LUBOR by the Allies.

The Yugoslav Delegation replied that this was a fact, and
the ships were being held in Zone B until ZVIR and LUBOR sailed into a
Zone B port.

Major COOPER stated that the ZVIR and LUBOR were perfectly
free to sail wherever they wished, and that the act of holding five ships
by the Yugoslavs by force, was contrary to International Law. We had no
alternative but to take the matter up on the highest level. We had
fulfilled our part of the bargain by releasing the ZVIR from requisition
and it was up to the Yugoslav Military Government to reciprocate.
The fact that the Yugoslavs have seized, and are holding by force in
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Government.

5. Major COOPER then referred to a list of ships which had
been removed from the Port of Trieste by the Yugoslav forces during
their occupation, without any form of receipt or requisition.
The Yugoslav Military Government had been given this list on 17 JAN 46
for the second time (Appendix "A" to the tenth meeting of Joint Economic
Committee held on 19 JAN 46) having been handed the list for the first
time on 9 AUG 45. What action had been taken by the Yugoslavs in this
matter?

The Yugoslav Delegate replied that this was outside the
competence of Yugoslav Military Government and the list had been passed
to the Yugoslav Navy, whose matter it was. He would press for a reply
but he understood that the Yugoslav Navy considered all shipping apart
from Allied shipping found in Trieste Harbour as War Booty of Yugoslavia,
and therefore they were perfectly within their rights to remove the ships.
From the same viewpoint they had not given requisition receipts as they
considered the vessels no longer owned by the previous Italian owners.

Major COOPER stated that in view of the fact that the
Yugoslavs considered this shipping as War Booty, we should take the matter
up on a higher level.

2549

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-3-

6. A discussion then ensued on the question of para 1 (ships of the Yugoslavs wish to be returned to Zone B).

The Yugoslav Delegates stated that at a meeting in NAPLES on 20 JULY 45, between Ministry of War Transport and the Yugoslav Government, the Allies had agreed to return all shipping to Zone B which had been registered there.

Major COOPER replied that he had no knowledge of such an agreement but would make enquiries to ascertain whether or not such an agreement had been made and he told the Yugoslav delegates to produce such agreement; if, in fact, it did exist.

7. On para 4 (ships seized by the Yugoslavs in PARENZO) the Yugoslavs made a further statement to the effect that force was not used and that the ships were in Zone B of their own free will. In fact the crews were so fond of Zone B they had asked permission to bring their families over there.

Major COOPER stated that this information was contrary to the reports given to MIG and the Royal Navy by the Captains of the vessels.

8. Major COOPER then stated that it had been reported that the following Motor/Sailing vessels had been seized by the Yugoslavs in Zone B (at FIUME). What was the position?

1. NUOVA PREVIENZA
2. COLACINI
3. VOLANO
4. LIBERTY
5. ANTONIO

The Yugoslavs first denied that these vessels were held in Zone B by force and repeated their assertion that the crews had applied for permission to bring their families into Zone B.

They then stated that until the return of the ZVIR and LABOR to Zone B ports they could not discuss the return of the vessels to Zone A.

9. Major COOPER then raised the question of the Motor-Boat P.M.M. which had been laid up in CAPODISTRIA and was reported as having been seized by the Yugoslavs.

The Yugoslavs promised to investigate.

10. Major COOPER then stated that MIG had been approached by the owner of a vessel called LE DUE PIR which was being built in the DEPIANCHER shipyard CAPODISTRIA. Another vessel, the NORA, owned by the same man had been completed in the same yard and then towed to TRIESTE for the fitting of its engine. Would the Yugoslavs have any objection to the same thing being done in the case of LE DUE PIR?

The Yugoslav Delegates stated that they had no objection and that the owner should proceed to CAPODISTRIA and make the necessary arrangements.

11. S.S. REL

2542

Major COOPER asked whether the Yugoslavs would agree for a representative of the Italia Line, the alleged owners of the REL, to meet them in order to discuss the question of guards, as pilfering was still going on.

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The Yugoslavs promised to investigate.

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The Yugoslav Delegates stated that they had no objection and that the owner should proceed to CAPODISTRIA and make the necessary arrangements.

11. S.S. HEX

Major COOPER asked whether the Yugoslavs would agree for a representative of the Italia Line, the alleged owners of the HEX, to meet them in order to discuss the question of guards, as pilfering was still going on.

The Yugoslav Delegates then stated that the Yugoslav Government was the owner of the S/S HEX, which was War Booty of the Yugoslavs. The Italia Line need not therefore interest itself in the question of guards, as Jugoslavia would protect its own property.

Major COOPER took exception to this point.

12. Major COOPER then asked for information on a motor-ship, the FELICE which was reported as having been last seen in the Cosulich Dockyard at SPLIT.

The Yugoslav/

-4-

The Yugoslav Delegates stated that SPLIT was Jugoslavia proper and as the vessel had never been in Zone B, the Yugoslav Military Government could not do much about the matter.

They further stated that the FELICE was a German-operated vessel and therefore War Booty and a question for the Peace Conference.

In conclusion, both the representatives of the Yugoslav Military Government and Major COOPER for the Anglo-American side, agreed that apparently from a legal principle the wishes of the legal owner of a ship determines where a ship must sail in the absence of agreements to the contrary or regular requisition by military powers during war.

(signed)

KENNETH COOPER,
Major, AUS,
Economic Section.

LW

DISTRIBUTION

1. Joint Economic Committee
2. Yugoslav Military Government (2 copies)
3. Economic Section, AMG 13 Corps.
4. N.O.I.C. TRIESTE.
5. File.

AMENDMENTS TO MINUTES

With reference to the minutes of the thirteenth meeting of the Joint Economic Committee, the following amendments, as requested by the Yugoslav Delegation, were discussed and decided as follows :-

Min. 263:

For "Industry & Commerce" read "Finance".

Min. 269:

Major COOPER said he had never stated that if the Anglo-American delegation had received Yugoslav approval for the Pola convoy we would return Graton's buses to Zone B. Lt. Col. FOTEN agreed and, after further discussion, it was decided that no amendment would be made to the minute. It was thought that a misunderstanding might have arisen in the interpretation.

Min. 272:

a) For "possibly displaced persons" read "persons possibly absent from FIUME".

b)

Para. 10. For "Mr URSICIC" read "Major B. RISIC".

Min. 277:

Add statement by Lt. Col. IENIC "It is found that there are many irregularities in the minutes and could more attention please be paid to these minutes".

Min. 278:

a) Combine points 3 and 5 to read "To settle the matter and the expenses with the forwarding agents".

b)

Amend point 6 to read "with the postal train as customary" instead of "with Red Cross wagons".

Min. 279:

The Yugoslav Delegates requested that the last part of para. 1 of the minute be amended to read as follows:

"Because the lists are not yet completed and if it is not Yugoslav war booty, it then all the more cannot be considered Anglo-American war booty. The only dispute can be as to whether it is Yugoslav war booty or civilian goods. In neither of these two cases can the Anglo-American army sell it. This point is raised because the Joint Economic Committee has been tied up with the War Booty Committee and because it was found that the latter did not succeed in solving this question".

The Chairman directed this amendment to be recorded.

Min. 281:

The Yugoslav delegates requested para. 2 to be amended to read "Lt. Col. IENIC said that he considers it to be an internal affair of theirs and he considers it unnecessary to give information about it, because it would be the same as if we asked for information about employees in Zone A".

The Chairman received the proposed amendment and directed

Min. 272: a) For "possibly displaced persons" read "persons possibly absent from FUMS".

b) Para. 10. For "URSICIO" read "Major B. RISIC".

Min. 277: Add statement by Lt. Col. IELIC "It is found that there are many irregularities in the minutes and could more attention please be paid to these minutes".

Min. 278: a) Combine points 3 and 5 to read "To settle the matter and the expenses with the forwarding agents".

b) Amend point 6 to read "With the postal train as customary" instead of "With Red Cross wagons".

Min. 279: The Yugoslav Delegates requested that the last part of para. 1 of the minute be amended to read as follows:

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The Chairman directed this amendment to be recorded.

Min. 281: The Yugoslav delegates requested para. 2 to be amended to read "Lt. Col. IELIC said that he considers it to be an internal affair of theirs and he considers it unnecessary to give information about it, because it would be the same as if we asked for information about employees in Zone 4".

The Chairman received the proposed amendment and directed it to be recorded.

Min. 282: For "Control on the Morgan Line" read "Control on the frontier between Zone 1 and Italy".

Min. 288: The Yugoslavs requested that para. 2 be amended to read: "Major BIELIS said that the reason was the fact that their interpreter was attacked by the personnel of "Capo Compartimento" in Trieste and wounded, now in hospital".

The Chairman received the proposed amendment and, after discussion, directed it to be recorded in further clarification of the explanation given in the minute.

The following /

The following amendments proposed by the Yugoslav delegates were not agreed to by the Anglo-American delegates and, after discussion, were referred to the main meeting :-

Min. 272:

a) The Yugoslavs requested the last paragraph of the minute to be amended to read "At the request of Lt. Col. IEN. C it will be recorded in the minutes that the Anglo-American Delegation considers to be unable to take any measures for the ships to return to their ports of registration, and at the Chairman's request it will be recorded that the Anglo-American delegation suggests that the owners should meet to discuss about the future of the ships".

b) The Yugoslavs proposed amending the heading of the minute to read "ILLEGAL RETENTION OF ZVIR AND LEBOR" instead of "RELEASE OF ZVIR AND LEBOR".

Major COOPER said this heading has been retained throughout the minutes and it is not considered that it should be changed now.

Major BELLIS said the Yugoslavs considered that the ZVIR and LEBOR are being illegally retained and they think the present heading is irregular. Since the minute does not deal with the release of these ships, the title is misleading.

The Chairman said we were not discussing the legality or illegality of the matter but we were simply trying to have the ships released and it is not felt appropriate to alter the heading of the minute. It could be recorded that the Yugoslavs felt that the title should read as proposed by them, but he did not intend to make the alteration. It would be referred to the main meeting for a decision, if the Yugoslavs wished to press the matter further.

APPENDIX B

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
13 CORPS, TRIESTE, ITALY

1 JUN 46

JOINT ECONOMIC COMMITTEE
FINANCE SUB-COMMITTEE - MINUTES

68. The eighth meeting of the Finance Sub-Committee was held at 10.00 hours on the 1 JUNE 1946, in the Finance Division, HQ MG 13 Corps, TRIESTE.

PRESENT:

Chairman

Lt. Col. M. T. HEARD,
CFO, MG 13 Corps.

Members

Ing. KOVACIC, M.)
Mr. URSICIC, V.) Jugoslavia
Maj. BJELIS, S.)

69. DISMISSED WORKERS FROM ZONE B.

Lt. Col. HEARD said the Jugoslavs had raised the question some time ago regarding benefits for people living in Zone B and working in Zone A. It was agreed that if these people made contributions to societies in Zone A they would receive benefits.

The Jugoslavs replied that that was all they had asked for, but the societies were reluctant to meet their obligations.

Lt. Col. HEARD replied that he would remind the societies, and he would take the matter up with the Society in FOLA.

70. PAYMENT OF CHARGES FOR ELECTRIC CURRENT.

The Chairman said he had been informed that the railway authorities were finding difficulty with the Jugoslavs in fixing their liability for electric current on the railways. He would like this matter cleared up as soon as possible.

The Jugoslavs said that they had agreed with SELVEG that one part of these charges should be settled by deliveries of coal.

Lt. Col. HEARD pointed out that this was not the SELVEG case, but concerned the railway. He enquired whether this settlement included SELVEG.

The Jugoslavs enquired who was claiming payment and Lt. Col. HEARD replied that the Transport Division had reported that there was difficulty in agreeing with the Jugoslavs about their share of the electricity supplied.

Major BJELIS said the Jugoslavs had requested some time ago

PRESENT:

Chairman

Lt. Col. N. T. BEARD,
CFO, IIG 13 Corps.

Members

Eng. KOVACIC, M.)
Mr. URSICIC, V.) Jugoslavia
Maj. BJELIS, S.)

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The Jugoslavs replied that that was all they had asked for, but the societies were reluctant to meet their obligations.

Lt. Col. BEARD replied that he would remind the societies, and he would take the matter up with the Society in PULL.

70. PAYMENT OF CHARGES FOR ELECTRIC CURRENT.

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The Jugoslavs enquired who was claiming payment and Lt. Col. BEARD replied that the Transport Division had reported that there was difficulty in agreeing with the Jugoslavs about their share of the electricity supplied.

Major BJELIS said the Jugoslavs had requested some time ago that meters should be placed in ORIGIN, to measure consumption in Zone A and Zone B, because without these instruments it was difficult to estimate the amount of electricity being used.

The Chairman said that the Jugoslavs had mentioned that SELVEG were being paid in coal but this was not a satisfactory arrangement as payments are much too slow and it would take fifty years to clear the debt.

The Jugoslavs stated they could not agree that it would take so long to pay, since only one part of the supply will be paid off in coal.

Lt. Col. BEARD enquired what was meant by this statement and the Jugoslavs replied that they had already agreed to pay that part of the debt which had accrued up to three months ago, in coal. Coal was already being exported and payment of the other portion of the debt is being discussed with SELVEG.

The Chairman

2538

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70. (contd.)

The Chairman said this meant that payment was being split up into two parts. His information was that the amount of coal which is being delivered to SELVEG was hopelessly inadequate in quantity to pay the bill. The representative of UNVOB had been to see him a week ago and had agreed to contact the Yugoslav Military Government on the matter. He had not since seen this representative.

The Yugoslavs enquired why the coal was inadequate for settling the debt and Lt. Col. BEARD replied that the value was so small it would take fifty years to pay off. Was he to understand that there was enough coal to pay SELVEG's bill from 1 JUN 1945 up to three months ago, and that it was only necessary for SELVEG to arrange transport and collection of the coal.

The Yugoslavs replied that this was the case.

Lt. Col. BEARD asked how many tons would be required to clear the debt and the Yugoslavs replied they had agreed the quantity and the price with SELVEG.

The Chairman then asked what steps would be taken to settle charges incurred beginning from three months ago.

The Yugoslavs replied that the Manager of SELVEG would visit them and settle the matter directly.

71. DEBTS BY JUGOSLAV GOVERNMENT TO RESIDENTS IN ZONE A.

The Chairman read out a letter stating that the question of debts due by the Yugoslav Government to persons in Zone A had been repeatedly brought to their notice and so far nothing had been done.

It was imperative that this matter should receive their immediate attention, and he would appreciate it if the Yugoslavs would inform him before the main meeting on the 6th June how they proposed to liquidate these debts.

The Yugoslavs replied that if these were Yugoslav Government debts they were not competent to deal with the matter, but they would forward the letter to the Yugoslav Government.

Lt. Col. BEARD requested the Yugoslavs to hasten the matter because these persons have been awaiting payment for months.

The Yugoslavs again stated they would forward the letter to the Yugoslav Government and let Colonel BEARD have an answer.

72. BRITISH OWNED PROPERTY IN ZONE B.

The Chairman read a letter stating that he had already brought to the notice of the Yugoslavs certain properties in Zone "B" belonging to British Nationals, which properties were being disposed of by the Yugoslavs without reference to the owners, some of whom are situated in this Area. The letter went on to read that in addition to this certain owners were desiring to make use of the credits lying to their account and it would be appreciated if the Yugoslavs would now inform him whether they proposed to permit this or not.

The letter was then handed to the Yugoslavs.

The Yugoslavs replied that Lt. Col. BEARD had already answered this question in principle at the main Joint Economic Committee meeting.

Lt. Col. BEARD said that this reply was unsatisfactory, and

that it was only necessary for SELVEG to exchange money of the coal.

The Jugoslavs replied that this was the case. Lt. Col. BEARD asked how many tons would be required to clear the debt and the Jugoslavs replied they had agreed the quantity and the price with SELVEG.

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The letter was then handed to the Jugoslavs.

The Jugoslavs replied that Lt. Col. BEARD had already answered this question in principle at the main Joint Economic Committee meeting.

Lt. Col. BEARD said that this reply was unsatisfactory, and would the Jugoslavs clear the following queries:-

- a) British property was being sold without the consent of the British owners, was this in accordance with Yugoslav policy?
- b) Would they permit British owners to obtain proceeds from the sale of their property, and
- c) Would British owners be permitted to appoint their own agents?

The Jugoslavs

15

72. (contd)

The Jugoslavs replied that they had already stated that these properties were under temporary administration and that relation towards the owners would be settled at the Peace Conference. No property had been confiscated or sold and any changes have been registered.

The Chairman pointed out that owners of these properties are not permitted access to the properties or allowed to nominate their own representatives, and Mr. UKSICIC replied that up to now no one has raised the question. If the owners had remained in Zone B they would be allowed to administer their property in the same way as other residents.

The Chairman said it was common knowledge that British people own property all over the world. Everywhere else in the world their agents have access to the property. In Zone B they have not.

The Jugoslavs said that the legal position in Zones A and B was different to any other part of the world and such questions would have to be settled at the Peace Conference.

It. Col. BEARD enquired how British property was affected by the Peace Conference and he said he would raise the above-mentioned questions again at the main meeting.

A copy of the questions was handed to the Jugoslavs.

73. SOCIAL INSURANCE PAYMENTS IN ZONE B.

The Jugoslavs acknowledged receipt of a letter, subject as above. They promised to send a written reply and they stated that they were experiencing many similar cases of persons from Zone A and Italy being in receipt of payments for insurance benefits and pensions in Zone B. They added that they had people in Zone B receiving small pensions from the Italian State and they had increased these pensions to meet the increased cost of living.

74. REAL ESTATE AND TAXATION RECORDS.

The Chairman read a letter to the Yugoslav Delegates asking if they could now report any progress in previous AMG requests for the recovery of records and documents lying at the Ufficio Imposte Dirette and Ufficio del Registro, TOLINO, and which properly belong to the Communes of PLEZZO, CAROETTO, BERGOGNA, CANALE and VOLZANO.

The Jugoslavs replied they were carrying out investigations but most of the documents referred to the whole TOLINO district and it would be necessary to make excerpts. This would take some time.

The Chairman asked if AMG might borrow the rolls and make copies and the Jugoslavs replied that this would not be possible because they were in use.

The Chairman then asked whether an AMG representative might go to TOLINO to make copies, and the Jugoslavs replied that they would make further enquiries about the matter, and would inform the Chairman later.

The Chairman pointed out that in the matter of the Gorizia forests, AMG had permitted Yugoslav representatives to come to the office in CORIZIA and make copies of the documents they required, and he asked why the Jugoslavs could not permit AMG the same privilege.

The Jugoslavs replied that they had not said they would not allow an AMG representative to copy the rolls, but that they would make further enquiries to see how matters now stand, and they would give fuller information at the main meeting.

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HSIGF/LWW

Handwritten: H. St. G. French,
Major, D.A.G.,
Secretary,
Joint Economic Committee.

Chief Commerce
ALCOM
ROME

COPY NO. 18

JOINT ECONOMIC COMMITTEE
 HEADQUARTERS, UNITED MILITARY GOVERNMENT,
 XIII CORPS, TRIESTE, ITALY.

MAY 2 1946

3 May 1946.

MINUTES

252. The thirteenth meeting of the Joint Economic Committee was held at 10.00 hours, on 3 MAY 1946, in the Main Conference Room at HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Brigadier G.E.R. BASTIN, OBE,
 Brigadier i/c Admin, Rear 13 Corps.

Members

Colonel C.H. BARNETT,
 DD.TN., TRIESTE.

Lt.Col. N.T. REAR,
 C.F.O., AMG 13 Corps.

Lt.Col. A.S. MILLER,
 "Q" (Movements),
 Rear 13 Corps.

Major K. COOPER,
 Economics Division,
 HQ AMG 13 Corps.

Major J.E. FODIN,
 Industry & Utilities,
 HQ AMG 13 Corps.

Lt.Col. LENAC, M,
 Chief of Yugoslav Delegation.

Ing KOVACIC, M,
 Industry, Yugoslavia.

Ing. SIKOSEK, D,
 Electricity, Yugoslavia.

Mr. URSICIC, P,
 Finance, Yugoslavia.

Mr. BARISIC, M,
 Commerce, Yugoslavia.

Major BJELIS, S,
 Transportation, Yugoslavia.

In Attendance

Lt.Col. C.A.T. STEPHENS,
 Chief Commerce Officer,
 HQ AMG 13 Corps.

Lieut. T. McLEOD, RNVR,
 SO. I.

Lieut. N.J. LISTER,
 Economics, HQ AMG 13 Corps.

253. BRITISH OWNED PROPERTY IN ZONE B.

Lt.Col. BEARD said that a second written request had been sent to the Yugoslavs asking if a representative of the Company might visit the property.
 The Yugoslavs acknowledged having received the letter.

564/cc

Brigadier G.E.R. BLSTIN, OBE,
Brigadier i/c Admin, Rear 13 Corps.

Members

Colonel C.F. BARNETT,
DD.TN., TRIESTE.

Lt.Col. M.A. RE,
C.F.O., AMB 13 Corps.

Lt.Col. A.C. MILLMAN,
"Q" (Movements),
Rear 13 Corps.

Major K. COOPER,
Economics Division,
HQ AMB 13 Corps.

Major J.E. FODEN,
Industry & Utilities,
HQ AMB 13 Corps.

Lt.Col. LENAC, M,
Chief of Yugoslav Delegation.

Eng KOVACIC, M,
Industry, Yugoslavia.

Eng. SIKOSEK, D,
Electricity, Yugoslavia.

Mr. URSICIC, P,
Finance, Yugoslavia.

Mr. RARISIC, M,
Commerce, Yugoslavia.

Major BJELIS, S,
Transportation, Yugoslavia.

In Attendance

Lt.Col. C.A.T. STEPHENS,
Chief Commerce Officer,
HQ AMB 13 Corps.

Lieut. I. McLEOD, RNVR,
SO. I.

Lieut. V.J. LISTON,
Economics, HQ AMB 13 Corps.

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Lt.Col. BEARD said that a second written request had been sent to the Yugoslavs asking if a representative of the Company might visit the property.

The Yugoslavs acknowledged having received the letter.

254. PRIVATE UNDERTAKINGS IN ZONE B.

With reference to Minute 218 of the twelfth meeting of the Joint Economic Committee, Lt.Col. LENAC said that the minutes should be altered to read "temporary administrators had been appointed by the peoples' authorities (not the peoples' party) and that such administrators had not been appointed to all undertakings but only to those businesses whose owners were absent."

255. DEBTS.

Referring to the fourth paragraph of Minute 250 of the twelfth meeting of the Joint Economic Committee, Lt.Col. LENAC said that the "blocking of money abroad" should read "blocking of money in Zone A and Italy",

Lt.Col. BEARD said he had no objection to this amendment.

2535

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256. MINUTES OF THE FINANCE SUB-COMMITTEE.

The minutes of the seventh meeting of the Finance Sub-Committee were received.

257. EXCHANGE OF CURRENCY OF RAILWAY EMPLOYEES LEAVING ZONE B.

Mr. URSICIO said this question will be dealt with after the Exchange Clearing Agreement has been signed.

Lt.Col. BEARD said he would have a translation made of the Yugoslav text of the Agreement and it could come into force on the 15 MAY. He would fix an early date for the signing.

258. CANCELLED DINARS.

In reply to the Yugoslav enquiry as to why the Bank of Italy required these cancelled dinars, Lt.Col. BEARD said he would find out and let them know.

259. DOCUMENTS BELONGING TO UFFICIO CATASTO FONDARIO.

In reply to Lt.Col. BEARD, Lt.Col. LENAC said they were making enquiries at AIDUSSINA and they will send a reply as soon as possible.

260. DOCUMENTS HELD IN ZONE A.

Lt.Col. LENAC said that some valuable papers and documents belonging to the IDRIA and KOPAR districts are held by the Cassa di Risparmio in GORIZIA and he asked if the Yugoslavs could be given these documents.

Lt.Col. BEARD asked for details and said he would speak to the Cassa di Risparmio.

Lt.Col. LENAC said he would hand over a list before the next meeting.

261. ELECTRICAL EQUIPMENT AT OPICINA.

Colonel BARNETT enquired if confirmation could now be given that a damaged 2,000 KW Rectifier may be removed from REDIPUGLIA with a view to it's being repaired and put to use in Italy where it is urgently required.

Ing. SIKOSEK said they had already put forward a request for the removal of three generators and one transformer from OPICINA and they were informed that this question had been raised with the Co-ordinating Committee and that only one transformer was in question. He asked if further information could be given.

Colonel BARNETT said he was not discussing OPICINA; he was simply asking for the removal of a Rectifier from REDIPUGLIA.

The Yugoslavs said they agreed to it being removed providing it is returned.

Colonel BARNETT suggested it could either be returned, or compensation paid.

Lt.Col. LENAC said it should be returned when the final settlement is made and the Chairman asked the Yugoslavs if they would agree either to it's being returned or suitable compensation being paid instead.

Lt.Col. LENAC said he understood the need for the rectifier but the question whether it would be returned or compensation paid is a matter for agreement at the final settlement.

1092

In reply to the Yugoslav enquiry as to why the Bank of Italy required these cancelled dinars, Lt.Col. BEARD said he would find out and let them know.

259. DOCUMENTS BELONGING TO UFFICIO CATASTO FONDARIO.

In reply to Lt.Col. BEARD, Lt.Col. LENAC said they were making enquiries at AIDUSSINI and they will send a reply as soon as possible.

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Lt.Col. LENAC said he understood the need for the rectifier but the question whether it would be returned or compensation paid is a matter for agreement at the final settlement.

The Chairman said he understood the Rectifier was out of order at present, but we would move it and make a suitable record of this fact.

Lt.Col. LENAC referred to the opening paragraph of Minute 239 of the twelfth meeting of the Joint Economic Committee. It has been proved that the Railway Co-ordinating Committee had refused authority for the removal of the generators and transformer and, therefore, the permission of the Yugoslav Delegation was withdrawn.

Col. BARNETT said a request had been received from ROME for the removal of a synchronous motor from OPICINA to RIFREDI in Italy. The movement was requested because without this motor it is difficult and dangerous to pass heavy voltage currents towards different parts of Italy and this affects the general power supply and both Zone A and Zone B suffer.

This request/

14

This request was referred verbally to the Railway Co-ordinating Committee, and on the understanding that the Yugoslavs had agreed, the movement was begun and was in process when the Railway Co-ordinating Committee said they did not agree. The position now is that all movement has been stopped and the matter has been referred to LEMO who are taking it up with Yugoslav higher authorities with a view to settlement.

Lt.Col. LEMO said the Yugoslavs had raised the question in order to state that the transaction had been carried out in an irregular manner. According to the Morgan-Jovanovic Agreement, the Joint Economic Committee should have dealt with the matter.

The Chairman said that all further work is being held up pending a decision and that no further movement will take place without consulting the Yugoslavs.

The Yugoslavs remarked that one synchronous motor would not occupy six railway wagons, and Colonel BARNETT stated there must be some misunderstanding as a synchronous motor and its equipment would easily occupy six wagons.

Lt.Col. LEMO said it was not necessary to prove how many wagons would be needed to transport the equipment. Ing. SIKOSEK can give the numbers of the machines exported and this will assist us to understand each other better.

Ing. SIKOSEK then handed over a list showing particulars of the machines which had been moved.

262. MOVEMENT OF DISPLACED PERSONS FROM ZONE B TO ZONE A.

The Chairman said that, at present, only authorised Displaced Persons are allowed to enter Zone A but that some unauthorised persons are arriving on trains. Obviously we must control the movement of unauthorised Displaced Persons but the difficulty lies in moving the unauthorised persons from the train and holding them under guard until they can return to Zone B. On many occasions these people have objected to being returned to Zone B and force has had to be used. It has been suggested that, in the case of a coach arriving with unauthorised persons on board, it should be detached and connected to the next train going to Zone B. This will cause a certain amount of hardship to bona-fide travellers. The difficulty could be overcome if all passengers' credentials could be checked before leaving Zone B.

Lt.Col. LEMO remarked that the Anglo-American side referred to these people as "Displaced Persons", whereas the Yugoslavs considered them to be black market operators, or escapees who leave Zone B because of a bad conscience. He considered they should be prosecuted by courts in Zone A, and he added that trains are not the only means of entry used by them.

The Chairman said that such persons were not wanted in Zone A and he suggested that if they were wanted by the Yugoslavs for black market activities or other offences, they should be tried in Zone B.

Lt.Col. LEMO enquired if the Allies were prepared to return wanted persons to Zone B. He said the question should be solved in the interests of justice, and where concrete proof was available he could furnish particulars.

Brigadier BASTIN emphasised that the Allies were simply trying to find a method of controlling the entry of unwanted people into Zone A, and they wanted to avoid having to use force to do so.

Lt.Col. LEMO said he was against the return of whole coaches because such action would be very unfair to duly authorised passengers. The Yugoslavs were checking trains to the best of their ability, but he thought the best deterrent would be to return all unauthorised persons who had already entered Zone A.

The Chairman agreed that turning back coaches would cause hard-

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The Chairman agreed that turning back coaches would cause hardship to bona-fide travellers, and he suggested that passengers should be checked in the carriages before leaving Zone B.

Lt.Col. LEMAC repeated that if the Allies would return wanted persons who had already reached Zone A, such action would produce a strong moral effect. Failing this, he asked whether they might be prosecuted by Allied courts on evidence supplied by the Yugoslavs.

The Chairman replied it was beyond his competence to decide what steps should be taken against people who have already crossed into Zone A, but he would refer the question to 13 Corps. Meanwhile it might be necessary to turn coaches back to Zone B if large numbers of unauthorised persons are found attempting to cross the boundary line.

Lt.Col. LEMAC again protested against the hardship this action would cause to authorised travellers, and in reply the Chairman pointed out that if the Allied authorities attempted to sort out the passengers, the use of force would be needed, and this was the difficulty.

262. (Cont'd).

Mr. DARISIC said that criminals are entering Zone A and they would claim they left Zone B because they did not agree with the Government or were being persecuted. There should be some way to put these people in prison and hold them for trial.

Brigadier BASTIN said he would take this point up with 13 Corps.

263. INDUSTRY & COMMERCE - DEFERMENT OF DISCUSSIONS.

Referring to Minute 219 of the twelfth meeting of the Joint Economic Committee, Lt. Col. LEMAC said that lines 2 and 3 should read "The Yugoslav Delegates had not been allowed by the guards to enter the building and therefore the meeting was put back".

The Chairman gave instructions for the minute to be altered.

264. MOVEMENT WITHIN 1 KM. OF THE MORGAN LINE.

Ing. KOVACIC referred to Minute 226 of the twelfth meeting of the Joint Economic Committee and said the minute was not clear. She did say they were giving the permission, and this would be discussed together with the question of import and export licences.

Major COOPER said he was satisfied with this amendment.

265. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORICA.

Lt. Col. LEMAC said that para 5, line 2 of Minute 228 should read "but if control on the Italian - Zone A Frontier is carried out, it would prevent removals", agreed.

266. CONTROL OF GOODS CROSSING THE MORGAN LINE.

Referring to the last three lines of Minute 235, Lt. Col. LEMAC said the wording gave the impression that the Jugoslavs had only agreed after the discussion that control was necessary. This was not correct, since they had agreed on this point right from the beginning.

267. THE MINUTES OF THE TWELFTH MEETING OF THE INDUSTRY & COMMERCE SUB-COMMITTEE.

The above Minutes were then received.

268. IDENTITY CARDS.

The Jugoslavs acknowledged, with thanks, the receipt of sets of specimen identity cards which they had requested.

269. BUSES OWNED BY GRATONI.

The Jugoslavs requested that Minute 153, line 3, be amended to read "If private speculators, such as Gratoni, will in future be permitted to hinder the transportation plan to the disadvantage of the people, this may make an economic crisis".

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Major COOPER said he was satisfied with this amendment.

265. MACHINERY EXTRACTED FROM THE COTTON MILL AT PODGORA.

Lt. Col. LMAC said that para 5, line 2 of Minute 228 should read "but if control on the Italian - Zone - Frontier is carried out, it would prevent removals". Agreed.

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The Chairman directed the amendment to be made.

Major COOPER said the position is exactly as stated in the minutes. The other of the buses came from Zone B to operate in VENICE. This is a private enterprise and it is not our policy to dictate to the owners of private transport.

Lt. Col. LMAC said that in all parts of the world, not only in Zones A and B, private individuals who wish to run a bus service must get concessions. Gratoni is equipped with eight buses and other vehicles, and with goodwill on the part of AMG he could be forced to return.

Major COOPER replied that the question is one of private property and these buses are no different from any other commercial enterprise.

2532

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-5-

270. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORA.

Major COOPER said he had made enquiries and had received an answer that three pieces of machinery went to ITALY, but were replaced by three newer and more modern machines to do the same work, with the object of increasing production. The mill is now operating more efficiently and has more modern machinery than before. He agreed that under the terms of the Morgan-Jovanovic Agreement machinery should not be moved from VENEZIA GIULIA, but nothing is said about bringing new machinery in. Therefore, he took the attitude that the agreement had not been violated, since the old machinery had been replaced by the new.

The Jugoslavs asked for lists of the machines imported and those which had been removed, and a guarantee that the new machines replaced the old ones. They also requested details concerning which machines are replacing which.

Major COOPER agreed to forward all particulars.

271. FORESTRY OFFICE.

Major BJELIS referred to the minutes of a special forestry meeting held on 5 April 46 and said he would like some amendments to be made.

Lt.Col. LENAC said the Jugoslavs were grateful to Major COOPER for solving this matter as quickly as he did, and the only reason they asked for these amendments was because someone reading the minutes might believe the Jugoslavs wanted control in Zone A. The word "jointly" should be substituted for "Jugoslavs."

Major BJELIS said they agreed the answers given on the first two points but they had not received an answer to point 3.

Major COOPER replied he had not had an opportunity to check this but he would send a report when he had done so.

A copy of the amended minutes is attached (Appendix A).

272. RELEASE OF M/V ZVIR AND LABCOR.

The Chairman said the Jugoslavs had promised to produce a letter from the Owners stating they wished these ships to be returned to Zone B ports, and he enquired whether this letter had been sent.

Lt.Col. LENAC said the Jugoslavs did not remember making such a promise, but this was unimportant. Any such statement from the Owners or Captains was not the decisive point. According to International Law and maritime customs no ship can leave the port of registration without permission from the harbour authorities. These ships cannot be considered as private property in the same sense as the GRATONI buses, and according to International Law they must return to the harbour where they are registered. The Allied authorities should give permission for them to do so.

The Chairman then reviewed the circumstances and events (as recorded in the minutes of previous meetings) which led up to the present position, and he emphasised that both ships are now entirely free to sail anywhere they wished.

Lieut. McLEORR, RNVR said that a ship can sail anywhere it wishes on the orders of the Owner or Master.

The Chairman said it appeared that these ships were partly owned by several individuals and he suggested a meeting between the people who owned shares in them to decide where they should go.

Lt.Col. BEARD asked to whom the ships belonged, and Lt.Col. LENAC replied that according to their information, FIUME HARBOUR, but they

Major COOPER agreed to forward all particulars.

1098

meeting held on 5 April 46 and said he "didn't like" those who were grateful to Major

should be substituted for "Jugoslavs,"

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272. RELEASE OF M/V ZVIR AND LABOR.

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Lt. COL. BEARD asked to whom the ships belonged, but they did not according to their information, FINE HARBOUR, but they

Mr. RIFKIN said that according to maritime law, ships cannot

alter their registration to a different port without permission. This is part of the country in which it is

/... If this law

272. RELEASE OF W/V ZVIR AND LABOR (Cont'd)

If this law is violated the harbour authorities concerned can take legal action against the transgressors. In this case the FIUME port authorities were informed that these ships violated International Law still further, and therefore we propose that the Allies should find a better solution to the matter than legal action by the harbour authorities.

The Chairman said it would be better to bring the matter to court, and the legal owners to meet and decide what they want to do. He had no control over them.

Mr URSICIC. The information of the port authorities is that one of the ships changed it's name and registration without notifying anyone. It can therefore be classed as a pirate and the case brought to court.

In answer to questions by the Chairman and Lt.Col. BLAED, Mr BARISIC said the Owner has the right to sail his ship wherever he pleased, but he cannot change the flag or port of registration without permission from the harbour authorities. The FIUME port authorities have information that the LABOR changed it's name to NUOVA STELLA and registered in VENICE. The onus to take action lay with these authorities, and he considered they would prohibit the ship missing and take legal action in the event of unlawful change of registration.

At the request of Lt.Col. LENTIC it was agreed to record in the minutes that "The Anglo-American Delegation suggests that the Owners should meet in order to decide what should be done with the ships. At the same time the Anglo-American Delegates do not consider they are empowered to take action to return the ships to their ports of registration."

273. CONTROL OF GOODS CROSSING THE MORGAN LINE.

Major COOPER said that steps have been taken to secure additional personnel to man the control posts and that everything possible is being done.

The Jugoslavs requested the matter to be speeded up as much as possible.

274. GOODS IN TRANSIT FROM ITALY.

Referring to a special meeting held on 1 April 46 (Appx B) Lt.Col. STEPHENS said a transit permit is issued on the basis of the certificate of origin issued by the Chambers of Commerce of ITALY. With reference to minute 4 of the meeting, it was agreed in future to use the term "certificate of origin," instead of "export licence."

Lt.Col. LENTIC said the matter was clear in practice, but he thought the instructions differed from the General Order.

Major COOPER said he would issue amended instructions as an appendix to the minutes of the meeting.

253 275. IMPORT OF GOODS INTO ZONE A FROM ZONE B.

In reply to Ing. KOLACIC Major COOPER said General Order No.45 could be amended to create a system of licensing food imports into Zone A, provided the Jugoslavs on their part are prepared to issue the

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Referring to a special meeting held on 1 April 46 (Appx B) Lt.Col. STEPHEN'S said a transit permit is issued on the basis of the certificate of origin issued by the Chambers of Commerce of ITALY. With reference to minute 1 of the meeting, it was agreed in future to use the term "certificate of origin," instead of "export licence."

Lt.Col. LEMIC said the matter was clear in practice, but he thought the instructions differed from the General Order.

Major COOPER said he would issue amended instructions as an appendix to the minutes of the meeting.

253075. IMPORT OF GOODS INTO ZONE A FROM ZONE B.

In reply to Ing. KOVACIC Major COOPER said General Order No 45 could be amended to create a system of licensing food imports into Zone A, provided the Yugoslavs on their part are prepared to issue the necessary export licences.

Ing. KOVACIC said the Yugoslavs were already issuing such licences.

276. ARSA COAL.

With reference to minute No.4 of the special meeting held on 1 April 46, Ing. KOVACIC said the Yugoslavs had never promised to supply a plan of the ARSA mine's production, and she requested that the minute be amended.

277. AMENDMENTS TO MINUTES.

At the Chairman's suggestion it was agreed in future that the amending of minutes should be carried out before the main meeting.

14

-7-

278. POSTAL FACILITIES FOR JUGOSLAVIA IN ZONE A.

Lt.Col. LEMAO said he sent Mr. LENASSI to AMG with a note requesting the authorities to allow him to work in TRIESTE, in order to deal with the parcels which arrive by post for JUGOSLAVIA from AMERICA. As this is a huge task he should reside in TRIESTE.

The reasons for his presence are:-

1. When ships arrive with parcels, to study how many parcels have arrived and to act as liaison with the Institution of Special Purchases in TRIESTE.
2. To contact the Yugoslav Post Office about arrivals.
3. To settle all matters with the forwarding agents.
4. To inform the Yugoslav authorities about the number of parcels and by what means they are forwarded.
5. To intervene with the forwarding agencies regarding expenses.
6. To ensure that wagons carrying these parcels are sent with Red Cross wagons, which is less expensive than carriage in ordinary trains.

Lt.Col. LEMAO added that the number of parcels arriving from AMERICA is increasing every day and he asked if the Allies would have any objection to Mr. LENASSI carrying out this work. He thought it easier to explain these particulars verbally than in writing. The Anglo-American Delegation sometimes comes to them with business which is not purely of an economic character.

The Chairman said that now the details are known, the Yugoslav Military Government should submit a written application to AMG for a representative to be allowed to safeguard their interests in the matter.

279. AUCTION OF WAR BOOTY IN POLA.

Lt.Col. LEMAO said the Yugoslavs still maintained that this material should not have been sold because they still claim it as war booty. Even if the Allies stated it is not contained in their war booty lists, it still can be claimed as such, and lists of claims can still be sent in. The material cannot be sold, and it cannot be regarded as Anglo-American war booty.

The Chairman said the question was a matter for the War Booty Committee to examine, and this meeting was not the place to discuss it.

It had already been referred to the War Booty Committee.

280. ACT OF PIRACY AGAINST THE M/V SALPA.

Victor COOPER enquired whether the responsible parties had been apprehended, and what action has been taken to prevent future occurrences of a similar nature.

Lt.Col. LEMAO replied that when the Chairman had raised this matter at the last meeting he said the case had been referred to diplomatic levels. As a delegation the Yugoslavs were unable to take action, but they

2529

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Major COOPER asked if the registration book belonging to the seized motor car could be returned to the owner, and Lt.Col. LEMAO said he would take the necessary steps, and he believed the book would soon be returned.

Major COOPER said the owner was claiming damages and he would pass a copy of the claim to the Yugoslavs after the meeting.

Lt.Col. LEMAO promised to forward it to the proper quarters.

-8-

281. ROMANIAN OIL REFINERY AT FIJES.

Major COOPER said we had asked the Yugoslav to ensure that the dismissed employees receive full legal compensation.

Lt.Col. LENCIC said he considered this matter an internal affair of the Yugoslav Military Government, but they would make further investigations if desired. Since it was entirely a Zone B affair he thought it unnecessary to give the information; in the same way, similar information regarding workers in Zone A would not be required by him.

282. REMOVAL OF INDUSTRIAL PLANT FROM ZONE A.

Lt.Col. LENCIC said that according to minute 169 of the twelfth meeting of the Industry & Commerce Sub-Committee the Yugoslavs had requested the Allies to issue a general order controlling the removal of industrial plant. The Yugoslavs had not asked for such an order - they did ask that control on the Morgan Line should be fortified. He requested that the minute be amended accordingly.

283. ALTERATION OF NUMBERS ON RAILWAY TAGS.

Major COOPER said it had been agreed that the matter would be taken up by the Railway Co-ordinating Committee, and he had nothing further to add.

Lt.Col. LENCIC said it was a question for the Yugoslav Government and the U.S. Embassy in BELGRADE, and Major COOPER replied that the information had come from the U.S. Embassy in BELGRADE.

Lt.Col. LENCIC said that of the alterations in the wagon numbers had been carried out in Zone B and the Yugoslavs would discuss the matter, but they could not discuss questions on behalf of JUGOSLAVIA. The Railway Co-ordinating Committee will discuss the affair but they will not be able to solve it.

284. EXPORTS FROM ZONE A.

Major COOPER handed over some extracts from a letter addressed to CENTROPROM, and said if these details were not sufficiently complete he could give further information.

285. ASSAULTS ON JUGOSLAV FUNCTIONARIES.

Major BJELIS said there have been some recent cases of physical assaults on Yugoslav Functionaries, also arrests. These functionaries are in possession of documents from Allied authorities authorizing them to reside in Zone A, and it would seem that the Police have not been informed of their right to remain in Zone A.

The Chairman enquired which functionaries were referred to, and Major BJELIS gave an example of two Yugoslav officials who had been arrested by the Police, although they were in possession of papers authorizing their presence in Zone A. He added that this was not an isolated case.

The Chairman said he insisted on the fullest report being sent at once by the Yugoslavs, without fail. Every single case would be fully investigated and dealt with by the highest authority in this area. There was no use, however, in talking generalities.

Lt.Col. LENCIC thanked the Chairman for his promise of intervention.

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Major COOPER said it had been agreed that the matter would be taken up by the Railway Co-ordinating Committee, and he had nothing further to add.

Lt.Col. LEMIC said it was a question for the Yugoslav Government and the U.S. Embassy in BELGRADE. and Major COOPER replied that the information had come from the U.S. Embassy in BELGRADE.

Lt.Col. LEMIC said that at the alterations in the wagon numbers had been carried out in Zone B. The Yugoslavs would discuss the matter, but they could not discuss questions on behalf of JUGOSLAVIA. The Railway Co-ordinating Committee will discuss the affair but they will not be able to solve it.

284. EXPORTS FROM ZONE A.

Major COOPER handed over some extracts from a letter addressed to CENTROPRON, and said if these details were not sufficiently complete he could give further information.

285. ASSAULTS ON JUGOSLAV FUNCTIONARIES.

Major BJELIS said there have been some recent cases of physical assaults on Yugoslav Functionaries, also arrests. These functionaries are in possession of documents from Allied authorities authorizing them to reside in Zone A, and it would seem that the Police have not been informed of their right to remain in Zone A.

The Chairman enquired which functionaries were referred to, and Major BJELIS gave an example of two Yugoslav officials who had been arrested by the Police, although they were in possession of papers authorizing their presence in Zone A. He added that this was not an isolated case.

The Chairman said he insisted on the fullest report being sent at once by the Yugoslavs, without fail. Every single case would be fully investigated and dealt with by the highest authority in this area. There was no use, however, in talking generalities.

Lt.Col. LEMIC thanked the Chairman for his promise of intervention.

286. CONSORZIO PER LA BONIFICA DELL'ISTRIA.

Lieut. LISTER said the President of the Company had asked if he might be accompanied to ABBAZIA by an AMG officer.

It was agreed that Lieut LISTER should accompany the President, and the date of the visit was tentatively fixed for 8 MAY 46.

287. REMOVAL OF COPPER TO LUBLJANA.

The Chairman read out a letter from the Italian Government (appx.C) stating that 12,400 kgs of copper had been removed to LUBLJANA by the Yugoslavs on 21 AUG 45.

Lt.Col. LEMIC promised to make enquiries.

-9-

288. JOINT OPERATING COMMITTEE - AGREEMENT OF MINUTES.

Colonel BARNETT said that at the last meeting of the Joint Operating Committee, held on 16 APRIL, it was agreed that the minutes of the meeting would be checked and agreed by the 18th. These minutes have not yet been agreed by the Yugoslav representatives and the work of the Committee is being held up.

Major BJELIS replied it was owing to the fact that the Yugoslavs had no interpreter, but they would have one for the next meeting.

289. DATE OF THE NEXT MEETING.

| | | |
|---|---|----------------------------|
| Industry & Commerce and
Fuel & Power Sub-Committee | - | 31 MAY 1946 at 1000 hours. |
| Finance Sub-Committee | - | 1 JUNE 1946 at 1000 hours. |
| Joint Economic Committee | - | 6 JUNE 1946 at 1000 hours. |

By French

H. ST G. FRENCH.
Major, MAJE.
Secretary.
Joint Economic Committee.

HSTGE/HLC

2527 -

MINUTES OF JOINT ANGLO-AMERICAN-JUGOSLAV
FORESTRY MEETING.

5 APRIL 1946.

MEMBERS PRESENT:

Anglo-American:

Major KENNETH COOPER - Chairman
Lt. Col. N. T. BEARD - AG Finance
Major H. ST G. FRENCH - J.E.C.
Captain LESTER WEIL - AG Agric.

Jugoslav

Major BJELIS
Ing. JOST

The above Committee met for the purpose of clarifying the forestry questions raised by the Yugoslav delegates at the last Joint Economic Committee held 29 March.

1. Major COOPER referred to the minutes of the last meeting, and then asked the Yugoslav representatives to state exactly what they wanted, and list each question separately so they could be answered.
2. ENG. JOST then stated that the Jugoslavs had received no report of the financial status of the Administrative Office of Damesne Forest at Gorizia.
Capt. WEIL then produced copies of the accounting and showed them to Eng. JOST. He reaffirmed that he had not seen the report.
3. The Yugoslav representatives then requested they be permitted to review the whole forestry transaction. In substance it was stated that A.M.G. had closed the office without proper authority; that the accounts were liquidated without a representative from Zone "B" being present; that no proper inventory had been taken of the office equipment nor the sawmill machinery; and that the whole deal was irregular.
4. To this Major COOPER replied that a careful investigation had been made and that the results showed:-

- A) The Gorizia Forestry Office was closed in October 1945 by order of the Area Commissioner as a result of questionable dealings, and the selling of fuel woods on the Black Market; and that all money and documents were impounded and sealed.
- B) Since some agents from Zone "B" were in the Forestry Office, and claimed part of the money and documents were

Major
Lt. Col.
Major
Captain

KENNETH COOPER - Chairman
N.T. HEARD - AIG Finance
H. ST G. FRENCH - J.E.C.
LESTER WEIL - AIG Agric.

Jugoslav

Major BJELIS

Ing. JOST

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4. To this Major COOPER replied that a careful investigation had been made and that the results showed:-

- A) The Gorizia Forestry Office was closed in October 1945 by order of the Area Commissioner as a result of questionable dealings, and the selling of fuel woods on the Black Market; and that all money and documents were impounded and sealed.
- B) Since some agents from Zone "B" were in the Forestry Office, and claimed part of the funds and documents, an accounting was sent to Zone "B" Forestry Offices in November 1945. Moreover, that copies of this accounting may be found at the Gorizia office, in the office of the President of the Zone, and also in the Forestry Office in Trieste.
- C) All funds have been accounted for and are held in trust by the Intendenza di Finanza.

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5. The Yugoslav delegation made two proposals:-

- A) That a joint commission of Allied Military Government and Yugoslav Military Government be set up at once to solve the question of operation of the Forestry Office and its closing.
- B) That a delegate from Yugoslav Military Government be appointed to help in sorting out documents and plans at the forestal offices in Trieste and Gorizia, in order that the Yugoslav Military Government could make full use of the archives and forestal plans in possession of these offices.

6. In answer to the first question Major COOPER replied that such a proposal was completely out of the question, at this time, and that to the best of his knowledge such a request was ruled out at the last main Joint Economic Meeting. To the second question it was stated at the main Joint Economic Committee the records requested were available when wanted, and if necessary the originals could be taken to the offices in Zone "B". (Capt. WEIL replied a representative from his office would accompany the Yugoslav representative to the Trieste Forestal Office to obtain the documents.)

7. Lt. Col. HEARD re-emphasized these remarks, and pressed the Yugoslav representatives for specific instances of abuse of the Forestal Offices in Zone "A", and asked for such instances in writing. And he agreed that any instances of abuse on any one's part would be properly dealt with. (The Yugoslav representatives thanked him).

8. The Yugoslav representatives again requested the accounts be reopened, and when refused again by Major COOPER, indicated the matter would have to be again taken up at the next Joint Economic Committee meeting.

9. Major BJELIS then requested that a joint commission of experts be allowed to settle the matter on the spot (in GORIZIA).

Major COOPER replied that he was prepared for Major BJELIS and if he wished, one expert Forestal Official from Zone "B", to visit with him the Forestal office at Gorizia, but only to see, and that no persons would be interviewed nor would any property be checked. The date was set for 0930: 9 April.

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7. Lt. Col. BELVED re-emphasized these remarks, and pressed the Yugoslav representatives for specific instances of abuse of the Forestral Offices in Zone "A", and asked for such instances in writing. And he agreed that any instances of abuse on any one's part would be properly dealt with. (The Yugoslav representatives thanked him).

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9. Major BJELIS then requested that a joint commission of experts be allowed to settle the matter on the spot (in GORIZIA).

Major COOPER replied that he was prepared for Major BJELIS and if he wished, one expert Forestral Official from Zone "B", to visit with him the Forestral office at Gorizia, but only to see, and that no persons would be interviewed nor would any property be checked. The date was set for 0930: 9 April.

KENNETH COOPER
MAJOR F.I.C.
DEPUTY CHIEF ECONOMIC SECTION.

2525

(14)

APPENDIX B

HEADQUARTERS ALLIED MILITARY GOVERNMENT 13 CORPS Economic Section

Notes on a meeting held in Economic Section on 1 April 46 between Economic Section and the Commerce and Industry Members of the Yugoslav Delegation to the Joint Economic Committee.

PRESENT:

| | | | |
|-------------------|---------|--------------|----------------------|
| In Anglo-American | (Major | K. COOPER | Economics |
| | " | J.R. SHOWER | Joint Ec. Committee. |
| | (S.O. | M.H. LLOYD | Commerce |
| | (Lieut. | N.J. BLISTER | Economics |
| Yugoslavs | (Inj. | KOVACIC | Industry |
| | (Major | MARISIC | Commerce |

The Yugoslav Delegates asked for clarification of the Instructions issued by Commerce Division HQ AFM 13 Corps as an explanation of General Order No.45 (Control of Movement of Goods into and from the Territory).

They first protested against the order, which in their opinion was contrary to the terms of the Organ-Jovanovic Agreement.

Major COOPER replied that as stated by Brig. Bastin at the main Joint Economic Committee Meeting, the Order was legal and would not be recalled. If, however, the Yugoslav Delegates would specify points for discussion, we would attempt to meet their demands, within the General structure of the Order.

The Yugoslav Delegates then raised the following points for discussion :-

1. Import of Goods from Italy to Zone B.- That documents were required by AFM before a Transit Licence would be issued?
Flying Officer Lloyd replied:-

- a) Export Licence from Chamber of Commerce in Italy
- b) Import Licence from Yugoslav Authorities in Zone B.

The Yugoslavs were under the impression that the granting of such licence was a long and complicated process.

Flying Officer LLOYD stated that we needed a) above, to satisfy ourselves that the Italian Authorities were content with the export, and b) above, to satisfy ourselves that the Yugoslav Authorities were in favour of the import. If these two documents were presented to Commerce Division properly completed the issue of a licence could be completed in one day at the maximum.

2. Export from Zone B into Italy.- It was agreed by the Anglo-American and Yugoslav Delegates that in this case Yugoslavs

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| | | | |
|-----------|---------|---------|----------|
| Jugoslavs | (In.) | KOVACIC | Industry |
| | (Major) | ARISJIC | Commerce |

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They first protested against the order, which in their opinion was contrary to the terms of the Morgan-Jovanovic Agreement.

Major COOPER replied that as stated by Brig. Bastin at the main Joint Economic Committee Meeting, the Order was legal and would not be recalled. If, however, the Yugoslav Delegates would specify points for discussion, we would attempt to meet their demands, within the General structure of the Order.

The Yugoslav Delegates then raised the following points for discussion :-

1. Import of Goods from Italy to Zone B. - That documents were required by HQ before a Transit Licence would be issued?
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- b) Import Licence from Yugoslav Authorities in Zone B.

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Flying Officer LLOYD stated that we needed a) above, to satisfy ourselves that the Italian Authorities were content with the export, and b) above, to satisfy ourselves that the Yugoslav Authorities were in favour of the import. If these two documents were presented to Commerce Division properly completed the issue of a licence could be completed in one day at the maximum.

2. Import from Zone B into Italy. - It was agreed by the Anglo-American and Yugoslav Delegates that in this case Jugoslavs will issue export licence and Commerce Division AFG 13 Corps will issue Transit Licence.
Major COOPER also agreed that goods originating in Zone A will not require "certificate of origin", that only the export licence will be issued.

3. Import of Goods into Zone A from Zone B. - General Order No. 45 states that food may be imported into Zone A from Zone B without licence. The Yugoslav Authorities wished to put a licence system into force and are prepared to issue the export licence on food, as on other items, and could AFG 13 Corps require their guards to be shown the same before allowing the food to enter Zone A.
Major COOPER promised to investigate this possibility and let the Yugoslav Delegates have an answer between meetings.

-2-

4. Arsa Coal:- The Yugoslav Delegates asked, in view of the fact that cargoes of ARSA coal had been seized in Italy by the Authorities, if they could be given a full picture of our attitude in this matter.

Major J.B. SMOITH said that the present difficulties had arisen because Yugoslav was not a member of the World Coal Pool, owing to the fact that she had, for some season or other, not become a signatory to the agreement.

He was anxious (this was confirmed by Major COOPER) to buy all the coal the Yugoslavs could sell us from the ARSA mines.

If the Yugoslav Delegates would let us have a plan, saying what their surplus coal would amount to over the next few months we would go right ahead with the purchase of it.

The Yugoslav Delegates promised to supply this information and stated that all such business would of course be dealt with by their Commercial concern, GINT.ORM. They would also quote price etc. and give details of any mining equipment they might require.

5. Roads on which Control is set up in General Order No.45.

The Yugoslavs submitted a list (Appendix A to these notes) of additional roads which they wish to be included in General Order No.45.

Major COOPER stressed personnel difficulties but promised to investigate.

6. The Yugoslav Delegates requested that the licence for the import of wood be lifted.

Major COOPER replied this matter would be taken up before the next meeting, and a reply given then.

KENNETH COOPER

MAJOR F.M.

DEPUTY CHIEF LOGISTIC SECTION.

APPENDIX A.

ROADS FOR TRAFFIC BETWEEN ZONES "A" and "B"

MAIN ROADS

1. Trento - Rovereto
2. Udine - Trieste - Gorizia
3. Santa Lucia - Gorizia
4. Udine - Gorizia
5. Trieste - Gorizia
6. Trieste - Gorizia
7. Trieste - Udine - Gorizia
8. Trieste - Udine
9. Trieste - Udine
10. Trieste - Udine
11. Trieste - Udine
12. Trieste - Udine

LOCAL ROADS

13. Udine - Trieste - Gorizia
14. Udine - Trieste
15. S. Daniele - Udine
16. Cobdit - Poddreaga - Vipacco
17. Trieste - S. Vito
18. Trieste - Divaccia
19. Trieste - Cernical - Milje
20. Trieste - Voigrsko

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and stated that all such business would of course be dealt with by
their Commercial Council, C.M.C.E.M. They could also quote price etc.
and give details of any mining equipment they might require.

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The Yugoslavs submitted a list (Appendix A to these notes)
of additional roads which they wish to be included in General Order
No. 45.
MAJOR COOPER stressed personnel difficulties but promised to investigate.
6. The Yugoslav Delegates requested that the licence for the
import of wood be lifted.
MAJOR COOPER replied this matter would be taken up before the next
meeting, and a reply given then.

KEITH COOPER
MAJOR F.M.
DEPUTY CHIEF ECONOMIC SECTION.

APPENDIX A.

ROADS FOR TRAFFIC BETWEEN ZONES "A" and "B"

MAIN ROADS

1. Trieste - Bovec
2. Tolmino - Veloc - Gorizia
3. Santa Lucia - Gorizia
4. Gragar - Gorizia
5. Tarnova - Gorizia
6. Aidussina - Gorizia
7. Rifanbergo - Potoce - Aidussina
8. Stanjel - Vipacco.
9. Trieste - Postumia
10. Divaccia - Lokve - Trieste
11. Ajpolle - Trieste
12. Koper - Milje.

LOCAL ROADS

13. Kal - Avce - Canale
14. Kal - Canale
15. S. Daniele - Sauria
16. Cobdal - Podaruga - Vipacco
17. Storie - S. Vito.
18. Sesana - Divaccia
19. Buzet - Cormical - Milje
20. Soanpas - Vogrsko

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Commerce Division
Joint Economic Committee
Food Division
Transportation Division
J.M.G. Rep.

2523

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Ministero degli Affari Esteri.

MEMORANDUM FOR THE ALLIED COMMISSION.

Subject: Removal of copper to Lubiana.

1. Reference is made to Allied Commission's note 396/EC(L) dated January 16, 1946.
2. As requested, the following details are herewith furnished :-
 - a) The Yugoslav Railway Delegation has sent from Trieste to Lubiana 12,100 Kg. of copper removed from damaged installations.
 - b) The removal was effected on August 23rd 1945 by freight car P.R. 97560.
 - c) The intelligence reached on August 31st 1945 from the Ufficio Impianti e Elettroidi e di Segnalamenti di Trieste.
3. The same source reveals that other goods existing in warehouses of the a/n Ufficio in Zone B have been removed by the Yugoslav Railway Delegation and forwarded to Lubiana.
4. The Ministry Of Foreign Affairs would greatly appreciate the kind attention of the Allied Commission on the matter.

2522 Rome, March 8th 1946.

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| 13 | GOC., 13 Corps |
| 14/16 | DA & QMG., 13 Corps |
| 17 | AMG (MOV)., 13 Corps |
| 18 | Chief Commissioner., ALCOI |
| 19 | HQ., ALCOI |
| 20/29 | Economic Section., ALCOI |
| 30 | Industry & Utilities Sub-Commission, ALCOI
(att. Chief, Electrical Div) |
| 31 | Industry & Utilities Sub-Commission, ALCOI
(att. Coal Division) |
| 32 | Industry & Utilities Sub-Commission, ALCOI |
| 33 | Finance Sub-Commission, ALCOI |
| 34 | American Embassy, ROME |
| 35 | British Embassy, ROME |
| 36 | SCAO., AMG 13 Corps |
| 37/38 | D/SCAO., AMG 13 Corps |
| 39 | Economic Adviser, AMG 13 Corps |
| 40 | Public Relations Officer, AMG 13 Corps |
| 41 | Legal, AMG 13 Corps |
| 42 | Finance., AMG 13 Corps |
| 43/44 | Supplies., AMG 13 Corps |
| 45 | Transportation, AMG 13 Corps |
| 46 | Labour, AMG 13 Corps |
| 47 | Public Works, AMG 13 Corps |
| 48/67 | Jugoslav Delegation |
| 68 | Commerce, AMG 13 Corps |
| 69 | Col. C.H. BARNETT, DDTN., Navy House, TRIESTE |
| 70 | Capt. FARBER., AMG 13 Corps |
| 71 | GSI (B)., Main 13 Corps. |
| 72A00 | Spares. |

Chief for Successor
ALCOM
ROME

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JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE, ITALY

29 April 1946

JOINT ECONOMIC COMMITTEE - AGENDA

The thirteenth meeting of the Joint Economic Committee (per agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Yugoslav Army), will be held at 1000 hrs on FRIDAY, 3 MAY 1946, in the Main Conference Room, No. 66, HQ. AG 13 Corps, TRIESTE, to consider the following AGENDA :-

1. Minutes of the twelfth meeting held on 29 March 1946.
2. To consider the minutes of the meetings of the following Sub-Committees:-
 - a. Industry & Commerce and Fuel & Power Sub-Committee meeting of 25 April 1946 (Appendix A).
 - b. Finance Sub-Committee meeting of 25 April 1946 (Appendix B).
3. Reference Minute 239 of the twelfth meeting. Confirmation is required from the Yugoslav representatives that a damaged 2,000 K.W. 3,000 V C.G.E. rectifier may be removed from VERBICUM with a view to it's being repaired and put to use in ITALY where it is urgently required.
4. Any other business.
5. To set a date for the next meeting.

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[Handwritten signature]
H. G. FRENCH.
Major, RAQ.G.
Secretary
Joint Economic Committee.

The thirteenth meeting of the Joint Economic Committee (per agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Yugoslav Army), will be held at 1600 hrs on FRIDAY, 3 MAY 1946, in the Main Conference Room, No. 68, HQ. AIG 13 Corps, TRIESTE, to consider the following AGENDA :-

1. Minutes of the twelfth meeting held on 29 March 1946.
2. To consider the minutes of the meetings of the following Sub-Committees:-
 - a. Industry & Commerce and Fuel & Power Sub-Committee meeting of 25 April 1946 (Appendix A).
 - b. Finance Sub-Committee meeting of 26 April 1946 (Appendix B).
3. Reference Minute 239 of the twelfth meeting. Confirmation is required from the Yugoslav representatives that a damaged 2,000 K.W. 3,000 V C.G.E. rectifier may be removed from MEDPUGLIA with a view to it's being repaired and put to use in ITALY where it is urgently required.
4. Any other business.
5. To set a date for the next meeting.

ESTGP/HLC

Handwritten signature
H. S. G. FENCH.
Major, RAIG.
Secretary
Joint Economic Committee.

Attachments:

Appendices "A" and "B"

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APPENDIX A

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE, ITALY.

25 April 1946

MINUTES

INDUSTRY & COMMERCE SUB-COMMITTEE and the
FUEL & POWER SUB-COMMITTEE

151. The twelfth meeting of the Industry & Commerce and Fuel & Power Sub-Committee was held at 10.00 hours, 25 APRIL 46, in the Economic Section, HQ AMG 13 Corps, TRIESTE.

PRESENT:Chairman

Major K. COOPER,
Economics Division,
HQ AMG 13 Corps.

Members

Ing. KOVACIC, M.
Maj. BARISIC, M.
Maj. BJELIS, S.

Major J. B. FODEN,
Ind & Utilities,
HQ AMG 13 Corps.

In Attendance

Lieut. N. J. LISTER,
Economics Division,
HQ AMG 13 Corps.

F/O. LLOYD,
Commerce Division,
HQ AMG 13 Corps.

152. IDENTITY CARDS

Ing. KOVACIC asked for 15 sets of Allied identity cards for administration purposes.
The Chairman instructed the Secretary to supply them as soon as possible.

153. BUSES OWNED BY GRATON

The Jugoslavs enquired if any further steps had been taken in this matter and said that Appendix I of the Morgan-Jovanovic Agreement covered transport questions such as this. They added that if transportation is allowed to remain in private hands an economic crisis will be provoked.

In reply, Major COOPER said we cannot compel the return of these buses because they are private property, and it is now up to the goodwill of the owner to put them on the road. He said he did not, however, consider the matter closed.

The Chairman said the Joint Economic Committee is responsible

PRESENT:Chairman

Major K. COOPER,
Economics Division,
HQ AMG 13 Corps.

Members

Major J. L. FODEN,
Ind & Utilities,
HQ AMG 13 Corps.

Ing. KOVACIC, M.
Maj. BARISIC, M.
Maj. BJELIS, S.

In Attendance

Lieut. N. J. LISTER,
Economics Division,
HQ AMG 13 Corps.

F/O. LLOYD,
Commerce Division,
HQ AMG 13 Corps.

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In reply, Major COOPER said we cannot compel the return of these buses because they are private property, and it is now up to the goodwill of the owner to put them on the road. He said he did not, however, consider the matter closed.

Major BJELIS said the Joint Economic Committee is responsible for these matters and this is an economic question.

The Chairman replied he would try to get something further accomplished before the main meeting.

154. MACHINERY EXPORTED FROM THE COTTON HILL AT PODGORA

Ing. KOVACIC asked what steps had been taken in this matter and the Chairman agreed that such machinery should not be removed. In this connection, he had received information that machinery was leaving Zone B for Jugoslavia.

Major BJELIS said they did not want to discuss the broad question of movement of machinery; he only wished to know if the Allies had carried out the promises made at the last meeting. If any machinery had been removed from Zone B the Jugoslavs would be glad to have details.

154. (Cont'd).

The Chairman replied that the decision at the last meeting was that we would try to get the machinery returned. We have had no answer so far but we will try to have one for the main meeting. He referred the Jugoslavs to Lt. Col. BICKERSTETH's statement in the last part of Minute 228.

Ing. KOVACIC: Did you request the return of the machinery?
Chairman : Investigations are being made to find out if this is possible.

155. REMOVAL OF DRILLING SHAFTS AT AGIP PLANT (ROMSA)

The Chairman enquired what steps the Jugoslavs had taken to have these drilling shafts returned.

Ing. KOVACIC replied that according to their investigations, the information that the machinery had been removed was not true.

156. FORESTRY OFFICE.

The Chairman said the Jugoslavs had agreed to send a representative to collect the maps and documents, but no such representative had come. He added he had received the Yugoslav account and would go to GORILJA to make investigations at the first opportunity.

Major BJELIS stated that they would send Ing. JOST and they would like Major COOPER to study their report.

Major COOPER then enquired the reason why supplies of wood are no longer coming to the Gorizia saw mill from Zone B since he had made the investigation on the subject.

Major BJELIS replied he knew nothing about this, and he asked who is stopping the wood coming in.

The Chairman answered apparently someone in Zone B is doing so. An officer was sent to investigate and he was told that suppliers were not sending in any more wood to the saw mill.

The Jugoslavs suggested that the wood is possibly being stopped at the check-posts on the Morgan Line but the Chairman replied that this is not the case. The Jugoslavs then stated they could make investigations.

157. RELEASE OF "ZVIR" AND "LABOR"

Ing. KOVACIC asked what is the present position with regard to these ships.

The Chairman enquired what has happened to the five ships the Jugoslavs are holding.

Ing. KOVACIC said they would not be released until the "ZVIR" and "LABOR" returned to Zone B ports.

The Chairman answered he had already said that the ships were free to return and the Captain of the "LABOR" has been told he can leave VENICE as soon as he wishes. The "ZVIR" was released as soon as we found out it had been improperly impounded.

The Jugoslavs had promised to produce a letter from the owner stating he wished his ship to be returned to Zone B, but this letter has not been forthcoming so far.

Major BJELIS: The "ZVIR" and "LABOR" were requisitioned by the Allies when they sailed from Zone B waters. These ships often went to VENICE before and they always returned, but the fact that they were requisitioned

The Chairman enquired what steps the Jugoslavs had taken to have these drilling shafts returned.
Ing. KOVACIC replied that according to their investigations, the information that the machinery had been removed was not true.

156. FORESTRY OFFICE.

The Chairman said the Jugoslavs had agreed to send a representative to collect the maps and documents, but no such representative had come. He added he had received the Yugoslav account and would go to GORILLA to make investigations at the first opportunity.

Major BJELIS stated that they would send Ing. JOST and they would like Major COOPER to study their report.

Major COOPER then enquired the reason why supplies of wood are no longer coming to the Gorizia saw mill from Zone B since he had made the investigation on the subject.

Major BJELIS replied he knew nothing about this, and he asked who is stopping the wood coming in.

The Chairman answered apparently someone in Zone B is doing so. An officer was sent to investigate and he was told that suppliers were not sending in any more wood to the saw mill.

The Jugoslavs suggested that the wood is possibly being stopped at the check-posts on the Morgan Line but the Chairman replied that this is not the case. The Jugoslavs then stated they would make investigations.

157. RELEASE OF V/V. "ZVIR" AND "LABOR"

Ing. KOVACIC asked what is the present position with regard to these ships.

The Chairman enquired what has happened to the five ships the Jugoslavs are holding.

Ing. KOVACIC said they would not be released until the "ZVIR" and "LABOR" returned to Zone B ports.

The Chairman answered he had already said that the ships were free to return and the Captain of the "LABOR" has been told he can leave VENICE as soon as he wishes. The "ZVIR" was released as soon as we found out it had been improperly impounded.

The Jugoslavs had promised to produce a letter from the owner stating he wished his ship to be returned to Zone B, but this letter has not been forthcoming so far.

Major DAVISIC: The "ZVIR" and "LABOR" were requisitioned by the allies when they sailed from Zone B waters. These ships often went to VENICE before and they always returned, but the fact that they were requisitioned encourages the Captains to stay away. As the requisition was irregular, AMG are responsible for compelling the ships to return.

The Chairman referred the Jugoslavs to the minutes of the last shipping meeting where it is stated the Captains were instructed to return.

Major BJELIS: We have given permission to our five Captains to return to Zone A but nothing has been done by AMG to return the "ZVIR" and "LABOR".

The Chairman again asked the Jugoslavs to produce a letter from the owners and said that if they did so steps would be taken to have the ships returned as soon as possible.

The Jugoslavs said the Captains of the ships were under the impression that they are under no obligation to return and the economy of Zone B is being damaged. The only measures left to them were to hold back ships of corresponding tonnage, and they would be glad if the matter could be cleared up.

-3-

157. (Contd.).

The Chairman referred the Yugoslavs to para. 2 of Appendix G in the Morgan-Jovanovic agreement and said that if the Yugoslavs intend to hold these ships they are entitled to inspect the ports.

The Yugoslavs said these ships are registered in Fiume, and the War Transport Office which controls all shipping is aware that shipping space is being wasted.

The Chairman replied that the War Transport Office knows the circumstances and that he could do nothing unless the Yugoslavs produced letters from the owners. We would discuss the matter further at the main meeting.

158. CONTROL OF GOODS CROSSING THE MORGAN LINE

Ing. KOVACIC stated the Yugoslavs had sent in a list of roads on which they would like check-posts to be established, and the Chairman said that enquiries are being made to find out if qualified personnel can be found to man these posts. As soon as this information is known, he will give a further reply.

The Yugoslavs requested that the matter be hastened as commercial traffic is being held up.

The Chairman said he agreed, but it is a matter of finding the necessary personnel.

159. GOODS IN TRANSIT FROM ITALY

Ing. KOVACIC said that the firm DEZMAN TERENZ had been refused an import licence for goods entering Zone A and Major BARSIC asked if an exception could be made in the case of goods which were already in Zone A before the regulations came into force and if such goods could be given a transit permit to enter Zone B.

The Chairman said it had been agreed that goods originating in Zone A do not require an Italian Chamber of Commerce certificate of origin.

The Yugoslavs said they were referring to goods imported into Zone A before General Order No. 45 came into force, and this firm is an example. It was agreed at the last meeting that such goods should be treated as originating in Zone A.

F/O. LLOYD said that Italian authority is not required in the case of goods which arrived in Zone A before General Order No. 45 came into force.

The Yugoslavs reported that the goods in question come under this category but the firm was told that a certificate from the Milan Chamber of Commerce would be needed.

The Chairman said he would give an answer regarding this particular case at the main meeting.

160. RADIO TRANSIT ENTER IMPORTED AT GORIZIA.

The Chairman read an extract from JFH, letter No. G-5:912.311 dated 11 April 1946, which stated "Under Italian law a permit is required for the export of goods. In this case no permit was obtained for the purchase of radio equipment. Moreover if the equipment was exported prior to 31st December 1945, then AMG regulations in effect in Northern Italy at that time were infringed. Infringement is still actionable in Italian courts. The radio equipment will be returned to the Italian authorities for use in connection with any legal proceedings which they may wish to take against the owners".

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The Chairman said he agreed, but it is a matter of finding the necessary personnel.

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E/O. LLOYD said that Italian authority is not required in the case of goods which arrived in Zone A before General Order No. 45 came into force.

The Jugoslavs repeated that the goods in question come under this category but the firm was told that a certificate from the Milan Chamber of Commerce would be needed.

The Chairman said he would give an answer regarding this particular case at the main meeting.

160. RADIO TRANSITTER REPORTED AT CORIOLA

The Chairman read an extract from AFH, letter No. G-5:912.311 dated 11 April 1946, which stated "Under Italian law a permit is required for the export of goods. In this case no permit was obtained for the purchase of radio equipment. Moreover in the equipment was exported prior to 31st December 1945, then AMG regulations in effect in Northern Italy at that time were infringed. Infringement is still actionable in Italian courts. The radio equipment will be returned to the Italian authorities for use in connection with any legal proceedings which they may wish to take against the owners".

The Jugoslavs made no reply.

161. ELECTRICAL EQUIPMENT AT ORICINA

The Jugoslavs enquired whether the transformer which was taken to ITALY had been returned and Major FODEN said he would ask Colonel ELLIOTT, who would be able to give an answer at the main meeting.

162. POSTAL FACILITIES FOR JUGOSLAVIA IN ZONE A

The Jugoslavs said that a letter had been sent to the Joint Economic Committee appointing Mr. LEMASSI, Milan, to represent the Yugoslav Post Office in connection with the arrival of parcels from the United States destined for Jugoslavia.

- 4 -

162. (Cont)

The Secretary answered he had got in touch with the A.M.G. Communications Officer who informed him that such work would occupy two or three days. Mr. LETASSI was not in possession of an AMG permit to enter Zone A and it was therefore explained to him that his presence in Zone A was irregular and that if he wished to obtain such a permit he must make application to AMG through the appropriate Yugoslav channels. Mr. LETASSI agreed to do so.

The Chairman said in this connection an American sailor was put in jail by the Yugoslavs for entering Zone B without a permit.

The Yugoslavs requested that facilities be given to Mr.

LETASSI to carry on his work undisturbed as soon as he receives the necessary permit.

163. BEE-KEEPING.

The Yugoslavs said that certain bee-keepers in Zone B are in the habit of moving their hives to an area near GORIZLA in the Summer time. Now they continue to carry on this practice in exchange for similar facilities for bee-keepers in Zone A. It would not be necessary for the bee-keepers themselves to remain in the area. The Yugoslavs feared that the bees and hives might be prevented from crossing by the AMG control posts.

The Chairman replied that he would take the necessary steps to prevent this happening. He would give a decision on the whole question at the main meeting.

164. AUCTION OF WAR BOOTY IN POLA.

The Yugoslavs said they had been informed that an auction will be held on the 26th April for the sale of machinery, electrical, and waste materials. They consider this to be irregular.

Lt. LISTER said that no material claimed as War Booty by the Yugoslavs would be included in the sale; all items have been thoroughly checked and nothing which the Yugoslavs have claimed would be offered for sale.

The Yugoslavs said they would get in touch with their own War Booty Committee on the matter, and further assurances were then given by the Chairman.

165. ACT OF PIRACY AGAINST THE M/V SALPA.

The Chairman enquired what action the Yugoslavs had taken against the offenders and they replied that investigations are being made and an answer would be given at the main meeting. They agreed with the Chairman that the matter was important.

166. ROMSA OIL REFINERY AT FIUME.

The Chairman read out a letter from the Company regarding dismissal of the management and employees and asked the Yugoslavs to ensure that the dismissed persons are fully compensated according to law.

The Yugoslavs replied that they had not been informed about the case but if the employees are insured persons they should get in touch with the appropriate authorities. They promised to make investigations.

167. POW CONVOY

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The Chairman replied that he would take the necessary steps to prevent this happening. He would give a decision on the whole question at the main meeting.

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The Chairman read out a letter from the Company regarding dismissal of the management and employees and asked the Jugoslavs to ensure that the dismissed persons are fully compensated according to law.

The Jugoslavs replied that they had not been informed about the case but if the employees are insured persons they should get in touch with the appropriate authorities. They promised to make investigations.

167. POLA CONVOY.

The Chairman asked if the Jugoslavs could now give a reply to this question.

The Jugoslavs referred to the reply they had given at the last main meeting under Minute 218 and also to the statement by Lt. Colonel BICKERSTETH that an answer was required by 10th April. They understood from this that no further reply would be required if their decision remained unchanged. The position, therefore, remains as before and the answer is in the negative.

168. MOVEMENT WITHIN 1 KM OF THE FOREIGN LINE.

The Jugoslavs stated that they had given the required permission at the meeting on 1st April.

-5-

169. REMOVAL OF INDUSTRIAL PLANT FROM ZONE A.

Major COOPER said that some time ago the Yugoslavs proposed that the Anglo-American side should issue a General Order regarding the removal of plant for industrial facilities from Zone A. This question has been considered but it is not felt that such an order is necessary.

170. ALTERATION OF NUMBERS ON RAILWAY WAGONS.

The Chairman said that he had received information that railway wagons in transit to Yugoslavia from Italy, containing goods for the Allied Governments, particularly the U.S. Embassy in BELGRADE, had arrived at their destination with their numbers altered and differing from the numbers shown on the manifest.

Major BELLIS said that as far as they knew no such changes had been made, and in any event they thought it was a question for the Railway Co-ordinating Committee. If details regarding time, place and the wagons whose numbers had been altered could be given, the matter would be taken up by the Railway Co-ordinating Committee at their meeting on the 4th May.

171. EXPORTS FROM ZONE A

Major COOPER said he would bring a list of surplus exportable goods to the main meeting.

172. CONSORZIO PER LA BONIFICA DELL'ISTRIA

Lieut. LISTER asked if a meeting could be arranged at AMG in TRIESTE in order that AMG experts could attend. He said that AMG had subsidised this Company to prevent dismissals and accordingly AMG is interested in the matter.

Ing. KOVACIC replied that the Yugoslavs had already agreed that the President of the Company might visit BELGRADE and she asked why the matter should be discussed here. We have only been asked for documents which, however, we are unable to find.

The Yugoslavs did not see the necessity for the meeting in TRIESTE and they thought it would be more useful if the President of the Company visited BELGRADE himself.

HSTG/LVW

2515 -

H. St. G. French
H. ST. G. FRENCH,
Major, DAGMC,
Secretary,
Joint Economic Committee.

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE, ITALY.

26 APRIL 1946.

JOINT ECONOMIC COMMITTEE
FINANCE SUB-COMMITTEE - MINUTES

58. The seventh meeting of the Finance Sub-Committee was held at 10.00 hours on the 26 APRIL 1946, in the Finance Division, HQ AMG 13 Corps, TRIESTE.

PRESENT:-

Chairman

Lt.Col. N.T. BEARD,
CFO, AMG 13 Corps.

Members

Ing. KOVACIC, M. }
Mr. URSICIC, P. } Jugoslavia.
Maj. BARISIC, M. }

59. EXCHANGE OF CURRENCY OF RAILWAY EMPLOYEES LEAVING ZONE B.

Lt.Col. BEARD enquired whether any solution to this question had been arrived at and the Jugoslavs replied that the matter would be solved when the Exchange Clearing Agreement is signed.

The Jugoslavs asked the Chairman to fix a date for the signing of this agreement.

60. BRITISH OWNED PROPERTY IN ZONE B.

Lt.Col. BEARD asked if permission could now be given for a representative of the British-owned Bauxite Company in Zone B to visit the property.

Mr. URSICIC replied that a written request from AMG had been promised but had not yet been received.

Lt.Col. BEARD said that such a request had been sent and he would forward a copy of it.

61. CANCELLED DINARS

In reply to the Chairman, Ing. KOVACIC said they would like to know why the Bank of Italy required these cancelled dinars.

Lt.Col. BEARD said he would find out and let them know.

62. PENSIONS.

The Chairman said he had written to the Jugoslavs stating that AMG had been paying pensions to residents in Zone B for some time.

He forwarded a list of these pensioners to the Jugoslav Military Government and pointed out that they were now a Jugoslav responsibility.

Mr. URSICIC replied that the matter had been passed to the Finance Division of the Jugoslav Military Government, and he had no doubt that the question was now being dealt with.

Lt.Col. N.T. BEARD,
CFO, AMG 13 Corps.

Members

Ing. KOVACIC, M. } Yugoslavians.
Mr. URSICIC, F. }
Maj. BRISIC, M. }

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He forwarded a list of these pensioners to the Yugoslav Military Government and pointed out that they were now a Yugoslav responsibility.

Mr. URSICIC replied that the matter had been passed to the Finance Division of the Yugoslav Military Government, and he had no doubt that the question was now being dealt with.

63. CARGO OF WINE SEIZED BY THE JUGOSLAVS.

Lt.Col. BEARD said the Yugoslavs had seized four vessels, one of which carried a cargo of wine, value eight million lire. He was interested because of the Insurance Company who insured the cargo and he had sent a signal to the Yugoslav Military Government stating they would be held responsible for any financial loss due to deterioration of the wine.

Ing. KOVACIC: This signal was received and instructions were given to release the ship.

Lt.Col. BEARD stated he would confirm this with the Insurance authorities, and added that the unlawful seizure of ships was serious enough in itself, but the matter became even more serious when valuable and perishable cargoes were affected.

64. MISCELLANEOUS FINANCIAL QUESTIONS.

The Chairman passed a letter to the Yugoslavs containing various queries on financial matters and said he would appreciate a reply as quickly as possible.

65. DOCUMENTS BELONGING TO UFFICIO CATASTO FONDILIARIO.

Lt. Col. BELARD referred to a letter addressed to the Yugoslav Military Government requesting the return of some files belonging to the Ufficio Catasto Fondiario which are at present located at AIDUSSINA (Zone B). Could the Yugoslavs meet this request?

Ing. KOVACIC answered that the letter had been received and investigations are being made. It may take a little time to trace the documents but a reply would be given as soon as possible.

66. LABOURERS IN POLA.

Mr. URSICIC said that labourers who had been employed in POLA but are now dismissed, and are living in Zone B, are not receiving unemployment insurance benefits.

Lt. Col. BELARD enquired whose liability this matter was, and said he thought an agreement had been reached at a previous meeting.

The Yugoslavs replied that no agreement had been reached.

Lt. Col. BELARD said he would find out from the Insurance Company as he understood that these labourers contributed to insurance funds in POLA.

The Yugoslavs replied that this was the case.

67. EXCHANGE CLEARING AGREEMENT.

Mr. URSICIC asked if the Exchange Clearing Agreement could be signed at the Main Committee meeting on 3 MAY.

Lt. Col. BELARD replied that he may be unable to attend this meeting, but he would fix a date for the signing as early as possible.

HSTGE/LWT.

2513

St. G. French

M. ST. G. FRENCH,
Major, D.M.C.,
Secretary,
Joint Economic Committee.

Chief Commissioner - 1945

COPY NO. 19

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JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE, ITALY.

JEC/1.

19 October 1945.

JOINT ECONOMIC COMMITTEE - MINUTES.

71. The seventh meeting of the Joint Economic Committee was held at 0900 hrs 12 October 1945 in the Main Conference Room at HQ XIII Corps, AMG, TRIESTE.

PRESENT:

Chairman : Brigadier V.H. KITCHIE, C.B.E.,
(D.A.C. & G.H.C. 13 Corps).

Members : Col. A.H. EARLEY. D.D.Tn. Trieste.
Lt.Col. G.A. BROWN. Mov & Tn, 13 Corps.
Lt.Col. D.S. BICKENSTETH. Economic Adviser, AMG 13 Corps.
Lt.Col. E.T. BEARD. Chief Finance Offr.
Major. J.E. FODEN. Public Works, AMG 13 Corps.
Major. H.A. HAYLAND. Telecom Offr, AMG 13 Corps.
Dr. KORE, B. Yugoslavia, Chief of Delegation.
PEROVIC J. Yugoslavia, Commerce.
Ing. DOLGJI, A. Yugoslavia, Industry.
Ing. ZUMINI, M. Yugoslavia, Transport.
URSIC, FRANC. Yugoslavia, Commercial Tpt.
Ing. KOVACEC, M. Yugoslavia, Industry.

In attendance:

Ing. SIKOSEK, D. Yugoslavia, Electricity.
HERLIC, S. Yugoslavia, Finance.

72.

MINUTES OF THE SIXTH MEETING.

The minutes of the sixth meeting held on 6 September 1945 were received.

73.

TOURIST AGENCIES.

Dr. KORE raised the question of tourist agencies pointing out that there were no agencies representing Yugoslavia in Trieste, but there were agencies representing Italy and elsewhere, also owing to the fact that parts of Yugoslavia, notably the Dalmatian Coast, were dependent largely for their livelihood on tourists; the opening of this agency was an important consideration for the first tourists of the future. The Chairman requested that a written report on the matter be sent to the Secretariat. He stated he would pass the information to JEC; if this was unsatisfactory the matter should be passed through diplomatic channels.

74.

TELEGRAPH CIRCUIT THIS MATTER TO ROMA

Chairman : Brigadier W.H. RITCHIE, C.B.E.,
(D.A.C. 2.A.G. 13 Corps.)

Members :

Col. A.H. EMLEY.
Lt.Col. G.W. BROWN.
Lt.Col. D.S. BICKENSTETH.
Lt.Col. M.T. BEARD.
Major. J.E. FODEN.
Major. R.M. HAYMAN.
Dr. KORE, B.

D.D.Tn. Trieste.
Gov & Tn, 13 Corps.
Economic Adviser, AG 13 Corps.
Chief Finance Offr.
Public Works, AG 13 Corps.
Telecom Offr, AG 13 Corps.
Jugoslavia, Chief of Delegation.
Jugoslavia, Commerce.
Jugoslavia, Industry.
Jugoslavia, Transport.
Jugoslavia, Commercial Tpt.
Jugoslavia, Industry.

In attendance:

Ing. SIKOSK, D.
BERLIG, A.

Jugoslavia, Electricity.
Jugoslavia, Finance.

72.

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The minutes of the sixth meeting held on 6 September 1945 were received.

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74.

TELEGRAPH CIRCUIT LINES TO POLA.

The Telecom Officer of AG 13 Corps reported that telegraph communications which had broken off in August had not yet been replaced. The hold up in reopening the line appeared to be caused through some difficulty in payments and it was agreed that the matter should be finally cleared up in the next sub-committee meeting.

75.

EXPLOSIVES.

The Yugoslav delegation gave a copy of the analysis of the last consignment of explosive supplied, to the Secretariat, and asked that it be recorded that this explosive was not satisfactory.

/It was decided.....

-2-

It was decided that a decision whether or not the explosive be returned rested on whether the price charged would be satisfactory. This was to be investigated.

76. BUS SERVICES.

The Yugoslav delegation pointed out that there were no bus services from GORIZA to POSAVLJA, CERVENO and IDRIJA and that this situation was unsatisfactory to the population in parts of Zone 'B'. It was understood that the firm of RIEL, who ran bus routes, were prepared to re-open the service, but were prohibited from doing so. It was pointed out that the reason for this was a shortage of buses available and it was agreed that the matter would be immediately investigated.

77. Attention was drawn to an error in Minute 66, line 2 of the last meeting of the Committee - "alternative" should read "other".

78. FUEL AND POWER SUB-COMMITTEE.

The minutes of the sixth meeting were received.

79. REDJUGLIA - OPICIN RAILWAY POWER LINE.

Capt. TILMER was contacted, as arranged at the sub-committee meeting., concerning the delivery of poles, and the matter was now in hand.

80. WHEREABOUTS OF DR. PUGLIA, OLINDO.

The Yugoslav delegation stated that they were not competent to deal with this matter and that any enquiries should be made through Legal Branch, Yugoslav Military Government.

81. ARSA COAL MINES.

(a) The Yugoslav delegation stated that the production from the Arsa mines was now 500 to 600 tons per day, which would grow daily and would reach the eventual target of 1000 tons per day, but that production is delayed at the present time, one reason being that JMG have refused permission for 300 miners domiciled in Zone 'A' to go to the mines.

The Chairman asked for full details of this refusal of permission to be furnished before the next meeting.

(b) With reference to Minute 35(b) of the Fuel and Power Sub-Committee minutes Dr. KONE stated that as the Yugoslav delegation was fully empowered to answer all questions regarding the Arsa coal mines, no heed should be paid to statements made by any other persons.

(c) The removal of 4000 tons stock.

The removal of this coal by road was not within the competence of the Yugoslav delegation to decide, as it would require a new economic line of communication and permission for the use of British Military transport on roads in Zone 'B', which is prohibited by the Trieste Agreement. Barges up to 500 tons can be used, and 1000 tons was

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The Yugoslav delegation stated that they were not competent to deal with this matter and that any enquiries should be made through Legal Branch, Yugoslav Military Government.

81. IRSA COAL MINES.

(a) The Yugoslav delegation stated that the production from the Irsa mines was now 500 to 600 tons per day, which would grow daily and would reach the eventual target of 1000 tons per day, but that production is delayed at the present time, one reason being that I.M.G have refused permission for 300 miners domiciled in Zone 'A' to go to the mines.

The Chairman asked for full details of this refusal of permission to be furnished before the next meeting.

(b) With reference to Minute 35(b) of the Fuel and Power Sub-Committee minutes Dr. KOBE stated that as the Yugoslav delegation was fully empowered to answer all questions regarding the Irsa coal mines, no heed should be paid to statements made by any other persons.

(c) The removal of 4000 tons stock.

The removal of this coal by road was not within the competence of the Yugoslav delegation to decide, as it would require a new economic line of communication and permission for the use of British Military transport on roads in Zone 'B', which is prohibited by the Trieste Agreement. Barges up to 500 tons can be used, and 1000 tons was brought by barge on 11 October to Trieste for a private customer. It was decided that the Navy should be informed of this to ascertain if they were prepared to take the risk in mined waters.

(d) Mine clearance.

The Yugoslav delegates requested that an answer should be given to the Yugoslav Military Government letter to XII Corps on the above question. They stated that they were already sweeping mines but considered Anglo-American assistance would be a gesture of good neighbourliness.

/The Chairman.....

The Chairman stated that he would again give details to AFHQ on this matter and that a reply would be given as Appendix "A" to these minutes.

(e) Request for Allied Yugoslav Delegation to visit Jirsa mines.

Dr. KOBE asked if as the question of the quantity of production had been answered and details given concerning transport, the Anglo-American request to visit the mines still stood, it being considered that confidence between allies on information provided between them should be sufficient.

The Chairman stated that the question still stood and that AFHQ would be informed of their attitude on this point.

Dr. KOBE explained that the power to grant permission would be out of the hands of the Yugoslav delegates and it would be necessary to write direct to the Yugoslav Military Government for permission to visit the mines.

82. INDUSTRY AND COMMERCE SUB-COMMITTEE.

The minutes of the sixth meeting of the Industry and Commerce Sub-Committee were received.

83. POST OFFICE OFFICIALS PERSONAL RECORDS.

These documents are said to be on the way and it was agreed to send them to the Yugoslav Military Government.

84. ILVA CONTRACT.

It was agreed that discussions on this matter should be broken off until the ruling of the War Booty Committee was known.

85. TORLACO.

No details had yet been received on this matter. The Yugoslav delegation promised to give information of concerns holding export permits for sale of cigarettes and tobacco so that any negotiations would continue with the knowledge of AMG.

86. CRANES.

It was disclosed that no signal had been received from AFHQ concerning the supply of floating cranes to the Yugoslavs. It was pointed out that the NOIC had stated that none were available.

AFHQ was to be asked to expedite its reply.

2570 SHIPPING.

Moroh! The question of the 'Moroh' was still unsettled, as the document for repairs was confused and the cost of repairs to other ships had been included. It was also uncertain where she was at present lying. Lt. Col. BLACKBURN was promised to investigate this and hand a reply with details to the Yugoslavs between meetings.

'Jean' This ship is claimed by the French authorities and should

of the hands of the Yugoslav delegates and it would be necessary to write direct to the Yugoslav Military Government for permission to visit the mines.

82. INDUSTRY AND COMMERCE SUB-COMMITTEE.

The minutes of the sixth meeting of the Industry and Commerce Sub-Committee were received.

83. POST OFFICE OFFICIALS PERSONNEL RECORDS.

These documents are said to be on the way and it was agreed to send them to the Jugosla Military Government.

84. ILVA CONTRACT.

It was agreed that discussions on this matter should be broken off until the ruling of the War Booty Committee was known.

85. TORLORO.

No details had yet been received on this matter. The Yugoslav delegation promised to give information of concerns holding export permits for sale of cigarettes and tobacco so that any negotiations would continue with the knowledge of AEC.

86. CRANES.

It was disclosed that no signal had been received from AFHQ concerning the supply of floating cranes to the Yugoslavs. It was pointed out that the NOIC had stated that none were available.

AFHQ was to be asked to expedite its reply.

25370 SHIPPING.

'Morch'. The question of the 'Morch' was still unsettled, as the account for repairs was confused and the cost of repairs to other ships had been included. It was also uncertain where she was at present lying. Lt. Col. BICKERSTETH promised to investigate this and hand a reply with details to the Yugoslavs between meetings.

'Jean'. This ship is claimed by the French authorities and should therefore pass through the War Booty Committee. Settlement for repairs by the Yugoslavs would then be dealt with between the French and Yugoslav Governments.

'San Giovanni'. The identity of this ship which is lying at POLA was to be established and whether or not it was brought into POLA before or after 2 May 1945.

Lt. Col. SHILLIPS promised to undertake this investigation and report findings immediately.

It was agreed that provided identity could be established it could be moved at any time.

/ 'Italia', ...

-4-

'Italia'. It was arranged that the owners should get in touch with the Yugoslav Military Government concerning collection.

'San Marco' It was agreed by the Yugoslav delegation that the firm of TRIPKOVIC could now salvage this vessel and bring it to Trieste so that it would not break up during the bad weather this winter.

83. In minute 66 (b) of the Sub-Committee Minutes of 2 October it was agreed that 'San Giovanni' should read 'Jean'.

89. COTTON SPINNING AT THE GORIZIA MILL.

The Yugoslav delegation state that the matter had been taken up with BELGRADE but that no reply had yet been received.

Lt. Col. BICKERSTETH pointed out that the situation had materially altered owing to the firm having now received supplies of cotton from overseas.

90. TIMBER AND FIREWOOD.

Lt. Col. BICKERSTETH pointed out that Zone 'A' is very short of firewood and that on direction of higher authority he had been instructed to obtain timber from the normal sources of supply for this area which was Zone 'B'. Dr. KORE explained that Zone 'B' was not as rich in firewood as was imagined, the Fascist policy having been to cut quite indiscriminately and that at present 5 wagon loads per day were being provided from Zone 'B' through an agent. If further quantities were desired it would be necessary to move the wood from GORISKE KOTLAR by train to FIUME and thence by ship to TRIESTE, which would entail minesweeping.

The Chairman asked if British motor transport could be used but Dr. KORE stated that this would be impossible.

The Chairman pointed out that as no agreement could be reached, the instruction of higher authority could not be met, but he requested that the Yugoslavs should investigate the possibilities of increased quantities from Zone 'B'.

91. TRANSPORT.

The Minutes of the sixth meeting of the Transport Sub-Committee were received.

92. RAILWAYS.

The Yugoslav delegation considered that all railway services should be restored in Zone 'A' in the spirit of the Trieste Agreement but it was pointed out by Col. EARLEY that there is no obligation on either side for a particular route to be given priority, and that the matter was a question of materials available for the routes which were most immediately necessary.

Col. EARLEY continued that work had already started and would be completed by the first week in November on two bridges on the GORIZIA-UZZA line. These two bridges were at Km points 58.79 and 68.161.

This would mean that the railway would be through as far as the ISONZO viaduct at Km point 76.650. This viaduct was abutment to the

2509

1137

Lt. Col. BICKERSTETH pointed out that the situation had materially altered owing to the firm having now received supplies of cotton from overseas.

90. TIMBER AND FIREWOOD.

Lt. Col. BICKERSTETH pointed out that Zone 'A' is very short of firewood and that on direction of higher authority he had been instructed to obtain timber from the normal sources of supply for this area which was Zone 'B'. Dr. KOBE explained that Zone 'B' was not as rich in firewood as was imagined, the Fascist policy having been to cut quite indiscriminately and that at present 5 wagon loads per day were being provided from Zone 'B' through an agent. If further quantities were desired it would be necessary to move the wood from GORISKI KOTLAR by train to FIUME and thence by ship to TRIESTE, which would entail minesweeping.

The Chairman asked if British motor transport could be used but Dr. KOBE stated that this would be impossible.

The Chairman pointed out that as no agreement could be reached, the instruction of higher authority could not be met, but he requested that the Yugoslavs should investigate the possibilities of increased quantities from Zone 'B'.

91. TRANSPORT.

The Minutes of the sixth meeting of the Transport Sub-Committee were received.

92. RAILWAYS.

The Yugoslav delegation considered that all railway services should be restored in Zone 'A' in the spirit of the Trieste Agreement but it was pointed out by Col. EBLEY that there is no obligation on either side for a particular route to be given priority, and that the matter was a question of materials available for the routes which were most immediately necessary.

Col. EBLEY continued that work had already started and would be completed by the first week in November on two bridges on the GORIZIA-UZZA line. These two bridges were at Km points 53.79 and 68.161.

This would mean that the railway would be through as far as the ISONZO viaduct at Km point 76.650. This viaduct was a big project to mend but was under examination and a report on it would be made later.

Col. EBLEY stated that the bridge at Km point 80.305 was in Zone 'B' therefore was Yugoslav responsibility. As a matter of information however it was not considered a safe bridge.

Col. EBLEY further stated that at present it was not possible to mend the line FIUME-CIOLA - OPICINA without diverting military resources. This line was continually under review however.

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/It was submitted that.....

It was submitted that the Transport Sub-Committee was not now doing any work which was not within the powers of the Joint Operating Committee. It was therefore agreed to leave the Transport Sub-Committee in a state of "suspended animation" and any decisions for the Joint Economic Committee would be submitted direct from the Joint Operating Committee.

Dr. KOBE wished to record that the Yugoslav delegation was very pleased with the way the Transport Sub-Committee had worked and this point was unanimously agreed.

93. FINANCE.

The minutes of the first meeting of the Finance Sub-Committee were received.

94. BANKS.

The Yugoslav delegation stated that the application to open a Yugoslav State Bank was made on the 7 Aug 45. They asked if a reply to this question could now be given.

Lt. Col. BEARD pointed out that it was understood that the official application had not yet been made and would it be possible to supply a copy of the original application. Mr. BEELIC promised it would be supplied immediately.

95. TRANSFER OF BANK BALANCES FROM ZONE 'A' TO ZONE 'B'.

Dr. TOMICIC stated that the Yugoslav Financial Sub-Committee had received complaints from several banks in Zone 'B' that they were not receiving drafts of funds from their central banks in Zone 'A' because JIG still prohibited the transfer of money from Zone 'A' to Zone 'B'.

It was requested that this restriction be removed so that transfer of letters of credit or bills of exchange could be freely practised; it being especially desirable to enable, now and in the future, payments of bills of exchange in Zone 'B' by the agencies in Zone 'A' or in Italy, through their central banks or through other banks.

An example is shown as appendix 'B' to these minutes.

Col. BEARD stated that this matter would be investigated and that JIG would work according to the agreement previously reached on banking arrangements.

96. DEPOSITS IN BANKS OF VALUABLES OF ALLIED P.C.M.

It was agreed that the Finance Section JIG should write to the Yugoslav Military Government on this matter.

97. THE USE OF MILLS IN POLA FOR ZONE 'B'.

The Yugoslav delegation asked if the mills in POLA were working to capacity. If this was not the case could arrangements be made to undertake work from Zone 'B'. The answer to this question was to be given between meetings.

94. BANKS.

The Yugoslav delegation stated that the application to open a Yugoslav State Bank was made on the 7 Aug 45. They asked if a reply to this question could now be given.

Lt. Col. BEARD pointed out that it was understood that the official application had not yet been made and would it be possible to supply a copy of the original application. Mr. BERLIG promised it would be supplied immediately.

95. TRANSFER OF BANK BALANCES FROM ZONE 'A' TO ZONE 'B'.

Dr. TONCIC stated that the Yugoslav Financial Sub-Committee had received complaints from several banks in Zone 'B' that they were not receiving drafts of funds from their central banks in Zone 'A' because MIG still prohibited the transfer of money from Zone 'A' to Zone 'B'.

It was requested that this restriction be removed so that transfer of letters of credit or bills of exchange could be freely practised; it being especially desirable to enable, now and in the future, payments of bills of exchange in Zone 'B' by the agencies in Zone 'A' or in Italy, through their central banks or through other banks.

An example is shown as Appendix 'B' to these minutes.

Col. BEARD stated that this matter would be investigated and that MIG would work according to the agreement previously reached on banking arrangements.

96. DEPOSITS IN BANKS OF VALJEVES OF ALLIED P.C.F.

It was agreed that the Finance Section MIG should write to the Yugoslav Military Government on this matter.

97. THE USE OF MILLS IN POLA FOR ZONE 'B'.

The Yugoslav delegation asked if the mills in POLA were working to capacity. If this was not the case could arrangements be made to undertake work from Zone 'B'. The answer to this question was to be given between meetings.

98. NEXT MEETINGS.

It was agreed that the next meetings will be held as follows :-

| | |
|--------------------------------------|-----------------------|
| Finance Sub-Committee. | 6 Nov 45 at 0900 hrs. |
| Industry and Commerce Sub-Committee. | 6 Nov 45 at 0900 hrs. |
| Fuel & Power Sub-Committee. | 7 Nov 45 at 0900 hrs. |
| Joint Economic Committee. | 9 Nov 45 at 0900 hrs. |

J.R. SNOWDEN,
Major, DAQC,
Secretary,
JOINT ECONOMIC COMMITTEE.

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2502

-6-

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| 1 | C.O. AFHQ. |
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| 5/6 | G-4 (Mov & Tn) AFHQ. |
| 7/8 | G-5, AFHQ. |
| 9/10 | AFERS, AFHQ. |
| 11 | US POLAD, AFHQ. |
| 12 | RESERV, AFHQ. |
| 13 | Tn(Main), ROE, GEF. |
| 14 | GOC, 13 Corps. |
| 15/17 | DA & QMG, 13 Corps. |
| 18 | QMG (Mov), 13 Corps. |
| 19 | Chief Commissioner, ALCOM. |
| 20 | HQ ALCOM. |
| 21/30 | Economic Section, ALCOM. |
| 31 | Public Wks & Utilities Sub-Commission, |
| 32 | ALCOM (Attn: Chief, Electrical Division). |
| 33 | Commerce Sub-Commission, ALCOM. |
| 34 | (Attn: Coal Division). |
| 35 | Industry Sub-Commission, ALCOM. |
| 36 | Finance Sub-Commission, ALCOM. |
| 37 | American Embassy, ROE. |
| 38/39 | British Embassy, BELGRADE. |
| 40 | SCAO, AMG 13 Corps. |
| 41 | D/SCAO, AMG 13 Corps. |
| 42 | Economic Advisor, AMG 13 Corps. |
| 43 | Public Relations Officer, AMG 13 Corps. |
| 44/45 | Legal, AMG 13 Corps. |
| 46 | Finance, AMG 13 Corps. |
| 47 | Supplies, AMG 13 Corps. |
| 48 | Transportation, AMG 13 Corps. |
| 49/68 | Labour, AMG 13 Corps. |
| 69 | Public Works, AMG 13 Corps. |
| 70 | Jugoslav Delegation. |
| 71 | Commerce, AMG 13 Corps. |
| 72/100. | Capt. FARKER, AMG 13 Corps. |
| | File. |
| | Spares. |

2507

APPENDIX 'A' TO MINUTES OF THE
SEVENTH MEETING OF THE JOINT
ECONOMIC COMMITTEE.

In compliance with the request submitted by the Yugoslav Delegation - shown as Minute 81 (d) - the Chairman visited AFHQ and fully represented the matter to that HQ.

AFHQ replied that it was doubtful if coal of sufficient quantity to affect the over all import of coal could be secured from the MRS. Mines in the foreseeable future. The Allied experts were not satisfied that production could not be increased beyond 1000 tons per day and permission for them to visit the mines had been refused.

AFHQ had no assurance that sweeping the mines and providing shipping would produce any worthwhile allotment of coal. In these circumstances, therefore, the Allied Delegation was authorised to suspend further negotiations but should the Yugoslav Delegation come forward with a plan which appeared practicable, guaranteeing a worth-while supply, the situation should again be referred to AFHQ.

2506

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APPENDIX B

EXAMPLE OF COMPLAINT REFERRED TO IN MINUTE 95

Cassa di Risparmio Triestina
General management.

Trieste.
3rd August, 1945

TO THE CHIEF OF OUR AFFILIATION, POSTUILLA GROTTE.

TRANSFER OF BALANCES

Further to our letter of 19 July we confirm that we have asked MIG several times to hasten an answer to our request for permission to transfer the agreed amount of 1,853,323 lire to the "Financial Institute of Slovenia" but without result.

To-day, having the advantage of the presence of your Mr PROJANIS, we insisted on being received by the Chief Finance Officer of MIG and we were received by him.

The Manager of the Bank of Italy and the Manager of the Cassa di Risparmio and your Mr PROJANIS took part in the talks. During the talks we again pointed out to the Senior Allied Officer that it was necessary that we should comply with the request of the "Financial Institute of Slovenia" and obtain payment of the agreed amount through this affiliation.

We also requested authority to pay to the "Financial Institute of Slovenia" an amount in proportion to the needs of this affiliation pointing out the needs of our depositors.

We are sorry to have to inform you that the representative of the MIG has flatly refused to authorise our request, pointing out that such transactions are absolutely prohibited. But he added that this matter must be treated directly between the "Financial Institute of Slovenia" and MIG, excluding our Institute which has not any recognised authority to deal in this matter.

All you communicate this to the Representatives of the Yugoslav Military Authority, inviting them to follow the procedure as suggested by MIG.

With regards,

TO THE CHIEF OF OUR AFFILIATION, POSTUMILA GROVTE.

TRANSFER OF BALANCES

Further to our letter of 19 July we confirm that we have asked MIG several times to hasten an answer to our request for permission to transfer the agreed amount of 1,853,523 lire to the "Financial Institute of Slovenia" but without result.

To-day, having the advantage of the presence of your Mr TROJANIS, we insisted on being received by the Chief Finance Officer of MIG and we were received by him.

The manager of the Bank of Italy and the manager of the Cassa di Risparmio and your Mr TROJANIS took part in the talks. During the talks we again pointed out to the Senior Allied Officer that it was necessary that we should comply with the request of the "Financial Institute of Slovenia" and obtain payment of the agreed amount through this affiliation.

We also requested authority to pay to the "Financial Institute of Slovenia" an amount in proportion to the needs of this affiliation pointing out the needs of our depositors.

We are sorry to have to inform you that the representative of the MIG has flatly refused to authorize our request, pointing out that such transactions are absolutely prohibited. But he added that this matter must be treated directly between the "Financial Institute of Slovenia" and MIG, excluding our Institute which has not any recognised authority to deal in this matter.

We will you communicate this to the Representatives of the Yugoslav Military Authority, inviting them to follow the procedure as suggested by MIG.

2505 -

With regards,

CASSA DI RISPARMIO TRIESTINA

F/to Rozzo

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Q. M. C. Form 353 (Old No. 490)
Revised July 25, 1918

2205/CC

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Chief Commissioner**LIST OF PAPERS**File under No. 2205 REPATRATION

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