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IMPORTS, ITALY
SEPT. 1944 - MAY 1945

LIST OF PAPERS

4005/CG

Office of the
Chief Commissioner

ALLIED COMMISSION

File under No. 4005 IMPORTS, ITALY
(Civilian Supplies)

VOL. I

Page 3

SECRET

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS (current)
32a 33	Consolidated Statement ES/20.01, Stone	31 Mar 45	AFHQ	Shipping tonnage saved by Local Pro- Import salted fish to Italy ex-Spain.
34	Cbl AFHQ, LAC-1085	31 Mar 45	CCS	Butterworth to Washington to present AC rems (Category A?) supplies. Estimated approx Landed Costs. Cereal requirements for July.
34a 35	List, AC Price Officer Cbl AFHQ, LAC-1086	1 Apr 45 1 Apr 45	CCS	
36	Cbl AFHQ, MAT-618	2 Apr 45	CCS	Imports into Italy from British terri- tories in Med theater.
37	ES/20.02, Antolini	5 Apr 45	CC	Summary of "Program of Essential Ita- lian Imports - 1945."
38	ES/20.02, Stone	7 Apr 45	Bonand	Everything being done to expedite im- ports under "Essential Import Program".
39	Cbl AFHQ, MAT-630	8 Apr 45	CCS	Imports into Italy fr additional coun- tries, such as Spain, Argentine, etc.
39a	CCAC, COM Airgram 18	23 Apr 45	AC, AFHQ G5	Policy - Procurement of civilian sup- plies for Italy.
39b 40	CCAC, COM Airgram 17 Cbl AFHQ, LAC-1131	23 Apr 45 29 Apr 45	AC AFHQ G5 CCS	14 Mtg CLAC(S), Reserved Commodity list August, Sept, Oct requirements.
41	Cbl AGWAR, COM 81	29 Apr 45	AC	Cotton, trucks, available for shipmt.
41a	Min. Foreign Affrs, 668B, IG	2 May 45	Stone	Shipmt wheat fr Argentina to Italy.
42	Memo, Lush	7 May 45		Arrangements summarized for imports fr UK on "It Rehabilitation Programme".
43	Cbl AC Fin, 7153	7 May 45	AFHQ	Accounting for imports (?)
44	Cbl AC, MOC-129	12 May 45	CCS, BCS, etc	Shipmt wheat fr Argentina to Italy.
45	Cbl AFHQ F-75402 (CCS TAN-565)	14 May 45	A C (AFHQ)	Imports into Italy fr British territo- ries in Mediterranean Theater.
46	Memo, Quayle	14 May 45	Arnoldy	Shipmt wheat fr Argentina to Italy.
47	Cbl AFHQ, LAC-1159	16 May 45	CCS	Requirements for Italy and Austria.

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SERIAL NUMBER	FROM -	DATE	TO -	SYNOPSIS
16	Cbl AFHQ, LAC 971 FX-89758	23 Jan 45	CCS	Recapitulation of Ital subsistence requirements for 2nd quarter 1945.
17	Cbl AFHQ FX-91669	26 Jan 45	AGWAR for ID	Subsistence for Italy from CANADA.
18	Cbl AFHQ, LAC 979	27 Jan 45	CCS	Wheat requirements for It: April 45.
19	Airgram LAC 99, AFHQ	28 Jan 45	CCAC	Use of barley(as adulterant)in Italy
20	Cbl CCS, PAN 487	31 Jan 45	SACRED	New CCS Directive to AC; imports to be supplied by US-UK mil authorities,...
21	Cbl AFHQ, LAC 1022 YAG 215 (FX-30594	20 Feb 45	CCS	It Subsistence requirements for July.
21a	Memo, Macmillan	24 Feb 45	CC, CCS	Irregularity of food imports.
22	Executive Memo No. 2 (AC/ES/13.03)	26 Feb 45		Handling of imported supplies by Istituto Nazionale per il Com. Estero(ICE)
22a	Aide Memoire, Macmillan	24 Feb 45	Bonomi	New CCS Directive. Imports to be supplied by US/UK military authorities...
23	4805/52/EC, Lush	1 Mar 45	G-5 AFHQ	Irregularity of food imports.
24	Cbl AFHQ, MAT 575 (FX-39425)	7 Mar 45	CCS	Civ supplies & collection of proceeds of sales.
25	Cbl CCS, COM-34 WAR 38595	9 Mar 45	Alcom	Requisitions to be resubmitted via AFHQ, to CCAC for CCLAC.
26	Cbl AC Econ, MOC-76 3485	13 Mar 45	CCS	Program of essential It imports for 1945.
27	ES/20.02, Antolini	16 Mar 45	DC	Program of essential imports-1945; suggested joint ltr Bonomi-Stone to CCS.
28	Cbl AFHQ, FX-48713	23 Mar 45	PEMBARK	Finished garments for Italy.
29	Cbl AFHQ, FX-49171	24 Mar 45	PEMBARK	June subsistence requirements for IT.
29a	Ltr Bonomi, N.265	26 Mar 45	Stone	Request first lot goods on "Essential Import Program" arrive It by May-June.
30	Phone Call, McKinley	28 Mar 45	CC	Catalog "A" Tonnage.
31	ES/20.21, Stone	31 Mar 45	AFHQ	Food imports Italy ex-Argentina.
32	ES/13.03, Stone	31 Mar 45	AFHQ	Food imports Italy ex-Switzerland.

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Page 1

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
1	Ream Food S/C	25 Jul 44	Adv Council	Food Production & Supply
1a	Cbl Stone S-323	8 Sep 44	AFHQ for O'Dwyer	Vital shipments for North rushed
1b	Draft Cbl Reamed	13 Sep 44	FO for Churchill	Clear-liberal directive needed.
2	Ltr Stone	21 Oct 44	G-5 AFHQ	Imports. Fedg draft of import program., for Mitchell & Morris
3	Econ Sec AC	30 Oct 44		SUMMARY OUTLINE OF ESSENTIAL ITALIAN IMPORTS (Prepared for Mitchell & Morris)
4	Minutes of Mtg Econ Sec AC	3 Nov 44		Meeting Econ Sec with It Govt on 3 Nov to discuss Italian imports
5	Ltr Queyle	5 Nov 44	G-5 AFHQ	Fedg copy of App "G" of #3 e/m
6	Ltr HC-4 Cleveland Econ Sec	6 Nov 44	Mr Hunt FSA Wash	Things going on now in Econ Sec. Functions, import & supply problem
7	Cbl AC MOC-1 Econ Sec Cleveland	8 Nov 44	AGMAR for CCS	Non-military imports into Italy from US & UK sources.
8	Cbl LAC 803 AFHQ FX 50904	10 Nov 44	AGMAR for CCS	Non-military supplies categories A & B. Channels AC - CCS.
9	Cbl FAN 456 CCS FX 62000	13 Nov 44	AFHQ	AFHQ will take no steps to change basis on which civilian supplies are approved.
9a	FC(44) 32nd Mtg	15 Nov 44		Gen Lewis rptd cable sent to CCS.
10	Ltr Stone	16 Nov 44	Bonomi	Cereal imports into Italy: table
11	Cbl CCS - CAL-1048 WX 77323	15 Dec 44	AFHQ	March subsistence requirements for Italy - resume'
12	Cbl AC 8328	17 Dec 44	AFHQ	Unless imports kept up may have equalize ration at 225 grams.
13	Cbl AFHQ- F-70848	18 Dec 44	AC	Cereal import slightly increased
14	Cbl AFHQ LAC-967 FX 88907	21 Jan 45	CCS	It supplementary feeding require- ments for months April-June.
15	Cbl AFHQ LAC-969 FX-88957	21 Jan 45	CCS	Meat requirements for Italy.

SECRET

SECRET

FX 76787
MAY 16/2039

E/1072
MAY 17/08308
ROUTINE

AFHQ SIGNED ALEXANDER CITE FIGRO FIGRO
ALCOM

SECRET.

This is LAC 1159

Requirements - ITALY and AUSTRIA.

1. Reference CAL 1279 and CAL 1334.
2. Requirements ITALY south of PISA-RIMINI Line revs(?) in programs A and AB of program of essential Italian imports 1945 conveyed to Col BUTTERWORTH now with you.
3. Requirements northern ITALY now being studied by ^{investigation} investigation Group in north and will follow earliest. This ~~investigation~~ may result in alterations in programs mentioned para 2.
4. Requirements AUSTRIA delayed pending clarification division responsibility between AFHQ and SHAKF

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DISE

INFO-ACTION : HCGN SEC (2)

INFO : A/PRESIDENT
CHIEF COMMISSIONER
AC AUSTRIA (2)
REQUISITION DIV
FILE (2)
FLOAT

47

SECRET

JAQ/hjp

14 May 1945

SUBJECT: Shipment of Wheat from Argentina to Italy

TO : Office of the Executive Commissioner, Hq A.C.
(Attention: Capt. Arnoldy)

It is now a week since you requested the Economic Section to submit a letter for the signature of the Chief Commissioner on the above subject (ref: 4805/72/EC). I should be grateful to know what progress is being made.

(412)

J. A. QUAYLE
Major, R. A.
Staff Officer to CC

See (44) See (43)

S. 17/5

4805/EC

2651

(46)

CONFIDENTIAL

F 73402
MAY 141858B

E/771
MAY 150830B
ROUTINE

AFHQ SIGNED SACRED CITE ENGBG
ALCON ROME

CONFIDENTIAL

TAM 565.

Imports into ITALY from MEDITERRANEAN areas.

Following for information and compliance, is paraphrase of TAM 565 received in reply to MAT 618 repeated to you.

1. No objection obtaining supplies for import into ITALY from MEDITERRANEAN areas under British administration in conformity with MAT 618 procedure, provided that category A items (See para 5 FAN 487) are considered and reported as UK contribution to combined responsibility for importing civil supplies into ITALY.

2. When above transactions affect MESS territories, the center should always be consulted and it will obtain combined board clearance where necessary. For above transactions affecting other British MEDITERRANEAN territories, combined board clearance must be obtained for reserved commodity list items through appropriate channels.

End of paraphrase.

This procedure can be implemented by AG in COM/MOC series.

Dist

Action - Requisition BR (5)
Info - A/President
Chief Commissioner
Econ Sec
File 2
Fleet

CONFIDENTIAL

FOR ACTION AMWAR FOR CCS FOR CCAC RPTD DE BASE SECTION (LONDON)
FOR CABINET SECRETARIAT RPTD AFHQ FOR PHOEN

7454 12 MAY 45

ROUTINE

CONFIDENTIAL

THIS IS HOC ONE TWO THREE PD

SUBJECT IS IMPORTS WHEAT FROM ARGENTINE PD

PARA ONE FOR ACTION AMWAR FOR CCS FOR CCAC RPTD FOR INFO UK
BASE SECTION (LONDON) FOR CABINET SECRETARIAT RPTD AFHQ FOR
PHOEN FROM HQ ALCON CITE ACCOE PARA

PARA ONE PD ARGENTINE GOVERNMENT HAS PUT AT DISPOSAL OF
ITALIAN GOVERNMENT A GIFT OF ONE HUNDRED THOUSAND TONS OF
WHEAT PD

PARA TWO PD IN VIEW OF CONTROL OF THIS COMMODITY BY
COMBINED FOOD BOARD CMA PERMISSION IS REQUESTED FOR
ITALIAN GOVERNMENT TO ACCEPT THIS OFFER CONDITIONALLY UPON
REDUCTION OF CHARLIE CHARLIE ABLE CHARLIE ALLOCATION OF
WHEAT TO ITALY

Copy to: Economic Section

COMMERCE S/C

478487

(MAJOR GREEN)

NICHOLAS PIGMBINO
CFO, USA
Asst. Adjutant

4005/ce

AFHQ FOR GEORGE FIVE

7153

7 May 45

ROUTINE

SECRET PD

PARA ONE PD REFERENCE YOUR FOX SEVEN ONE ZERO ONE NINE OF FIVE MAY PD

PAREN TO AFHQ FOR GEORGE FIVE FOR FINANCIAL ADVISER FROM HQ ALCOA CITY SOPIN PAREN

PARA TWO PD YOUR DRAFT MESSAGE TO CHARLIE CHARLIE ABLE CHARLIE AGREED EXCEPT LAST SENTENCE WHICH SUGGEST READ QUOTE IN ANY EVENT ACTUAL DISCREPANCIES ARE SMALL.

AND SHOULD NOT MATERIALLY AFFECT THE DECISION UNQUOTE PD ALSO SUGGEST YOU CONSIDER

ADDING TO MESSAGE FOLLOWING SENTENCE COLON QUOTE ALSO SUGGEST THAT IN VIEW OF

CESSATION OF HOSTILITIES CONSIDERATION BE GIVEN TO CONSIGNING ALL IMPORTS TO

ITALIAN GOVERNMENT DIRECT PD CARGOES TO BE CHECKED AND ACCEPTED BY ITALIAN

GOVERNMENT AGENTS AT PORTS OF EMBARKATION ON SAME BASIS AS UNCLE SUGAR SLANT

UNCLE KING LEAD LEASE UNQUOTE

2686

FINANCE SUB COMMISSION

553

NICHOLAS PIOMBINO,
CWO USA, Asst Adjutant.

4/6/11/00
4/30/00

43

In the memorandum handed to the Italian Government by the Acting President of the Allied Commission on the 24th February 1945, it was stated that, in addition to the programme of supplies for which the military assume responsibility for procurement,

"the Allied Commission will assist the
"Italian Government in the preparation
"of programmes of supplies assigned to
"rehabilitate Italian industry."

(FAN 487)

It was further stated that the purchasing of supplies for the latter programmes would be undertaken immediately without reference to the present difficult shipping position in order that the supplies so purchased might be called forward as and when shipping space became available. (These programmes are referred to hereinafter as the "Italian Rehabilitation Programme".)

2. As regards the items of the Italian Rehabilitation Programme with which the United Kingdom authorities are concerned, the Italian Government will be able to finance approved imports from the United Kingdom or elsewhere in the sterling area by drawing on its post-liberation sterling funds. In order to augment these funds, His Majesty's Government in the United Kingdom are proceeding to pay over to the Italian Government the cash proceeds of Italian exports to the United Kingdom. At the 30th November, 1944, the accumulated credit in favour of Italy was approximately £1.7 million. This figure will be subject to a deduction of about £500,000 for repayment to His Majesty's Government of advances for Italian diplomatic and shipping expenses in various countries, made at the request of the Italian Government and therefore chargeable to the post-liberation account. This deduction will, however, probably be less than an additional credit in respect of imports to the United Kingdom accumulated since November, 1944. Payments for Italian exports will in future be made currently in accordance with terms agreed between the United Kingdom Importing Departments and the Italian Government agencies. The Italian Government will therefore know what funds are likely to be available to it as contracts are made from time to time. If the negotiations for the recruitment of Italian contract labour for the Far East are brought to a successful conclusion, the post-liberation account will be greatly increased, viz. to the extent of four-fifths of the workers' earnings.

3. His Majesty's Government would find it convenient if the Italian Government were to appoint a Purchasing Agent in London who would make contact with the United Kingdom Departments and suppliers on all

United Kingdom. At the 30th November, 1944, the accumulated credit in favour of Italy was approximately £1.7 million. This figure will be subject to a deduction of about £500,000 for repayment to His Majesty's Government of advances for Italian diplomatic and shipping expenses in various countries, made at the request of the Italian Government and therefore chargeable to the post-liberation account. This deduction will, however, probably be less than an additional credit in respect of imports to the United Kingdom accumulated since November, 1944. Payments for Italian exports will in future be made currently in accordance with terms agreed between the United Kingdom importing Department and the Italian Government agencies. The Italian Government will therefore know what funds are likely to be available to it as contracts are made from time to time. If the negotiations for the recruitment of Italian contract labour for the Far East are brought to a successful conclusion, the post-liberation account will be greatly increased, viz. to the extent of four-fifths of the workers' earnings.

3. His Majesty's Government would find it convenient if the Italian Government were to appoint a Purchasing Agent in London who would make direct contact with the United Kingdom Departments and suppliers on all matters connected with the placing of orders in respect of the Italian Rehabilitation Programme in the United Kingdom. The Ministry of Production and the Supply Departments would be glad to give all possible assistance to such an Italian Purchasing Agent, who would presumably be attached to the staff of the Italian Government Representative in London. On account of the numerous and complex wartime controls in force it would seem advisable for the Italian Government to consider making such an appointment without delay, in order to give the Purchasing Agent as much time as possible to familiarise himself with the supply situation in the United Kingdom. The most suitable financial machinery would no doubt be worked out by degrees, but it is probable that United Kingdom suppliers will require payment in advance or at least confirmed credits from the Italian Government for each order. It should, however, be possible for Italian contracts to be placed without any difficulty up to the amount of post-liberation sterling available.

4. His Majesty's Government in the United Kingdom have communicated in the sense of the foregoing with the Italian Representative in London and they look forward to receiving the views of the Italian Government together with the name of any Purchasing Agent whom the Italian Government may be disposed to appoint to London.

7/5/1945

4005 / CC

260

47

MAY 8 1945
cc. 11/20

Ref: 4805/12/EC.

Tel: 289.

7 May 1945.

SUBJECT: Shipment of Wheat from ARGENTINA to ITALY.
TO : Economic Section. (2)

1. Reference attached letter, 41/06488/EC dated 2 May 45, from the Ministry of Foreign Affairs, and accompanying memorandum.
2. Please submit, through this office, reply for signature of the Chief Commissioner.

Encls.

Copy to: EC to CC.

for *Capt. Andrey*
Chief Staff Officer,
To the Executive Commissioner.

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3/0

4/16

4005/12/EC

Q

COPY.

MINISTERO DEGLI AFFARI ESTERI

Ref: 66488/IG.

ROME. 2 May 1945.

Dear Admiral,

I have the pleasure of sending you copy of a Memorandum forwarded to the Allied Commission, through the ordinary channels, concerning the shipment of a lot of 100,000 metric tons of wheat, recently donated to Italy by the Argentine Government.

In view of the importance of the question in the present circumstances, I beg to enlist your kind assistance in the matter, trusting the competent Allied authorities will see fit to consider the possibility of granting, at their earliest convenience, the necessary shipping space.

With anticipated thanks, believe me, dear Admiral,

Yours very sincerely,

(signed)

~~DE~~ DE GASPERI

Admiral Ellery W. Stone,
Chief Commissioner,
H.Q., Allied Commission,
ROME.

260

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See 44
48

4005/02

COPY.

MEMORANDUM FOR THE ALLIED COMMISSION.

Subject: Shipment from Argentina to Italy of 100,000 metric tons of wheat.

1. The Ministry for Foreign Affairs beg to inform the Allied Commission that the Argentine Government has recently assigned to Italy - as token of friendship to the Italian people - a lot of 100,000 metric tons wheat.
2. The lot will be put at the disposal of the Italian Government in the port of Buenos Aires.
3. The Ministry for Foreign Affairs would therefore be very grateful if the Allied Commission - taking in consideration the importance in the present circumstances of the shipment to Italy of said lot - would kindly approach the competent Allied authorities with a view to obtaining that the adequate transport facilities be provided at the port of Buenos Aires.

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Rome. 2 May 1945

41a

SECRETWAX 74521
APRIL 29/22272D/9073
APRIL 29/1030B
ROUTINEWAR
ALCOM**SECRET.**

This is COM 81.

Shipments of category "B" supplies. Following commodities ready for shipment early in month of June: if arrangements can be made for loading from Gulf of Mexico ports, cotton amounting to 15 thousand bales, against CIAC I-3. 198 heavy trucks (2½-3 ton) and 314 medium commercial trucks (1½ ton) against CIAC I-208. Weight approximately 1685 short tons, 600,000 cubic feet. Unless contrary instructions are received, entire consignment will be addressed to Instituto Comercio Exterior in NAPLES.

Shipping space should be allocated

DIST

ACTION : REQUISITION DIV (5)
INFO : A/PRESIDENT
CHIEF COMMISSIONER
ECON SEC
FILE (2)
FLOAT

268

(11)

~~SECRET~~

40057/cc

SECRET

FX 67969
Apr 29 1940

D/9156
Apr 30 1940
ROUTINE

AFHQ SIGNED ALEXANDER CITY PHOEG
INFO: ALCON ROME

SECRET.

Subsistence for ITALY. This is LAC 1131.

Below are monthly requirements August, September, October all in metric tons. Read in six columns.

ITEM	<u>SOUTH</u>	<u>NORTH</u>	<u>SICILY</u>	<u>SARDINIA</u>	<u>TOTAL</u>
Wheat	8000	12011	NIL	NIL	20011
Dogged					
Wheat	27790	NIL	7478	4082	39350
Bulk					
Dried					
soup	3214	3827	422	194	7657
Sugar	6713	7010	1449	398	15370
FATS	NIL	2181	NIL	NIL	2181
Powd					
eggs	1449	782	315	86	2632
Dried					
salted	1230	1827	NIL	NIL	3057
fish					
Coffee	104	111	15	3	233
Soaps oil	NIL	NIL	NIL	NIL	3400
Milk powd	1884	213	NIL	NIL	2097
whole					
Milk powd	1256	142	NIL	NIL	1398
skimmed					
Milk Evap	3018	342	1294	NIL	4654
Meat	450	479	NIL	NIL	929
Total	55108	28925	10973	4763	103169

SECRET

Page 2 of FX67969

SECRET

Para 2. Justification.

(a). Above requisitions have object of making possible daily ration from all sources of 1500 calories for inhabitants Urban centres. They contemplate extension of 300 gram bread ration to North. This considered essential here and approval in principle believed implied by H 478. In any case local production of wheat expected to be sufficient to meet 300 gram ration in North.

(b). Practical differential rations system as follows proposed.

(1). General daily ration scale in grams for normal consumers: bread 300, sugar 8 and one third, powdered eggs one and one fourth in North, two and one half in South. Pots three and one third in North. Olive oil six in South. Fish fifteen in inland cities. Dried vegetables ^{gives} twenty Urban Centres over fifty thousand population. Above ration of approximately one thousand calories daily against target of fifteen hundred. Balance to be obtained from market availabilities.

(2) Complete special rations scales to be continued for hospitals, Public Safety personnel, prisoners, refugees, merchant seamen, consuls. New complete special ration scales for returning prisoners of war and religious institutions proposed.

(3) Additional rations to certain classes to supplement their general ration scales issues to be continued. These classes are children, nursing mothers, heavy workers. Now intended also to issue extra ration to tuberculosis patients and people sick at home.

(4) Issues to communal kitchens for poor and midshift ²⁶meal to civil laborers of allied forces to be continued.

(c) Special ration scales at subpara (b) 2 and supplementary issues at b 3 and 4 take account of particular nutritional needs of classes affected, and also provide for difficulties which institutions etc with limited financial resources would experience in augmenting general ration scale issues by purchases in free (and black) market. Altogether needs of special classes represent approximately 35000 tons of

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(FX 67969 cont'd)

SECRET

total import tonnage requested.

3. Notes.

a. Wheat: Period expected to start with 150,000 tons in stock which for first time will allow small reserve averaging 20 day supply in large communes. Monthly requisition for this period represents one twelfth of annual deficiency for south and central ITALY and islands. Most desirable from shipping and internal distribution point of view that imports should be equalized over year. North estimated ably supporting in cereals. Requisition however includes 12000 tons for LIGURIA ONCE (once?) probably impossible to transport grain to that province owing to difficult communications over mountains. These imports for LIGURIA will be reflected by reduction in later requisitions. Must emphasize, however, that estimate of northern harvest may be over optimistic necessitating upward revision of requisitions later in year or early next.

b. Sugar: No production in presently liberated ITALY last year and this years production not available for distribution till after October. In north reports indicate much destruction of sugar processing factories. Even if factories can be reactivated no sugar expected available for distribution before November earliest.

c. Dried salted fish: No meat in general ration scale and therefore minimum ration of 20 grams fish regarded essential. Local supplies expected sufficient for coastal areas but imports equal to 15 grams daily required for large inland cities.

d. Powd eggs: Equivalent of 21 grams fresh eggs considered essential in absence of meat from general ration scale as Italian production only sufficient for 15 grams in north and 9 grams in remainder. Deficiency, therefore, being requested in form powdered eggs.

e. Coffee: Required for hospitals, Public Safety personnel and refugees only.

f. Meat: For issue to special classes only. If meat not available only

SECRET

- 4 -

(FX 67963 cont'd)

suitable substitute is cheese.

g. Dried vegetables: Urgent thorough study being conducted here into maximum local production possibilities in order keep requisition lowest. Will be subject of further cable.

h. Milk: For issue to hospitals, refugees, children under 3 years, sick at home and nursing mothers only.

i. Soap oils: Requirement for ITALY estimated 6800 metric tons soap monthly for 5 gram daily ration. Local production soap owing to lack of oils only 2000 tons monthly. Importation 3400 tons monthly of palm, coconut or similar oil will enable sufficient soap to be manufactured locally. If oil not available request 4800 metric tons soap monthly.

4. Other details requested CAL 1319 follow as LAC airmail.

DIST

INFO-ACTION: Requisition Br
INFO: A/President
Chief Commissioner
Econ Sec 2
Food 2
File

26.

SECRET

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U.S. CONFIDENTIAL
BRITISH CONFIDENTIAL

COMBINED CHIEFS OF STAFF

COMBINED CIVIL AFFAIRS COMMITTEE

COM Airgram 17, 23 April 1945, Washington, D. C.

From: CCAC
To: AC, repeated PHGEG
Subject: Transmission of CLAC(S) Papers

Enclosed are minutes of the 14th Meeting of CLAC(S) and copies of CLAC(S) 8/2, which is the Reserved Commodity List referred to in COM 76. Previous papers submitted with COM Airgrams 1, 8, 14.

T. E. H. BIRLEY
Group Captain

W. M. CAMERON
Lt. Col., GSC

Combined Secretariat

- 15 copies - AC
6 copies - PHGEG (No enclosures)
2 copies - Cabinet Secretariat (No enclosures)

2676

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(CAPT. ARNOLDY)

Requ B. Vitt.

*Comm. C/A - (1)
Food C/A - (1)
Finance C/A - (2)
CBO & VP - (1)
Supply Div. - (1)
Production Div. - (1)*

1 May 45

Chief Commission (1)

4005/cc

"THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT, U.S.C. 50; 31 and 32. THE TRANSMISSION OR REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW."

COMBINED LIBERATED AREAS COMMITTEE
OPERATING SUBCOMMITTEE

CIAC(S)
Fourteenth Meeting
April 5, 1945

CONFIDENTIAL

Minutes of Fourteenth Meeting of Combined Liberated
Areas Committee, Operating Subcommittee,
Held in Room 1436, Temporary "T",
on April 5, 1945, at 10 a.m.

Members Present

Marshall MacDuffie, Jr., FEA, Chairman

Stephen P. Dorsey, State
Dallas Dort
Camden McVey
David Persinger

A. E. Ritchie, Canadian
Embassy

Quintin Bridge, Embassy

Morris Friedberg, Treasury
Belle Mayer
Seymour Pollack

H.D. Hodgkinson, BCS
Norman Jones

S. J. Van Hyning, WSA

Observers and Others Present

H. Alexander Smith, Jr., CCAC(S) E. F. Bull, Embassy

Lt. Col. C. A. Surtees, CCAC(S)

Bernard Barton, CFRB

A. E. Mowherson, CFRB

H. J. Fitzpatrick, CFRB

Harlan Cleveland)
Thomas Curtis)
Samuel P. Hayes, Jr.)
J. Edward Hedges)
Mary Dublin Keyserling) FEA
Bruno Luzzato)
Frederick Strauss)
Merritt Taylor)
P. G. Treves)

Jill Lynch, BFM

Kenneth McGregor, SLAO

Combined Secretariat

C. H. Berkeley, BCS
Donald A. Farced, FEA

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I. MINUTES OF THIRTEENTH MEETING

1. The Minutes of the Thirteenth Meeting were approved.

II. EXCHANGE OF LETTERS BETWEEN COMBINED BOARDS AND FEA RE WHITE PAPER PROCEDURE

1. Mr. McDUFFIE presented these letters, for information only. He called the attention of the Subcommittee to them in connection with Combined Board allocations to liberated areas out of United Kingdom stocks. The question had been raised originally by IEA, London, and addressed to the Chairman of LAC(S). FEA has taken the position:

- (a) that decisions and recommendations of Combined Boards and Committees do not per se constitute waivers of the White Paper, and
- (b) that exports from the United Kingdom which are vulnerable under the White Paper remain so regardless of the method used to ascertain the source of supply and require a waiver.

The reply from Mr. CROWLEY to Mr. BATT outlines a procedure for expediting White Paper clearances of this type.

2. The British representatives said that they took note of this information.

III. ESTABLISHMENT OF SUBCOMMITTEE ON "DEADLINES" FOR SUBMISSION OF PROGRAMS TO SUPPLY, ALLOCATING AND SHIPPING AGENCIES

1. Mr. FAJED stated that Mr. MILLIKAN had recommended that a subcommittee of CIAC(S) be established to prepare a paper indicating the various "deadlines" for submission of UNRRA and foreign government programs to the supply, allocating and shipping agencies. It was suggested that the British name a member of the working party, together with representatives of UNRRA, USA and FEA.

2. Major BERKELEY undertook to notify Mr. MILLIKAN of the name of the British member. The subcommittee will commence its work immediately.

IV. THE ITALIAN PROGRAM, CATEGORY "B"

1. Mr. CLEVELAND, who has just arrived from Rome, summarized in general terms the history and status of the Italian Category "B" Program. He stated that the program covered six parts: (a) transportation needs; (b) needs for

- 2 -

transmission and utilization of the relatively low level of electric power without a major rehabilitation program; (c) fertilizers, insecticides and machinery for agriculture and pumps for land reclamation; (d) requirements for starting or further reactivating certain consumer goods industries (textiles, leather, tobacco, soap, paper, pharmaceuticals); (e) requirements for certain basic industries (mining, iron and steel, non-ferrous metals and certain other smaller industries); and (f) requirements of what have been called "common user" items (coal, petroleum, etc.) The main purpose is to get production started so as to reduce the volume of Italian imports. Mr. CLEVELAND indicated that it was planned to secure information as to prices and tentative availability data on all items on the program so that this information can be reviewed by the Italian Government against available dollar credits, and priorities established as to which of the items should be procured first.

V. PROCUREMENT OF CIVILIAN SUPPLIES FOR ITALY

1. Mr. MacDUFFIE presented CLAC(S) 18, which had been prepared by the US members.
2. The UK representatives had submitted CLAC(S) 18/1, which was more in the nature of a comment on the UK paper than a statement of procedures now followed by the UK for supplies by the UK to Italy.
3. At the suggestion of the UK representatives, CLAC(S) 18/1 was WITHDRAWN; and it was AGREED that Mr. TREVES would work with the Canadian and British in revising CLAC(S) 18 to include the British and Canadian procedures.
- 267 4. It was AGREED that the amended paragraph 3 of CLAC(S) 12, proposed by the British at the Tenth Meeting of CLAC(S), should be substituted for paragraph II(1) of CLAC(S) 18, the effect of this being to apply the procedure outlined in CLAC(S) 1/4 (Revised) to the Italian civil import program.
5. Approval of CLAC(S) 18 was DEFERRED, pending submission of the revised document.

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VI. ITALIAN REQUISITION 100/7 - TINPLATE

1. The approval of CLAC(S) was requested for Italian Requisition I-227 for 44 s.t. of tinplate to be used as containers for export of essential oils from Italy (as set forth in JOC Airgram 29). It was pointed out by Mr. TREVES that a substantial number of containers had been offered from the UK to the Allied Commission for this purpose.
2. It was AGREED to approve I-227 subject to a reduction in the amount of tinplate requested, should the offer of containers from the UK in paragraph 4 of PAT 45 be accepted by the Allied Commission.
3. The Committee APPROVED the initiation of procurement of over a thousand trucks allocated to Italy by FEA. It was noted that the Category "B" Program called for 36,000 trucks and that the present allocation represents an exceedingly small part of the total demand.

VII. PROGRAMMING FOR NETHERLANDS EAST INDIES

1. Mr. FARRED stated that a letter had been received from the Combined Boards to the Secretariat of CLAC(S) under date of March 9, 1945, requesting advice as to the assumptions to be made as to the target delivery date for the NEI. It was pointed out that although the NEI from a supply point of view is not a combined US-UK responsibility, the same target delivery date should be used for supply programming purposes for both the US and UK.
2. Mrs. KEYSERLING reported that, in line with the general policy established by LAC(S), a supply target date will be set and submitted to LAC(S) as that date when for supply purposes it is assumed that liberation will take place. The Netherlands Purchasing Commission will proceed to initiate procurement in the US of items not on the FEA "Selected List" for the NEI. To the extent that supply assistance is found to be necessary to permit delivery by the target date of items not on the Selected List, assistance will then be sought when the urgency of need and length of production time requires. In the case of items on the Selected List (items subject to advance programming by the US supply agencies) allocations will not, in general, be sought prior to the

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fourth quarter. The quantities of allocated items to be requested in the US in the fourth quarter and subsequent quarters will be determined on a tentative basis and will be adjusted from time to time in the light of the changing supply and military situation.

VIII. REVISED COMBINED FOOD BOARD RESERVED COMMODITY LIST

1. Mr. MacDUFFIE presented CIAC(S) 8/1.
2. Mr. FARRED asked whether it was agreed that for purposes of establishing food items to be included in List A of Italian exports, only List 1 of the CFB Reserved Commodity List would apply. This was AGREED.

IX. FURTHER BUSINESS

1. Mr. MacDUFFIE asked that consideration of CIAC(S) 1/5, which had been previously circulated, be deferred pending the results of a meeting between the State Department and FEA on this problem.

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COMBINED RAW MATERIALS BOARDRESERVED COMMODITY LISTRAW MATERIALS

The attached issue of the CRMB Reserved Commodity List, revised at April 1, 1945, is governed by the following General Notes:

1. CRMB Action. With regard to the materials on this list the Board will in general wish to determine, in consultation with the national supply agencies and the Allied governments concerned, sources of supply and quantities that can be made available against programs presented. This may not, however, be rigidly necessary in regard to every item. Certain commodities (e.g. tanning materials) not normally under close supervision by the Board have been included in order that the Board may be informed of the impact of new European requirements on an uncertain supply position. In such cases where any individual requirement will not disturb the supply position the Board may authorize the claimant country to procure freely in any sources it prefers. In some cases this authorization may include a request to coordinate procurement with any other countries who are important claimants for the same material.

2. Semi-Manufactures of Metals. The present issue of the Reserved Commodity list defines the reserved form of each commodity more precisely than was attempted in the original version. The definition of the metal items now includes their semi-manufactured forms in nearly all cases (footnotes 1 and 2 to the list). Special arrangements regarding sources of supply will be necessary for those because, while raw metal in unfabricated refined form is usually available in a number of interchangeable sources, this is not always true of the semi-manufactured forms (shapes, wire, pipe etc.)

For metals therefore this procedure will be followed:

- (a) A determination will be made in the usual way of the total quantity of each metal available against each country's program for the period concerned, whether it is to be taken up in unfabricated form or in semi-manufactured form, or partly in both.
- (b) Insofar as the requirement is desired in unfabricated forms, the determination will specify sources of supply in the usual way.
- (c) Insofar as a part of the requirement is needed in various semi-manufactured forms, the claimant will usually be requested (after the total metal provision is agreed) to negotiate provision of these forms with any supplying country having production facilities available. The claimant will be asked to report back to the Board

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- 267
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 - (b) Insofar as the requirement is desired in unfabricated forms, the determination will specify sources of supply in the usual way.
 - (c) Insofar as a part of the requirement is needed in various semi-manufactured forms, the claimant will usually be requested (after the total metal provision is agreed) to negotiate provision of these forms with any supplying country having production facilities available. The claimant will be asked to report back to the Board the quantities of semi-manufactured contracted for so that their metal content can be debited against the overall provision. Where, however, the entire requirement is desired in the form of semi-manufactures it will be desirable for the sources of supply normally to be agreed in advance for incorporation in the Board's recommendations.

3. Commodities Newly Added to the Reserved List. The items added by this revision of the Reserved List include: (a) alloys and semi-manufactures of the metals that were on the previous list; (b) antimony; (c) copper; (d) columbium; (e) coil yarn and its manufactures; (f) cotton linters; (g) pine resin; (h) zinc metal.

It is recognized that procurement plans and arrangements for these materials have already been negotiated in many cases. In order to avoid interruption of procurement negotiations that have already been started, the reserved commodity procedure will not be applied to requirements for the first half of 1945 for any of the above additions to the list except copper and cotton linters. Provided that formal statements of such requirements or requisitions for the materials have been presented to the Board or to national supply agencies prior to April 1, 1945.

However, each country should inform the Board as soon as possible of its requisitions for these materials and of the extent to which provision has already been negotiated against their requirements.

4. Deletions. Long staple cotton, silk, asbestos other than Canadian spinning grades, mica other than certain specified sizes and qualities, D.O.T., hog bristles under three inches in length, and zinc concentrates have been deleted from the current list.

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5. Conservation. Governments will appreciate that the materials included in this list are to a varying degree in short supply, and that their use is governed in the U.S.A., U.K. and other countries by conservation orders.
6. Future Revisions of the List. It is hoped that full scale revisions of this list will not be necessary in the future. Deletions and additions will be notified to all countries in the form of amendments to this basic list.

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COMBINED RAW MATERIALS BOARDRESERVED COMMODITY LIST

Revised - April 3, 1945

<u>Commodity</u>	<u>Reserved Forms</u>
1. Animal Glue and Gelatin Materials (a) Skin Gluestock (b) Bones	Skin Gluestock and gelatin stock. Green and dry bones (glue, gelatin, or char, including hard, manufacturing bones), extracted bone stock, and bone grist.
2. Antimony	Unrefined forms <u>1</u> / ₂ ; antimony oxide, refined antimony metal and antimony alloy basic shapes and forms <u>2</u> / ₃ ; and scrap.
3. Asbestos	Canadian spinning grades only.
4. Bismuth	Unrefined forms <u>1</u> / ₂ ; refined bismuth metal and bismuth alloy basic shapes and forms <u>2</u> / ₃ ; and scrap.
5. Cadmium	Unrefined forms <u>1</u> / ₂ ; refined cadmium metal and cadmium alloy basic shapes and forms <u>2</u> / ₃ ; cadmium oxide; and scrap.
6. Casein	Lactic and rennet.
7. Chromium	Chromium ores and concentrates; chromium metal, and ferrochromium.
8. Columbium	Columbite; refined columbium, columbium alloys and compounds.
9. Copal Gum	All forms.
10. Copper	Unrefined forms <u>1</u> / ₂ ; refined copper and copper-base alloy basic shapes and forms <u>2</u> / ₃ containing 40% or more copper by weight; and scrap.
11. Copper Sulphate	All forms.
12. Cordage Fibres	Hemp, sisal, henequen, hemp (cannabis), and their manufacturers' scrap.

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| 5. Cadmium | Unrefined forms <u>1/</u> ; refined cadmium metal and cadmium alloy basic shapes and forms <u>2/</u> ; cadmium oxide; and scrap. |
| 6. Gasolin | Lactic and reamut. |
| 7. Chromium | Chromium ores and concentrates; chromium metal, and ferrochromium. |
| 8. Columbium | Columbites; refined columbium, columbium alloys and compounds. |
| 9. Copal Gum | All forms. |
| 10. Copper | Unrefined forms <u>1/</u> ; refined copper and copper-base alloy basic shapes and forms <u>2/</u> containing 40% or more copper by weight; and scrap. |
| 11. Copper Sulphate | All forms. |
| 12. Cordage Fibres | Hanila, sisal, henaguen, hemp (cannabie sativa), and their manufactures; coir yarn and its manufactures. |
| 13. Corundum (natural) | Gres (except gem grades) and concentrates; grain, flour, and other forms. |
| 14. Cotton Linters | Chemical grades. |
| 15. Hides, Skins, Leather | All types of hides and leather except sheepskin shearlings, and fur skins; all types of tanning materials. |
| 16. Hog Bristles | 3 inches and more in length. |
| 17. Jute including Urena Lobata | Fibre and butts; yarn, cloth, bags, and other jute goods. |
| 18. Kapok | Fibre. |
| 19. Lead | Unrefined forms <u>1/</u> ; refined lead metal and lead-base alloy basic forms and shapes <u>2/</u> , including solder and babbitt; and scrap. |
| 20. Lumber, Lumber Products, and Timbers (Hardwoods and Softwoods) | Logs (round and rough squared); railroad ties (awn and sawed); poles, logs and baulks for piling and bridging; mine timber (including pitprops); sawmill products; veneer and plywood. |

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CommodityReserved Forms

21. Manganese
Ores and concentrates containing 35% or more manganese; manganese metal, and ferro-manganese, silico-manganese, and speiseleisen.
22. Mica
Ruby Muscovite block, good stained and better qualities, grades 5 $\frac{1}{2}$ and larger.
- Ruby Muscovite first and second quality condenser film, grades 5 $\frac{1}{2}$ and larger.
- Muscovite bookform splittings, grades 5 $\frac{1}{2}$ and larger.
23. Nickel
Unrefined forms 1 $\frac{1}{2}$; refined nickel metal, nickel base alloy basic shapes and forms 2 $\frac{1}{2}$ (excluding nickel-iron and nickel-steel).
24. Nylon
All forms.
25. Platinum
Unrefined forms 1 $\frac{1}{2}$; refined platinum metal, (including sponge), and platinum alloy basic shapes and forms; scrap.
26. Pulpwood, Pulp, Paper and Paperboard
Pulpwood; wood pulp and other fibrous materials for paper and cellulose products; newsprint, other paper, and paperboard.
27. Pyrethrum
Flowers, extracts, powders; (DDT is not included.)
28. Pyrites
All forms.
29. Pine Resin
Cube and derris roots; powders and extracts.
30. Rotenone
Natural and synthetic rubber including latex; channel and furnace carbon black.
31. Rubber and Carbon Black

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25. Platinum
Unrefined forms 1/; refined platinum metal, (including sponge), and platinum alloy basic shapes and forms; scrap.
26. Pulpwood, Pulp, Paper and Paperboard
Pulpwood; wood pulp and other fibrous materials for paper and cellulose products; newsprint, other paper, and paperboard.
27. Pyrethrum
Flowers, extracts, powders; (DEF is not included.)
28. Pyrites
All forms.
29. Pine Resin
Cubed and derrick roots; powders and extracts.
30. Rotorone
Natural and synthetic rubber including latex; channel and furnace carbon black.
31. Rubber and Carbon Black
32. Tin
Unrefined forms 1/; refined tin and tin-base alloy basic shapes and forms 2/; and scrap.
33. Zinc
Refined zinc and zinc-base alloy basic shapes and forms 2/ (Zinc concentrates are not included.)

1/ The term "unrefined forms" is used to designate mine, concentrating mill, and smelter products, residues or waste materials, and products of other primary reduction processes. Examples are ores, concentrates, matte, speiss, tailings, blister, anodes, bullion, precipitates, blue dust, drosses, slags, skimmings.

2/ Metal and alloy "basic shapes and forms" include refinery, intermediate, and semi-fabricated shapes. Refinery and intermediate shapes of the various metals might include cathode sheets, ingots, pigs, slabs, sticks, rounds, pellets, shot, cakes, blooms, billets, wire bars and rods, et cetera. Semi-fabricated shapes include rolled, drawn and extruded forms, such as plate, sheet, strip, angles, sections, rods, bars, bare wire, pipe, tubing, structural shapes, discs; powder; foil.

COULBRED M. MATERIALS BOARD
April 3, 1945

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U.S. SECRET

BRITISH SECRET

COMBINED CHIEFS OF STAFF

MAY 1 1945
CC 1752

COMBINED CIVIL AFFAIRS COMMITTEE

COM Airgram 18, 23 April 1945, Washington, D.C.

From: CCAG

To: AC, repeated FHGEG

Subject: Transmission of CLAC(S) Papers

Ref: MOC 1, 2, 24, 37, 49

Enclosed are 15 copies of CLAC(S) 13 Revised, which is a complete statement of procedures covering procurement of civilian supplies for Italy, intended to answer all questions in reference MOC cables.

The first paragraph on page 4 should be deleted and substituted as follows:

"Payments for Italian exports will in future be made currently. There will also be transferred to the Italian Government amounts in respect of exports from Italy which have accrued up to the present time less the sterling equivalent of advances by the U.K. Government to the Italian Government for Italian diplomatic and shipping expenses in various countries. The subject of reimbursement for such advances is now under discussion between the U.S. and U.K. Governments and A.C. will be further notified in this respect.

"At November 30, 1944, the amount payable to the Italian Government in respect of exports to U.K. was approximately £ 1,700,000. A.C. will be notified in the near future as to the net amount to be transferred to the post-liberation sterling account. Thus in the future the Italian Government will know what funds will be available for rehabilitation at any particular time and they will be able to estimate their future income as contracts are placed."

Also enclosed are 15 copies of CLAC(S) 13/2, which is the memorandum from U.S. members covering procedures ex U.S. CLAC(S) 13/3, which is intended to be a memorandum from U.K. members will be forwarded to you as soon as prepared. CLAC(S) 13/1 was a memorandum from U.K. members which has been withdrawn. Will advise you later with respect to similar memorandum from Canadian members.

T. E. H. BIRLEY
Group Captain

W. M. CAMERON
Lt. Col. GSC

Combined Secretariat

15 copies - AC
6 copies - FHGEG (no enclosures)
2 copies - Cabinet Secretariat

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REASONING-OF THE ESPIONAGE ACT, U.S.C. 50; 31 and 32. THE TRANSMISSION OF REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

4005/1cc

CONFIDENTIAL

CLM 6(5) 13 Revised

April 19, 1945

MAY 1 1945
CC 1753REQUIREMENT OF CIVILIAN SUPPLIES FOR ITALYI. Procedures which affect all Civilian Supplies, Category "A" and "B".1. Definition of Civilian Supplies.

Civilian supplies for Italy are classified in two categories by the directive from the Combined Chiefs of Staff to the Commander of the Mediterranean Theater dated January 30, 1945 which implements the joint statement by the President and the Prime Minister of September 26, 1944.

Category "A" - Supplies for which the combined military authorities of U.S. and U.K. are responsible comprise the following:

a. Those quantities of food, fuel, clothing, medical, sanitary and other agreed essential supplies necessary to prevent disease and unrest prejudicial to military operations.

b. Those supplies such as fertilizer, raw materials, machinery and equipment, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph. As the time when combined military responsibility will terminate will not be known when requisitions are being prepared and considered, the importation of supplies under this sub-paragraph will not be excluded merely because the effect of such imports may not be felt during the period of combined military responsibility.

c. Those supplies necessary for the restoration of such of the Italian power systems, transportation and communication facilities which will further the military effort against Germany and Japan.

Category "B" - Consists of essential civilian supplies particularly designed for the rehabilitation of the Italian industries, in addition to those to be provided under category "A".

2. Preparation of Requirements and Integration of the two Categories of Supplies.

The integration of the two categories of supplies is absolutely necessary because of the overlapping and difficulties which will be incurred by attempting a clear-cut division. It has been found necessary that all requirements for Italy which are essential to the support and rehabilitation of the Italian economy should be drawn up at the same level because they are very closely interconnected. This procedure has therefore been accepted by the military and the civilian combined agencies as the most workable one:

a. The Allied Commission in consultation with the Italian Government will draw up all requirements, which are justifiable

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b. This joint program will be submitted to the Theater Commander for consideration and approval of items of military responsibility.

The Theater Commander is directed to add to the category of "Stage" of the G-11 in Government requirements. It is a requirement for the presence of Italy, which is under Allied Government, to be in a state of readiness to be used, even if administrative, divided, and in a state of readiness for military and economic purposes.

[illegible]

11. processing of requisition for "H" sub type del. del. del.
O. 100/10/74.
reference to category "H" sub type as per notification
del. del. del. 100/10/74.

... representing or substituting in Committee. Since the Committee concerned the representative submission to the Congressional Civil Affairs Committee in July that the representative do not shall change its jurisdiction over the reference of a resolution of the directive by the committee (the Committee to order such a submission to all, be returned to AFM, without action. They may eventually be resubmitted by AFM with stronger justification to C.C.C.) or sub-Committee as extension, "B" by C to C.C.C.). The requirement may even be moved, the originating body, either AFM or C.C.C., in the future.

The Italian requirements for entry of "supplies" are identified by the prefix "M" to CCAC(Ch. CAC(Ch) is identified by "M" requirements with the "1" attached to the number. CAC(Ch) is identified to the place of origin from 00 up to that a requisition for a larger "M" supply is filed by 0. Currently, within a town wide, only one number and not many to the happens for exterior "M" supplies.

iii. Provision of requisition for 770 S.W. 1st Street, Miami
by Gino G. G.

(References to category "NAT" and the COS 3000 shall be removed from this report.)

10. Classification of countries of the world (10 marks)

the community in connection with the
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The citation requirements for category "A" supplies are identical to category "B" supplies with the exception that the requisition must be submitted with a "1" assigned to the number. CLAC(1) assigned to a number of an order is free to up so that a requisition for category "B" supplies filed by CLAC directly will be shown under only one number and not any two if it applies for category "A" supplies.

III. Preparation of regulation for the regulated

to be a good deal of the same kind of material as the one found in the other.

(1) 1990年12月31日以前竣工并已交付使用，但尚未办理竣工决算的固定资产，应当按照账面余额和计提的折旧，转入“以前年度损益调整”科目。

2661

39^a

Combined Production and Resources Board, or through the National Supply Agencies of the various governments according as the items considered appear or not on the current Reserved Commodity List.

The F.E.A., the British members of C.I.A.C.(S), and the Commercial Counselor of the Canadian Embassy will investigate availabilities, both spot and potential, and prepare administratively a recommendation as to sources of supply for all items not on the Reserved Commodity List.

For items on the Reserved Commodity List, the procedure as outlined in CIAC(S)1/4 (Revised) will apply. Where the quantities involved are small, special clearance under a de minimis procedure by the Combined Board concerned shall be arranged.

The main purpose of these investigations is to determine in which country the materials are going to be purchased after taking into consideration production schedules, supply and shipping problems. When complete agreement is obtained, AC is so advised and procurement initiated.

2. Procurement and Financing of Supplies.

A. Procurement Responsibility.

The procurement responsibility rests with the U.S., U.K. and Canada as follows:

- U.K. Under the coordination of the Committee for Supplies to Liberated Areas (SLAO) purchases are effected, after British Treasury clearance, by the appropriate British Supply Departments.
- Canada Canadian Export Board, Department of Trade and Commerce.
- U.S. FEA has full and sole responsibility.

(Category "A" supplies are handled as follows:

- U.K. War Office
- Canada Mutual Aid Board
- U.S. War Department

In U.S. the War Department calls from time to time on the Foreign Economic Administration to procure and make available to them, against requisitions received from the Theater Commander, supplies which are considered essential civilian supplies justified by military necessity and certified as such by the War Department.)

26

B. Financing.

Category "B" supplies are to be financed entirely out of funds belonging to the Italian Government or against opening of credits by U.S., U.K. or Canadian Government:

- U.K. The Italian Government will be allowed to finance these rehabilitation supplies by drawing on its post-liberation sterling funds.

The U.K. Government proposes to pay over to the Italian Government the cash proceeds of Italian exports to the U.K. in order to provide more post-liberation sterling for this purpose.

39a

At October 30th, 1944, the amount payable to the Italian Govt. was approximately 1.7 billion pounds. This will be subject to a deduction for repayment to U.K. Government of advances for Italian diplomatic and shipping expenses in various countries, since these advances were made at the request of the Italian Government and are chargeable to Italian post liberation sterling funds. Payments for Italian exports will in future be made currently and the Italian Government will therefore know what funds will be available for rehabilitation at any particular time, and they will be able to estimate their future income as contracts are placed.

*See new
para in
covering
letter*

Canada At present only a very limited amount of funds is available. Supply of individual items will be treated on an ad hoc basis.

U.S. Dollar funds available to the Italian Government are:

1. A special deposit account with the Treasurer of the U.S. in the name of the Secretary of the Treasury, called Procurement of Civilian Supplies for Italy, 891-37, established under the policy announced by the President of the U.S. on October 10, 1944 whereby the dollars corresponding to the dollar equivalent of the lire expended by American troops in Italy out of their pay and allowances has been deposited. Such fund has been earmarked for the purpose of paying for essential civilian supplies as certified by the Foreign Economic Administration. The Treasury will make available dollar funds either to FEA or as directed by it.

The Italian Government has agreed fully to the procedure for the utilization of the troop pay account with letter of January 20, 1945 from the Minister of the Treasury to the U. S. Secretary of the Treasury. This account is set up to work automatically.

2. Proceeds of exports, remittances, etc. Other dollar funds at the disposal of the Italian Government will have to be made available on specific request of FEA and on ad hoc arrangements when troop pay dollars cannot be used.

26 (Funds for the procurement of the supplies falling into category "A" are made available as follows:

U.K. War Office.

Canada Special Appropriation.

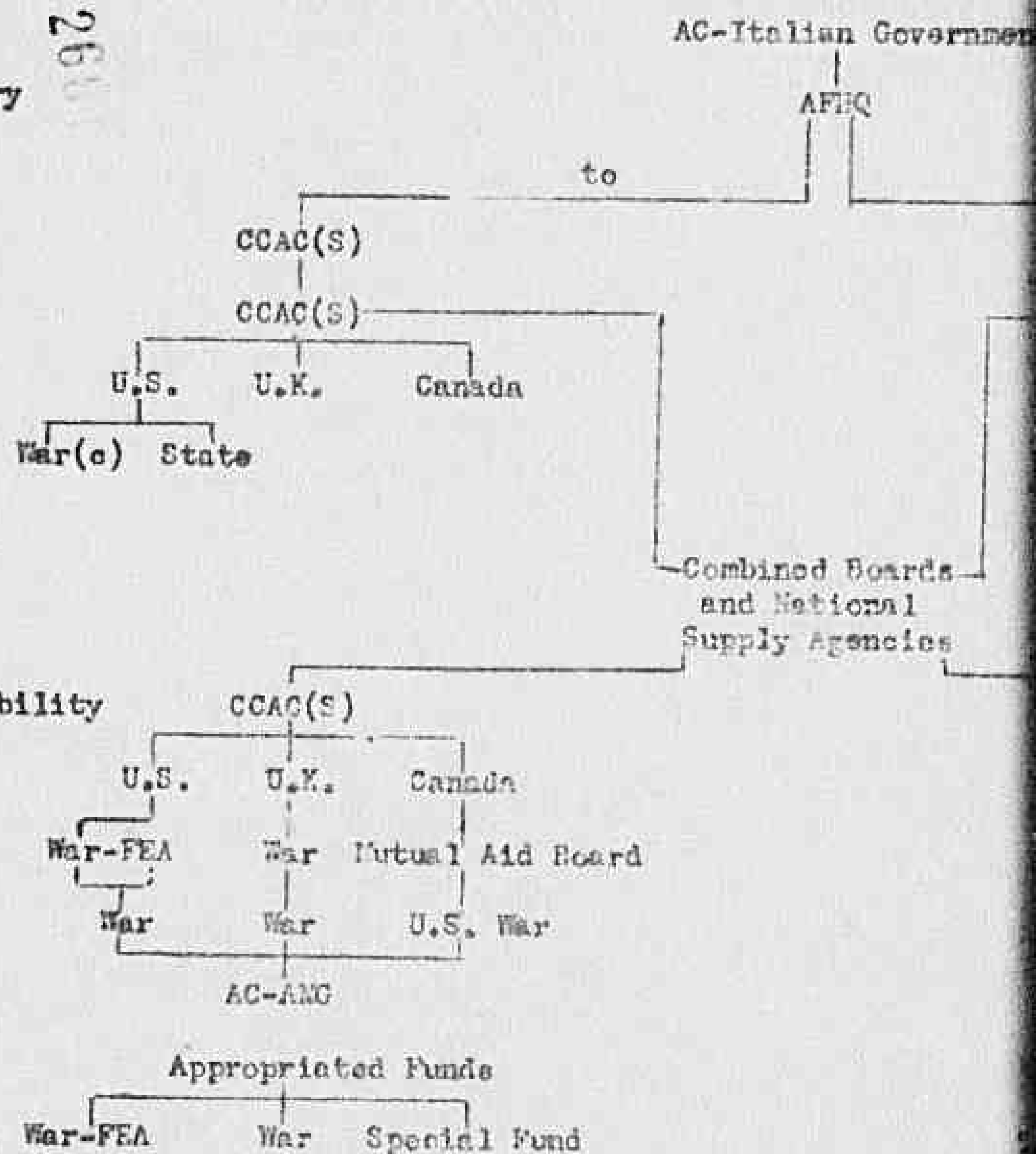
U.S. a) A special appropriated fund to the War Department for relief in liberated areas during the period of military responsibility.

b) Under arrangements between the War Department and FEA part or all of this financing will be covered by FEA funds transferred to the War Department against certification that the commodities are essential civilian supplies.) (RA-requisitions.

39a

"A"

- 26
1. Origin of Requirement
 2. Determination of "A" and "D" Category
 3. Requisition Transmitted to
 4. Validity Screening
 - Membership Countries
 - U.S. Agency Represented
 - (c) Chairman
 5. Determination of Source of Supply
 6. Confirmation of Procurement Responsibility
 7. Procurement
 8. Shipping
 9. Delivered in Italy to
 10. Financing



AD Allied Commission (Italy)

AFHQ Allied Force Headquarters in the Mediterranean

AMG Allied Military Government

CCAC(S) Combined Civil Affairs Committee (Supply Subcommittee) - Military

CLAC(S) Combined Liberated Areas Committee (Supply Subcommittee) - Civilian

ICR Istituto Commercio Estero (Italian Agency handling foreign trade)

SLAO Committee on Supplies for Liberated Areas and Occupied Territories (British)

MTT Ministry of War Transport (British)

"A"

"B"

AC-Italian Government

AFHQ

to

to AC for

CCAC(S)

CLAC(S)

CCAC(S)

CLAC(S)

U.S. U.K. Canada

U.S. U.K. Canada

State

FEA(o) Treas. State

Combined Boards
and National
Supply Agencies

CCAC(S)

CLAC(S)

U.S. U.K. Canada

U.S. U.K. Canada

FEA War Mutual Aid Board

FEA SLAO Canadian Export Bd.

War War U.S. War

WSA MWT do.

AC-ANG

ICE-It. Govt.

Appropriated Funds

Italian Funds

FEA War Special Fund

Troop pay Post-liberation Limited credit
dollar sterling fund on ad hoc
equivalent basis

Mediterranean

Supply Subcommittee) - Military
Supply Subcommittee) - Civilian
(Agency handling foreign trade)
Greece and Occupied Territories (British)

CLASSIFIED
GLAC(S) 18/2
April 19, 1945

PROCUREMENT OF CIVILIAN SUPPLIES FOR ITA

Memorandum from U.S. Members

I. Procurement Procedures, ex U.S.

FEA has full responsibility for procurement, this responsibility having been given to it by the Liberated Areas Committee of the U.S. Government when on December 7, 1944 it approved a paper called Statement of Procedures for Civilian Supplies for Italy, LAC 17/1, and later confirmed by the Italian Government.

1. Procurement Responsibility.

"In cases where the U.S. procurement responsibility has been agreed upon, FEA will then proceed with the procurement and delivery of supplies against such requests." (LAC 17/1)

2. Shipping Responsibility.

It follows from this that FEA is responsible for making all arrangements for procurement for account of the Italian Government. For the time being shipping arrangements will have to be coordinated with the military so that USA can make shipping space available to FEA. Shipping charges to be properly paid by FEA out of Italian funds.

3. Financing.

"The dollars equivalent to the net troop pay in Italian lire will be paid into an account in dollars to be established in the U.S. Treasury for the account of the Italian Government." (Account opened February 26, 1945, see above II, 2, B.)

"As soon as FEA certifies to the U.S. Treasury that either (a) FEA is procuring or has authorized the procurement of essential supplies requested by the Italian Government or (b) FEA has obtained the agreement of the Italian Government to pay out of the account for supplies procured or to be procured from U.S. sources, the Treasury will make available to FEA or as directed by it, funds to cover such procurement and incidental expenses or such agreement to pay and will automatically debit the account therefor. Appropriate adjustments will be made to the account on the basis of detailed vouchers which FEA will submit to the Treasury Department and to the Italian Government certifying the amounts and prices of the items which it has procured. Other adjustments will be made to the account as may be mutually agreed upon between FEA and the Italian Government."

203 "These funds are not to be used to pay for any goods delivered to Italy prior to the date of the opening of the account." (LAC 17/1)

A letter has been received from the Italian Government addressed to the Secretary of the Treasury which authorizes the opening of this account and "pending further advice from the Italian Government to charge this account currently with the dollar amounts certified by the Foreign Economic Administration of the United States Government to be required for the procurement of civilian supplies, approved by the Italian Government. It is understood that the amounts certified by the Foreign Economic Administration may be adjusted either on the basis of ordinary incidents of procurement or as may otherwise be mutually agreed to by the FEA and the Italian Government, and that appropriate charges or credits will be made in the account without further authorization to reflect any such adjustments."

-2-

Under agreement entered into between FEA and the Treasury Department, this latter will transfer to FEA, at FEA's request, funds prior to procurement so that these funds may be properly committed to procurement agencies.

At the present time \$100,000,000 has been deposited into this Account with Treasury, and FEA expects to make requests as the requisitions are submitted to it. An initial transfer of 10,000,000 to FEA has taken place.

II. Processing of Requisitions by FEA.

1. The European Branch of FEA has the responsibility of transforming into requisitions all the requests which have already been handled by the Foreign Economic Administration as requests of the Italian Government, certified by the Allied Commission and screened as to validity by the Combined Liberated Areas Committee (Supply Subcommittee). A great many of these requisitions are not received in perfect form and considerable work has to be done in order to obtain unequivocal specifications and see that proper allocations are being set up and eventually proper ratings are received for each procurement.

2. The procedure used by FEA for procuring of supplies for lend-lease countries is followed with slight modifications to make it adaptable to the peculiarities of the Italian program. Supplies are purchased through the Treasury Department, Procurement Division, Department of Agriculture and other procurement agencies of the U.S. Government.

The symbol YT- is used to denote procurement of Italian essential supplies and covers requisitions, commitment letters, export declarations, bills of lading, and all other pertinent documents.

3. Complete detailed accounting is kept by FEA since this procurement has to be carried out on an actual cost basis. All charges, including administrative ones, are properly debited against Italian funds and no settlement is made on the basis of estimated costs. However, a fund equal to 2% of procurement is earmarked at time of procurement for settlement of all pertinent charges.

4. Upon notification that goods are available, the European Branch of FEA will notify the Allied Commission which will make arrangements for shipping space with AFHQ. After receipt of allocation of space by AFHQ, the Shipping and Storage Branch of FEA will make proper arrangements with USA for lifting the goods which are to be delivered in Italy to the Istituto Commercio Estero (ICE), an Italian Government agency handling foreign trade. The risk of loss and damage is borne by the Italian Government at all stages of procurement.

26 All goods to be marked with customary lend-lease markings as per War Department regulations and will bear the CIAC I- number of the requisition and the YT- number of U.S. procurement.

39

SECRET

22 57218
 APR 061927D

1/7294
 APR 090845E
 ROUTINE

APHA SIGNED ALEXANDER CITE MORG
 ACTION ALL NOT AMBASSADORS INFO TO ALCOA RICE

SECRET.

This is WAR 630.

Imports into ITALY from additional countries.

1. Italian Government request permission to import following towards meeting deficiencies normal programme:

- a. 3000 tons frozen meat or corresponding quantity tinned meat, salt pork, lard etc from ARGENTINA.
- b. Up to 1000 tons anchovies from Italian owned fisheries in SPAIN.
- c. Unspecified quantity food, medicines and machinery from SWITZERLAND.

2. This raises questions:

- a. Desirability direct negotiations over import matters between Italian Govt and neutral or other countries not covered in previous signals or directives.
- b. Overall control such commodities.

3. Question of means of financing approved imports from additional countries arises. Following possibilities suggested.

- a. Utilisation of Italian balances in supplying country, subject to determination by appropriate Allied authority that such balances are not needed for higher priority purposes such as diplomatic expenses. In instance ARGENTINA,

39

[Handwritten signature]

[Handwritten mark]

4005/10

SECRET

- 2 -

(21 57118 cont'd)

for example, Italian Government purposes using blocked peso proceeds from sale Italian ships: and in instance SPAIN proposes making lire payments in ITALY to Italian owners of fish canneries in SPAIN. Does not appear likely, however, that SPAIN will agree to such obvious evasion Spanish exchange controls.

b. Where ITALY has no balances in supplying country, 2 possibilities remain:

(1) negotiation of interim memorandum account procedure with country concerned; or

(2) utilization of dollar/sterling balances to acquire the necessary third country exchange, subject to licensing by US/UK Government.

4. Request guidance for early reply to Italian Govt on above.

DIS

INFO-ACTION: Secn Sec 3
INFO: A/President
Chief Commissioner
Commerce 3/6
Finance 3/6
File 2
Float

26

34

Chap
Carm
File

ES/20.02

7 April 1945

My dear Mr. Prime Minister:

This will acknowledge receipt of your letter dated 26 March 1945, Ref. No. 265, regarding the program of essential imports for Italy.

Some delay in the approval of the program must be anticipated. In the preparation of the requisitions, information was not available as to what items are in short supply. The delegation will therefore doubtless be required to make a number of substitutions in Washington.

On the other hand, procurement of available items is to be made promptly without reference to the present shipping position. This is to be done in order that the supplies may be called forward when shipping space is available.

The program has been dispatched to Washington, and everything will be done to expedite its approval and to obtain the required shipping space. You will be kept advised of the progress made.

Yours very truly,

/s/ Ellery W. Stone
ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

His Excellency Ivanoe Bonomi
The President of the Council of Ministers
Italian Government
Rome

38

1178

785015

Tel. 716

QUARTERS ALLIED COMMISSION

706 234
ECONOMIC SECTION

JWA: low

APR 7 1142
CC FILES

Ref. 78120.02

5 April 1945

SUBJECT: Program of Essential Italian Imports
1945

TO : Chief Commissioner
Allied Commission

SEE 4005-2/CC

1. Attached is a copy of the summary of
the "Program of Essential Italian Imports 1945"
for your information and files.

2. The salient points of the Program,
which has been prepared jointly by the Italian
Inter-Ministerial Committee for Reconstruction
and the Economic Section of Allied Commission,
are described in the summary.

[Signature]
J. G. ARBON
Acting Vice President
Economic Section

Attachment
Per para 1

222 (3)

4005/CC

26.3

(37)

(Copy received for E x C)

SECRET

PA 59680
AIR 021151A

8/6647
AIR 021700A
ROUTINE

AFHQ, CINCENR, ALEXANDRIA, CITE MING

ACQIR FOR CCS FOR CCAG RELATED FOR INFORMATION TO ASAGS FOR BRITISH OFFICES
OF STAFF AND H. COMBINE WITH STORIA AND H. ALONE TONY

SECRET.

This is MAT 615.

Imports into ITALY from British territories in Mediterranean theater is subject.

1. Reference para 3 of MAT 237 and para 2 of TMS 384, further consideration is being given here to policy and procedure respecting imports into ITALY from ASGAS in Mediterranean under British administration such as MALTA and TRINOLI LARLE, with view to making fullest utilization of total theater resources.

2. Approval is requested of procedure whereby such imports would be arranged between theater and administration of areas concerned, without necessity for application to CCAG. Such imports would be in diminution of requisitions placed on CCAG, would be reported monthly, and would apply to both category A and category B requirements. An example, TRINOLI area is understood to have tuna fish in oil available for shipment to ITALY. This fish is required in ITALY and would reduce imports into theater. Similar procedure is operative to increasing measure with respect to PRINCE NORTH AFRICA and FINANC.

3. On arrival in ITALY such imports should be handled in same manner as other civilian supplies, and ultimate settlement could be effected as in instance imports

4005/CC

Imports into ITALY from British territories in Mediterranean theater is subject.

1. Reference para 3 of MAT 337 and para 2 of TAM 384, further consideration is being given here to policy and procedure respecting imports into ITALY from MEDITERRANEAN under British administration such as MALTA and TRINOLI LANIA, with view to making fullest utilization of total theater resources.

2. Approval is requested of procedure whereby such imports could be arranged between theater and administration of areas concerned, without necessity for application to CCAC. Such imports would be in diminution of requisitions placed on CCAC, would be reported monthly, and would apply to both category A and category B requirements. As example, TRINOLI area is understood to have tunny fish in oil available for shipment to ITALY. This fish is required in ITALY and would reduce imports into theater. Similar procedure is operative to increasing measure with respect to FRENCH NORTH AFRICA and FRANCE.

3. On arrival in ITALY such imports should be handled in same manner as other civilian supplies, and ultimate settlement could be effected as in instance imports from U. K.

4. A.C. has been authorized to deal directly with these areas regarding routine export matters and in our view should be similarly authorized in instance import matters.

INFO: ACTION: Commerce
INFO: A/President, Chief Com
Recd. Sec. Food S/C 2
File 2 Fleet

SECRET

36

SECRET

FX 53270

AFR 011129

D/6608

AFR 031505

PRIORITY

AFR, SIGNED ALEXANDER CITY PHOTO PHOTO FROM

AGWAR FOR CCS FOR CCAC INFO CENTRAL DISTRICT UK BASE SECTION LONDON FOR CABINET SECRETARIAT, ALCON ROSE

SECRET. (This is LAC 1086)

Para 1. July cereal requirements were given in LAC 1022 as 231000 metric tons. This figure based on 900 gram ration for whole of ITALY. Now apparent that it will be impossible to achieve such distribution in July and problems of internal transportation and port acceptance limitations will restrict imports.

Para 2. Consider July requirements is now 165000 metric tons wheat equivalent in normal form of 1 Flour ship, 20000 tons barley in lieu (?), 16000 tons wheat and balance as wheat of which 70000 tons may be bulk. Balance 66000 metric tons may be considered cancelled.

Para 3. Note that our FX 49171 of 24 March called forward 137202 long tons net for June arrival and cancelled balance of 48136 long tons net from amount originally approved

LIST

ACTION ECON SEC
INFO A/PRESIDENT
CHIEF COMMISSIONER
FOOD SC (2)
FILE (2)
FLOAT

2652

(35)

SECRET

4005/100

✓

ESTIMATED AN EXHAUSTIVE LISTED COSTS
IMPERMANENT ESTIMATIONS
IN PRICE OFFICE

1 April 1945

| <u>COMMODITY</u> | <u>PRICE IN LING</u> | <u>UNIT</u> | <u>FIXED DATE</u> |
|------------------------------|----------------------|-------------|-------------------|
| 1. <u>ANTI PAULING PAINT</u> | 89.--- | litres | 26 Feb 45 |
| 2. <u>RICE</u> | | | 10 Feb 45 |
| Sugar bags | 34.164.--- | L.Ton | |
| Brin " | 27.546.--- | L.Ton | |
| Rice " | 29.131.--- | L.Ton | |
| Flour " | 28.553.--- | L.Ton | |
| Fertilizer bags | 26.714.--- | L.Ton | |
| Chemical " | 37.340.--- | L.Ton | |
| Feed bags | 39.465.--- | L.Ton | |
| Sacks, used | 13.343.--- | L.Ton | |
| 3. <u>CEMENT BAGS</u> | | | 5 Feb 45 |
| Cloth cement bags | 15.--- | each | |
| Paper cement bags | 7.50 | each | |
| 4. <u>COAL T.R.</u> | 2.660.--- | drum | 26 Feb 45 |
| 5. <u>ESPARTO GRASS</u> | 7.--- | kilo | 6 Mar 45 |
| 6. <u>PUMP SEED</u> | 70.--- | kilo | 6 Mar 45 |
| 7. <u>HEARING</u> | | | 12 Feb 45 |
| Cured red hearing | 39.--- | kilo | |
| Ex tacked red hearing | 36.--- | kilo | |
| 8. <u>LARD</u> | 127.--- | kilo | 7 Jan 45 |
| Not less than | | | |
| 9. <u>PUPS FITTINGS</u> | | | 27 Mar 45 |
| Nipples 1 x 1 1/4 HCS-145 | 10.--- | each | |

4005/

26.711.---
37.340.---
33.445.---
19.303.---

Question
Feed bags
Sacks, used

3. CEMENT BAGS

Cloth cement bags
Paper cement bags

4. COAL OIL

5. ESPRESSO GRASS

6. HEMP SEED

7. HEMPING

Cured red herring
Ex tanked red herring

8. LARD

Not less than

9. PIPE FITTINGS

Nipples $\frac{1}{2} \times 1 \frac{1}{2}$ MGS-145
Bushings $\frac{1}{2} \times \frac{1}{2}$ MGS-145

10. PRINTER'S INK

Black
Red
Green
Blue
Brown

11. REEL-ON-REEL PARTS FOR HEAT INDUSTRIAL MACHINES

Close Top Flyers
Hackle Pins
Gill Pins

12. SAIL CLOTH, 14 OZ

34a

5 Feb 45

each
each

26 Feb 45

drum

6 Mar 45

kilo

6 Mar 45

kilo

12 Feb 45

kilo
kilo

7 Jan 45

kilo

27 Mar 45

each
each

27 Mar 45

m. Ton
m. Ton
m. Ton
m. Ton
m. Ton

23.060.---
76.592.---
58.539.---
65.072.---
38.347.---

7 Feb 45

each
1000
1000

6 meter 26 Feb 45

165.---
100.---
105.---
93.---

2005/02

Q

2651
10.

- 2 -

COMMODITYPRICE IN LIRSUNITFIXED DATE12. SCHOOL SUPPLIES

20 Feb 45

Pen points
 Erasers (rubber)
 7 1/2 x 9 1/2 paper typewriting bond
 Ink, (fluid)
 Paper, bonded white
 Printing paper
 Cover paper
 Glue (ground)
 Printing ink, black
 Ink (Offset - black)
 Blue
 Yellow
 Red

9.00
 3.00
 29.00
 4.00
 600.00
 15.00
 26.00
 15.00
 20.00
 15.00

dozen
 each
 kilo
 liter
 ream
 lb
 kilo
 kilo
 kilo
 kilo

13. Shoe thread

160.00

cone

14. SINGLING

45.00

kilo

31 Jan 45

15. WIRE ROPE

280.00

meter

6 Feb 45

3 inch wire rope
 1 inch wire rope

370.00

meter
 meter

16. ZINC PHOSPHIDE & CHRYSLITE

129.00

kilo

19 Feb 45

Zinc phosphide
 Chryslite
 " "

24,005.00
 24,545.00

Long Ton
 Metric Ton

Shoe thread

14. SINGLING

15. WIRE ROPE

1/4 inch wire rope
1/2 inch wire rope

16. ZINC PHOSPHIDE & ORYOLITE

zinc phosphide
Oryolite
" "

160.---

45.---

250.---
370.---

129.---
24,905.---
24,515.---

cone

kilo

meter
meter

kilo
Long Ton
Metric Ton

31 Jan 45

6 Feb 45

19 Feb 45

FI 59085

MAR 31 21 39A

CONFIDENTIAL

D/6565

AIR 010900A

ROUTINE

AFHQ SIGNED ALEXANDER CITY ENCSG

AGWAR WASHINGTON FOR CCS FOR CCAC REPEATED FOR INFORMATION TO CENTRAL
DISTRICT UK BASE SECTION LONDON FOR CABINET SECRETARIAT. ALCOM HOME

CONFIDENTIAL. This is LAC 1085.

Program for Italian rehabilitation 1945 is subject.

Requisitions submitted by ALLIED COMMISSION within scope of para 5 FIM (A ?)
487 have been screened by AFHQ.

With your permission propose send Col BUTTERWORTH AFHQ to WASHINGTON to
present this phase of program. Etd 7 April. Brig Gen MCKAY. Etd 31 March.
will be available in an advisory capacity, if required, in addition to other
duties.

LIST

INFO-ACTION: Econ Sec 2

INFO: A/President

Chief Commissioner

Executive Commissioner

File 2

Floet

Program for Italian rehabilitation 1945 is subject.

Requisitions submitted by ALLIED COMMISSION within scope of para 5 PTN (A ?)

457 have been screened by AFHQ.

With your permission propose send Col BUTTERWORTH AFHQ to WASHINGTON to present this phase of program. Rtd 7 April. Brig Gen MCKAY, Rtd 31 March, will be available in an advisory capacity, if required, in addition to other duties.

DIST

INFO-ACTION: Econ Sec 2

INFO: A/President

Chief Commissioner

Executive Commissioner

File 2

Float

2831

(34)

~~CONFIDENTIAL~~

ME/20.01

31 March 1945

SUBJECT: Importation of Salted Fish from
Spain to Italy.

TO : AFHQ, G-5

1. The Minister of Foreign Affairs for the Italian Government, and the Italian Food High Commissioner have been conducting negotiations on the above subject with proprietors of Spanish fishing industries who are of Italian origin but who are now residing in Spain.

2. The salted fish which it is desired to import consists of from five hundred to one thousand tons of anchovies.

3. It is proposed to make payment in lire to be utilized exclusively in Italy. No exportation of goods, or transfer of currency from Italy is contemplated.

4. Information is desired by the Italian Government as to whether the necessary wharves and port facilities at Italian ports will be granted to Spanish vessels, or in the alternative whether Allied tonnage will be allocated or the required authority be granted to utilize Italian vessels.

5. The Minister of Foreign Affairs states that the matter is urgent as the offer of the Spanish firms must be accepted promptly as all present stocks must be disposed of before the commencement of the new fishing season.

6. It is recommended that the program be approved in principle, and that the Allied Commission be authorized to advise the Italian Government to conclude arrangements with the Spanish firms, and then to submit applications for permits for specific Spanish vessels to sail and arrive at stated times.

26

1/21/45 J. W. Stone

ELLSRY W. STONE
Rear Admiral, USNR
Chief Commissioner

Approved: *[Signature]*
A. G. ANTOLINI
Acting Vice President
Economic Section

33

| ESTIMATE FMT OF SHIPPING TONNAGE SAVED BY LOCAL PROGRAMS | | | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------------|-----------|-----------|-----------|-----------|
| OCTOBER 1943 - MARCH 1945 | | | | | | | | | | | |
| and from returns submitted by Services to AFPM | | | | | | | | | | | |
| 1944 | | | | | | | | | | | |
| SEPT | OCT | NOV | DEC | JAN | FEB | MAR | JUL 43 - MAR 45 | | TOTAL | | |
| 38,698 | 35,084 | 78,936 | 14,811 | 36,364 | 15,104 | 15,556 | 426,199 | 645,911 | 235,665 | 11,893 | 911 |
| 20,862 | 10,651 | 16,638 | 19,006 | 11,964 | 29,326 | 23,192 | 172,185 | 235,665 | 15,147 | 37,006 | 559 |
| 33 | 173 | 95 | 170 | 122 | 206 | 231 | 1,733 | 911 | 91,388 | 15,147 | 37,006 |
| 7 | 11 | - | 4 | 1 | - | - | 91 | 911 | 91,388 | 15,147 | 37,006 |
| 2,676 | 7,832 | 1,086 | 16,013 | 15,130 | 15,577 | 10,883 | 79,190 | 91,388 | 15,147 | 37,006 | 559 |
| 2,443 | 3,913 | 2,517 | 2,351 | 3,101 | 1,24 | 388 | 15,147 | 15,147 | 15,147 | 37,006 | 559 |
| 6 | - | - | 13 | - | 23 | 14 | 148 | 15,147 | 15,147 | 37,006 | 559 |
| 1 | 2 | - | 7 | 11 | 2 | - | 21 | 15,147 | 15,147 | 37,006 | 559 |
| 8,791 | 5,632 | 7,089 | 6,563 | 4,521 | 3,317 | - | 50,784 | 147,988 | 147,988 | 147,988 | 147,988 |
| 52,947 | 51,559 | 60,492 | 48,493 | 67,945 | 61,652 | 78,577 | 456,250 | 811,029 | 943,332 | 30,922 | 203,569 |
| 97,710 | 54,342 | 68,221 | 65,666 | 67,356 | 64,275 | 63,061 | 527,217 | 943,332 | 943,332 | 30,922 | 203,569 |
| 2,337 | 1,812 | 2,150 | 2,407 | 2,101 | 3,599 | 1,531 | 22,487 | 30,922 | 30,922 | 30,922 | 203,569 |
| 647 | 1,590 | 1,91 | 1,808 | 8,053 | 5,809 | 12,764 | 41,009 | 203,569 | 15,875 | 18,013 | 203,569 |
| 4,250 | 2,793 | 5,090 | - | - | - | - | 15,875 | 18,013 | 15,875 | 18,013 | 203,569 |
| 1,017 | 24 | 69 | 40 | 6 | 7 | 7 | 1,411 | 5,212 | 18,013 | 18,013 | 203,569 |
| 447 | 160 | 251 | 104 | - | - | - | 1,978 | 11,717 | 18,013 | 18,013 | 203,569 |
| 192,532 | 175,488 | 245,185 | 204,366 | 221,278 | 229,621 | 235,977 | 1,552,061 | 3,180,352 | 3,180,352 | 3,180,352 | 3,180,352 |
| 1,870,437 | 2,045,925 | 2,289,110 | 2,193,476 | 2,714,754 | 2,911,375 | 3,180,352 | 1,552,061 | 3,180,352 | 3,180,352 | 3,180,352 | 3,180,352 |

ESTIMATE FMT OF SHIPPING TONNAGE SAVED BY LOCAL PROGRAMS

OCTOBER 1943 - MARCH 1945

and from returns submitted by Services to AFPM

4005/11

400

CONSOLIDATED STATEMENT OF SHIPPING TONNAGE SAVED BY LOCAL P

OCTOBER 1943 - MARCH 1945

Compiled from returns submitted by Services to AFPS

| SERVICE | TOTAL
OCT 43-JUN 44 | 1944 | | | | | | |
|-----------------------|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----|
| | | JULY | AUG | SEPT | OCT | NOV | DEC | JAN |
| <u>U.S.</u> | | | | | | | | |
| ENGINEER | 219,712 | 48,209 | 56,347 | 38,688 | 35,084 | 78,936 | 41,811 | 30 |
| QM | 63,480 | 21,540 | 16,006 | 20,862 | 10,651 | 16,638 | 19,006 | 12 |
| ORD | 10,160 | 353 | 60 | 33 | 173 | 95 | 170 | |
| MRS | 817 | 15 | 26 | 7 | 11 | - | 4 | |
| NAFSC/LTO | 12,198 | 4,577 | 4,316 | 2,676 | 7,832 | 1,086 | 16,013 | 1 |
| U.S. NAVY | -- | -- | -- | 2,113 | 3,313 | 2,587 | 2,351 | |
| B.C. | 36,588 | 275 | 57 | 6 | -- | - | 13 | |
| SURG - FBS | 535 | -- | 1 | 1 | 2 | - | 7 | |
| MISC | | | | | | | | |
| <u>FR.</u> | | | | | | | | |
| PH (FORMA) | 67,204 | 7,535 | 7,336 | 8,791 | 5,632 | 7,089 | 6,563 | |
| DEPS (Formerly
IN) | 314,779 | 34,700 | 39,975 | 52,947 | 51,559 | 60,492 | 48,403 | |
| S & T | 416,085 | 41,087 | 45,526 | 57,710 | 54,342 | 68,221 | 65,666 | |
| ORD | 8,435 | 1,858 | 4,689 | 2,337 | 1,812 | 2,150 | 2,407 | |
| EN | 162,560 | 5,679 | 4,168 | 647 | 1,590 | 1491 | 1,808 | |
| EPI | 2,138 | 475 | 3,123 | 4,250 | 2,703 | 5,090 | - | |
| HOME - WELP | 3,801 | 159 | 112 | 1,017 | 24 | 69 | 40 | |
| RAP - FBS | | | | | | | | |
| FINCH BASE | 9,769 | 523 | 523 | 417 | 160 | 251 | 104 | |
| TOTAL | 1,328,291 | 167,049 | 182,565 | 192,532 | 175,488 | 243,185 | 204,366 | 2 |
| CUMULATIVE
TOTAL | 1,328,291 | 1,495,340 | 1,677,905 | 1,870,437 | 2,045,925 | 2,289,110 | 2,493,476 | 27 |

1191

785015

4005/CC

CONSOLIDATED STATEMENT OF SHIPPING TONNAGE SAVED BY LOCAL PROCUREMENT

OCTOBER 1943 - MARCH 1945

Compiled from returns submitted by Services to AFLEPS)

| 1944 | | | | | 1945 | | | TOTAL | GRAND |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------|-----------|
| AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR | JUL 44 - MAR 45 | TOTAL |
| 56,347 | 38,638 | 35,084 | 78,936 | 41,811 | 36,364 | 45,404 | 45,356 | 426,199 | 645,941 |
| 16,006 | 20,862 | 10,651 | 16,638 | 19,006 | 14,964 | 29,326 | 23,192 | 172,185 | 235,665 |
| 60 | 33 | 173 | 85 | 170 | 422 | 206 | 231 | 1,733 | 11,895 |
| 26 | 7 | 11 | - | 4 | 4 | - | - | 94 | 911 |
| 4,316 | 2,676 | 7,832 | 1,086 | 16,013 | 16,130 | 15,577 | 10,883 | 79,190 | 91,388 |
| -- | 2,143 | 3,913 | 2,557 | 2,351 | 3,401 | 1,24 | 328 | 15,147 | 15,147 |
| 57 | 6 | -- | - | 13 | - | 23 | 44 | 448 | 37,006 |
| 1 | 1 | 2 | - | 7 | 11 | 2 | - | 24 | 559 |
| 7,336 | 8,791 | 5,632 | 7,089 | 6,563 | 4,521 | 3,317 | - | 50,784 | 117,988 |
| 39,975 | 52,947 | 51,559 | 60,492 | 48,403 | 67,945 | 61,652 | 78,577 | 496,250 | 811,029 |
| 45,526 | 57,710 | 54,342 | 68,221 | 65,666 | 67,356 | 64,275 | 63,061 | 527,247 | 943,332 |
| 4,689 | 2,337 | 1,812 | 2,150 | 2,407 | 2,104 | 3,599 | 1,531 | 22,487 | 30,922 |
| 4,163 | 647 | 1,590 | 491 | 1,808 | 3,053 | 5,809 | 12,764 | 41,009 | 203,569 |
| 3,423 | 4,250 | 2,703 | 5,090 | - | - | - | - | 15,875 | 18,013 |
| 112 | 1,017 | 24 | 69 | 40 | 6 | 7 | 7 | 1,441 | 5,242 |
| 523 | 447 | 160 | 251 | 104 | - | - | - | 1,978 | 11,747 |
| 182,565 | 192,532 | 175,493 | 243,185 | 204,366 | 221,278 | 229,621 | 235,977 | 1,952,061 | 3,180,352 |
| 1,677,905 | 1,870,437 | 2,045,925 | 2,209,110 | 2,493,476 | 2,714,754 | 2,944,375 | 3,180,352 | | |

320

cc file

ES/13.03

31 March 1945

SUBJECT: Imports to Italy from Switzerland

TO : AFHQ, G-5

1. The Interministerial Committee for Reconstruction of the Italian Government has been gathering information on the above subject. It is of the opinion that considerable food, medicines, and machinery urgently needed by the Italian people can be obtained from Switzerland at an early date.

2. Mr. Francesco La Francesca has recently been appointed Commercial Attache to the Italian Legation in Berne, Switzerland. The Committee has requested that authority be granted to Mr. La Francesca to proceed to Berne immediately so that he may conduct negotiations to obtain the desired imports from Switzerland.

3. It is recommended that the requested authority be granted.

/s/ Henry W. Stone

HENRY W. STONE
Rear Admiral, USNR
Chief Commissioner

APPROVED:

A. C. ANTUNY
Acting Vice President
Economic Section

26

32

40067/c

ES/10.01

31 March 1945

SUBJECT: Food Imports to Italy from Argentina.

TO : AFM, G-5

1. The Italian High Commissioner for Food has been conducting negotiations on the above subject with the Commercial Attache of the Argentine Republic.

2. The food commodities which it is desired to import are principally meats and fats. The meats are to be in quantities not exceeding a maximum of 2000 tons of frozen meat or in lieu thereof a corresponding quantity of the following items: bacon, ham and salt pork in wooden cases, meats in tins and lard or salted butter in barrels. The type of transport available would determine which of these commodities would be imported.

3. Payment is proposed through a credit guaranteed by an existing blocked account arising out of a past sale of Italian ships. Purchases are to be made by the High Commissioner for Food through commercial firms, the High Commissioner being responsible for distribution.

4. Information is desired by the High Commissioner as to whether the necessary Navicerts and port facilities at Italian ports will be granted to Argentine ships, or in the alternative to neutral ships hired by the Argentine exporters.

5. It is recommended that the program be approved in principle, and that the Allied Commission be authorized to advise the Italian Government to conclude arrangements with the Commercial Attache of the Argentine Republic, and then to submit applications for permits for specific vessels to sail and arrive at stated times.

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

26
cc: Mediterranean Shipping Board

APPROVED: 

E.G. ARNOLDINI
Acting Vice President
Economic Section

1194

785015

28 March 1945

TELEPHONE CALL FROM GENERAL MCKINLEY

Subject: Catalog A Tonnage

Now discovered that they are figuring tonnage as the program is submitted. We have the following figures:

Capital Goods 216,817 tons

MRO (Operating and
Expendable Supplies) . 1,023,476 tons

The difficulty is that we cannot tell over how many months this tonnage may be spread.

J. LANNIN

28

4003/c-

Translation

The President of the Council of Ministers
M.205

Chiffon
MAR 29 1945
CC 820

Rome, 26 March 1945

My dear Admiral,

In occasion of the transmission to Washington of the program of essential imports for Italy, I feel I must express to you and to your collaborators in A.C. the gratitude of the Italian Government for the help and cooperation which you gave and go on giving to the efforts for the economic reconstruction of our country.

I don't need to tell you again, my dear Admiral, that the program which is to be transmitted to Washington represents the minimum of the imports which were acknowledged by A.C. to be indispensable for 1945, for what concerns liberated Italy, and that if the goods could not be shipped in time, there would be none of the advantages expected from a first re-organization of Italy's economy.

The Italian Government appreciates the goodwill shown since the last autumn by the Allies in seeing for the expected shipping to take place without delay, and is conscious of the obstacles which cropped up with the development of the military situation, because of tonnage shortage, and because of the market being overcrowded. It must however point out that further considerable delays might have dangerous consequences on the Italian financial situation. As you well know, our Government is taking direct action, by means of a series of regulations, among which, the loan which has been announced, to defend the currency and prevent perturbing phenomena, which might bring about a collapse, and require for the transfer of economic order in Italy far greater help than that which the Allies destined to us with far-sighted wisdom.

Should the Italian public get the impression that the arrival of the goods expected for the first months of this year, and then postponed and impatiently expected in May or June, is to be again delayed, the effect might be bad for the results of the loan and for the effectiveness of other regulations for the defence of the currency.

All this induced the Italian Government to ask the Allies for part at least of the imports agreed to to take place no later than May and June. A precise announcement and an assurance in this sense would do good to the spirit of trust which is indispensable to the Italian public, which is very justly giving to the first aid of the Allies a decisive value for the whole reorganization of the national economy.

Admiral Henry A. Stone
Chief Commissioner
Allied Commission

ROME

4005/100

38

A/O

29

The first aid program was regulated according to an order of priority established in agreement with the Allies. It would be enough to guarantee the prompt shipping of the first lots of goods at least, to avoid the inconveniences which I had to point out to you.

I trust in your great comprehension for our requirements, and in the high authority with which you will know how to help us, and I remain,

Truly yours,

S. I. Bonomi

n.o.



EC DIST - 29 Mar 45

ACTION: ECON SEC (2)

INFO: CHIEF COMMR —

: EXEC COMMR

29a

CONFIDENTIAL

EX 49171
MAR 24/1829

19/3978
MAR 25/1130
ROUTINE

AFHQ SIGNED MINA INNY CLTS: NAQMO

PENBARK, INFO: AGSTAR WASHINGTON FOR ASZ, ALCOM.

CONFIDENTIAL.

June subsistence requirements for ITALY, reference paragraph 2 CAL 1199.

Subsistence allocated for US procurement in reference cable are called forward in quantities indicated below by ports. All weights long tons net.

| COMMODITY | MITZ | HUNG | TOMB | BOWL | TOTAL |
|--------------------|--------|-------|-------|------|--------|
| Wheat, bagged | 29526 | 13779 | 27957 | Nil | 71262 |
| Wheat, bulk | 33463 | 16731 | 7873 | 7873 | 65940 |
| Flour | 8500 | Nil | Nil | Nil | 8500 |
| Soup, dehydrated | 5136 | 984 | Nil | Nil | 6120 |
| Sugar | 2541 | 787 | 787 | 246 | 4361 |
| Milk, Dry, skinned | 1933 | 688 | Nil | Nil | 2621 |
| Dry vegetables | 7241 | 4920 | Nil | Nil | 12161 |
| Dry eggs | 531 | Nil | Nil | Nil | 531 |
| Total | 88891 | 37889 | 31617 | 8119 | 171546 |
| Measurement tons | 121635 | 50714 | 49722 | 9801 | 231872 |

Ship in periods "I" and "J". Use standard TONMARKINGS.

This is requisition OM-TOG-SHIP-V 77 and applies to program Quartermaster Section-WT USA (ITALY), Part 1 - 31, Page 1 reduction in total quantity wheat from that approved in cited program caused by limited port acceptance. Difference of 48136 long tons net wheat may be

26

called forward in quantities indicated below by ports. All weights are long tons net.

| COMMODITY | ALICE | HUNG | TONG | BOWL | TOTAL |
|--------------------|--------|-------|-------|------|--------|
| Wheat, bagged | 29526 | 13779 | 27957 | NIL | 74262 |
| Wheat, bulk | 33463 | 15731 | 7873 | 7873 | 65940 |
| Flour | 8500 | NIL | NIL | NIL | 8500 |
| Soup, dehydrated | 2136 | 964 | NIL | NIL | 6120 |
| Sugar | 2941 | 787 | 787 | 246 | 4361 |
| Milk, Dry, skinned | 1911 | 688 | NIL | NIL | 2621 |
| Dry vegetables | 7241 | 4920 | NIL | NIL | 12161 |
| Dry eggs | 231 | NIL | NIL | NIL | 551 |
| Total | 88891 | 37889 | 31617 | 8119 | 171316 |
| Measurement tons | 121635 | 50714 | 49722 | 9801 | 231872 |

Ship in periods "I" and "J". Use standard TOG markings.

This is requisition 2K-TOG-SHP-V 77 and applies to program Quartermaster Section-MT USA (ITALY), Part 1 - 31, Page 1 reduction in total quantity wheat from that approved in cited program caused by limited port acceptance. Difference of 48136 long tons net wheat may be considered cancelled from amount approved in program.

26

INFO ACTION ECHO SMC

INFO A/PRESIDENT

CHIEF COMMISSIONER

FOOD S/O 2

WILE 2

FLOAT

CONFIDENTIAL

29

SECRET

D/15878
MARCH 24/0830
ROUTINE

FX 48713
MARCH 23/2031

MTUSA SIGNED MCNARNEY CITY, MAGAO

ACTION: PMSBARK INFO: AGUAR FOR AEF, ALCOM

SECRET.

Finished garments for ITALY is subject reference GAY 201 and CAL 1205.

The following finished garments are cabled forward for ITALY from those

limited in GAY 201 as being available:

| ITEM NUMBER | ITEM | UNIT | APPROX. QUANTITY |
|-------------|---------------------------|---------|------------------|
| 1 | Mens overcoats | 450,000 | 2,700,000 |
| 2 | Mens topcoats | 150,000 | 525,000 |
| 3 | Mens jackets | 410,000 | 820,000 |
| 4 | Mens trousers | 10,000 | 20,000 |
| 5 | Womens overcoats | 790,000 | 2,765,000 |
| 6 | Womens jackets and skirts | 430,000 | 860,000 |
| 7 | Childrens overcoats | 430,000 | 1,290,000 |
| 8 | Childrens wool dresses | 65,000 | 65,000 |

41005/10

SECRET.

Finished garments for ITALY is subject reference GAY 201 and GAY 1205.

The following finished garments are cabled forward for ITALY from those listed in GAY 201 as being available:

4005/10

| <u>ITEM NUMBER</u> | <u>ITEM</u> | <u>UNIT</u> | <u>APPROX QUANTITY</u> |
|--------------------|---------------------------------|-------------|------------------------|
| 1 | Mens overcoats | 150,000 | 2,700,000 |
| 2 | Mens topcoats | 150,000 | 525,000 |
| 3 | Mens jackets | 410,000 | 820,000 |
| 4 | Mens trousers | 10,000 | 20,000 |
| 5 | Womens overcoats | 790,000 | 2,765,000 |
| 6 | Womens jackets and skirts | 430,000 | 860,000 |
| 7 | Childrens overcoats | 430,000 | 1,290,000 |
| 8 | Childrens wool dresses | 65,000 | 65,000 |
| 9 | Childrens boys jackets | 200,000 | 320,000 |
| 26 | Childrens trousers and knickers | 65,000 | 97,500 |

Total approximate pounds 9462500.

Total measurement tons estimated at 20,000MT.

Request shipment of above listed garments to ITALY with consignment to Commerce Sub Commission, ALCOM. Ship one third of quantities in shipping

28

SECRET

CONTINUATION PAGE 2

PA 48713

period G; one third in shipping period H; and one third in shipping period J.

This requisition QA-100-3HP-V74. Military clothing must be dyed before shipment. Cargo to carry standard 100 markings with green dots on white tape.

Balance of finished garments available under CAY 201 will be required later for AUSTRIA

DIST

INFO-ACTION : COMMERCE SC

INFO : A/PRESIDENT
CHIEF COMMISSIONER
ECOM SEC
REQUISITION DIV
FILE (2)
FLOAG

2647

1201

This requisition QM-100-SHP-V74, Military clothing must be dyed before shipment. Cargo to carry standard 100 markings with green dots on white tape. Balance of finished garments available under GAY 201 will be required later for AUSTRIA

LIST

INFO-ACTION : COMMERCE EC

INFO : A/PRESIDENT
CHIEF COMMISSIONER
ECON SEC
REQUISITION DIV
FILE (2)
FLORE

~~SECRET~~

ES file

Tel. 847

HEADQUARTERS ALLIED COMMISSION
APO 234
ECONOMIC SECTION

EC:lrw

Ref. #12002

16 March 1945

SUBJECT: Program of Essential Italian Imports 1945.

TO : Chief Commissioner

THROUGH: Executive Commissioner

1. In preparing the documents which will serve to introduce the "Program of Essential Italian Imports 1945" to Washington and London, we believe it would be most important to have a general covering letter to CCAC and CIAC, signed jointly by the Prime Minister and yourself.

2. There are several matters on which it is particularly important to have an official record, approved by the Italian Government and the Allied Commission.

3. A draft of this proposed letter is attached for your consideration.

4. We have discussed the letter in a preliminary way with the Intergovernmental Committee for Reconstruction and have left with Minister Ruini a draft, Italian translation, of the attachment. Before we can go further with it, may we have your reaction to this draft?

A. G. ANTOLINI
Acting Vice President
Economic Section

264

Attachment:
Draft letter

Copies to: Finance S/C (Attn. John Lawler)
General McKinley
Sup. & Res. Div.
Exec Dir Econ Sec

27

A

DRAFT - 15/2/45

Rome,

March 1945

SUBJECT: Program of Essential Italian Imports - 1945

TO : Combined Civil Affairs Committee (Combined
Chief of Staff); and
Combined Liberated Areas Committee,
Washington, D. C.

1. We transmit herewith for your consideration the
Program of Essential Italian Imports - 1945.

2. This Program has been prepared jointly by the
Italian Government and the Allied Commission. It represents
the fruit of some three months of concentrated work on the
part of the Inter-Ministerial Committee for Reconstruction
on the Italian Government side, and the Economic Section and
its Sub-Committees on the Allied Commission side.

3. All of the items and quantities included in this
Program are considered to be necessary for the functioning
of a stable and productive Italian economy. However, after
the program as a whole was submitted to the Allied Commission
by the Italian Government, the Commission in cooperation with
Allied Force Headquarters divided the program into two parts:

(a) that part which should properly be the res-
ponsibility of the Military Authorities to supply (Category A),
and

(b) that part which should properly be financed
from foreign exchange assets available to the Italian Govern-
ment (Category B).

4. That part of the Program which has been placed in
Category B is accepted by the Italian Government as a proper
charge upon its funds. With respect to that portion of the
Category B program which is allocated to be supplied from
the United States, therefore, the Italian Government authorizes
payment out of the fund established pursuant to the letter
addressed by the Italian Minister for the Treasury to the
U.S. Secretary of the Treasury on 20 January 1945, or such
other Italian Government funds as may be or become available
for the purpose of procuring essential supplies for Italy.

126
951/441

(27) 10/44

- 5 -

5. In addition to the part of the program placed in Category B on the basis of determinations made by Allied Commission and Allied Force Headquarters, it is possible that some segments of the Category A program will not be accepted by the appropriate military authorities as Category A and will therefore automatically become Category B. In any case where this may happen, the Italian Government accepts the financial responsibility for the items involved, and wishes them to be considered as of a higher order of priority than the remainder of the Category B program.

6. The Italian Government recognizes that the submission and consideration of this Program does not constitute in any way a commitment by the Allied Nations as to shipping or supplies. Because of the fact that all the resources of the United Nations are devoted to war, it is recognized that even after a program is approved for procurement under Category "A", they will have to be procured in congested markets with resultant possible delays in actual deliveries. Approval of individual items or programs as falling in Category "A" does not therefore constitute a firm obligation or commitment on the part of the United Nations to deliver the supplies in question. In effect, such approval sets up, with respect to procurement of supplies for Italy, target figures which are valid until the programs are restudied and revised in the light of changing information.

7. It is understood that the submission of this program to the Allied Governments does not limit the possibility of reopening trade, in appropriate commodities and under appropriate financial arrangements, between Italy and countries other than the United States and members of the British Commonwealth of Nations.

8. This is the first time since the fall of Fascism that a complete supply program has been prepared by the Italian Government for Italy. It is hoped that the fact of splitting this program into Category A and Category B does not obscure the basic unity of the Program as a whole. The needs are urgent; the Italian Government and the Allied Commission stand ready to do anything necessary to expedite the consideration, approval and implementation of the Program.

Ivanoe Bonomi
The President of the Council
of Ministers
Prime Minister, Secretary of
State of the Kingdom of Italy.

Ellery W. Stone
Rear Admiral, USNR
Chief Commissioner
Allied Commission

26

(27)

MCH

FOR ACTION AGREE FOR COS FOR CCAC RPTD FOR INFO AFHQ
FOR FTHSG CMA UK BASE FOR CABINET SECRETARIES AND TROOPERS

3485

13 March 1945

ROUTINE

RESTRICTED PD

THIS IS MOC SEVEN SIX PD

PARA ONE PD SUBJECT IS PROGRAM OF ESSENTIAL ITALIAN IMPORTS

CMA ONE NINE FOUR FIVE PD

APRIL TO FOR ACTION AGREE FOR COS FOR CCAC RPTD FOR INFO AFHQ
FOR FTHSG RPTD FOR INFO UK BASE FOR CABINET SECRETARIES AND
TROOPERS FROM HQ ALCON CITE AFHQ PAPER

PARA TWO PD FOR YOUR INFORMATION THE FOLLOWING IS A STATUS
REPORT ON THE LATEST PROGRESS OF ESSENTIAL ITALIAN IMPORTS CMA
ONE NINE FOUR FIVE UNQUOTE PD THE NEW ITALIAN SUPPLY PROGRAM
SHOULD BE FINISHED BY SIXTEEN MARCH PD AS A RESULT OF CONFERENCE
WITH COLONEL BUTTERWORTH CMA LIEUTENANT COLONEL PALMER AND
GENERAL. HENDLEY CMA IT HAS BEEN DIVIDED INTO CATEGORY ABLA
PAPER MILITARY RESPONSIBILITY PAPER AND CATEGORY BAKER PAPER
CIVILIAN PROGRAM FOR WHICH ITALIAN FUNDS WILL BE USED PAPER PD

26 PARA THREE PD THE CATEGORY ABLA PORTION OF THE PROGRAM IS BEING
SENT TO AFHQ GEORGE BASH FIVE IN SEGMENTS DURING THIS WEEK IN

ECONOMIC SECTION

267

NICHOLAS PIERBINO
CRO, USA
Asst. Adjutant

49005/100

Ref. 3485

- 2 -

FORM OF STANDARD ALCON REQUISITIONS PD IT IS ASSUMED THAT XXXXX
 EVERY EFFORT WILL BE MADE TO SECURE RAPID CLEARANCE OF THIS
 PORTION OF THE PROGRAM PD CATEGORY AILE PORTION WILL REACH
 WASHINGTON IN THE FORM OF LAC AIRCRAFT PD

PAGE FOUR PD MISSION TO WASHINGTON TO PRESENT AND EXPLAIN
 THIS PROGRAM WILL CONSIST OF THE FOLLOWING PEOPLE COLON PAREN
 AILE PAREN FOR H. ALCON COLON HARLAN CLEVELAND CMA EXECUTIVE
 DIRECTOR ECONOMIC SECTION TWELVE MISTER WILLIAM SUGAR VAUGHAN
 CMA DIRECTOR INDUSTRY SUBCOMMISSION TWELVE AND MAJOR JAMES HICK
 XXXXXX MERRITT CMA AGRICULTURE SUBCOMMISSION PD MISTER
 MERRITT TAYLOR CMA DIRECTOR TRANSPORTATION SUBCOMMISSION CMA WHO
 IS PROCEEDING TO LONDON AND WASHINGTON IN THE NEXT FEW DAYS
 ON TEMPORARY DUTY WILL ALSO BE AVAILABLE FOR CONSULTATION IN
 WASHINGTON ON TRANSPORTATION SECTION OF PROGRAM PD PAREN BAKER
 PAREN FOR THE ITALIAN GOVERNMENT COLON THREE OFFICIALS HAVE BEEN
 NOMINATED AND ARE REPRESENTING THE ITALIAN GOVERNMENT TO ADVISE
 AND ASSIST IN PRESENTING THE PROGRAM AND TO DETERMINE PRIORITIES
 AMONG THE SEVERAL CATEGORY BAKER PROGRAMS PD THEIR NAMES ARE
 COLON PROY PASQUALE SARACENO CMA ING CESARE SACCHETTI CMA
 AND ING ENRICO BELLINI PD

20- PAGE FIVE PD PRESENT SCHEDULE IS FOR CLEVELAND TO LEAVE SOMETIME
 AFTER SIXTEEN MARCH CMA TRAVEL WITH HIM PAREN AILE PAREN AN
 OVERALL EXPLANATION OF THE PROGRAM PD PAREN BAKER PAREN THE
 CATEGORY BAKER PORTION OF THE PROGRAM CMA IN THE FORM OF A
 SERIES OF SOC AIRCRAFT PD PAREN CHARLIE PAREN THE ALCON CATEGORY

No

Ref. 3485

- 3 -

ABLE REQUISITIONS AS THEY REACHED AFHQ PAREN FOR REFERENCE
PURPOSES ONLY PAREN PD PAREN HQ PAREN THE PRINTED GIVE FIVE
FOUR FOUR CENSUS FIGURES FOR LIBERATED ITALY PD PAREN EASY
PAREN A NUMBER OF SPECIAL PAPERS ON IMPORT CMA EXPORT AND
TRADE PROBLEMS REQUIRING FURTHER CLARIFICATION IN WASHINGTON
WITH COMBINED CIVIL AFFAIRS COMMITTEE OR COMBINED LIBERATED
AREAS COMMITTEE PD

PARA SIX PD AS SOON AS AFHQ HAS CLEARED THE CATEGORY ABLE
PORTION OF THE PROGRAM CMA MISTER VAUGHAN CMA MAJOR MERRITT
AND THE ITALIAN REPRESENTATIVE WILL PROCEED TO WASHINGTON PD
BY THAT TIME ALL OF THE PROGRAM SHOULD BE IN WASHINGTON EITHER
IN THE FORM OF LAC AIRGRAMS OR IN THE FORM OF HQC AIRGRAMS PD
PARA SEVEN PD EXPECTED DURATION OF MISSION AFTER ARRIVAL IS
APPROXIMATELY FOUR TO FIVE WEEKS PD

END

26

26

SECRET

WDGMC SVC 13938
MAR 092134A

D/4633
MAR 100700A
PRIORITY

CCS CITE CCAC

ACTION ALLIED COMMISSION, INFO AFHQ FOR RHQEO AND UK BASE SECTION FOR
CABINET SECRETARIAT, HAS BEEN REPEATED TO ALL ADDRESSEES

SECRET.

Rear 3179 MOC 69. Already we have sent you COM 31 and have time of delivery
of 130908Z February now repeating WARS 38595 COM 34. Refer FAN 487, MOC 27, LAC 1008.

Requisitions referred be CCAC to CLAC. Refer to FAN 487.

1. Have thoroughly surveyed requisitions which Combined Liberated Area Committee
formerly received from ALLIED FORCE HEADQUARTERS and which were turned over to
Combined Liberated Areas Committee CCAC. Although MOC 27 stated Government of ITALY
had approved requisition MGS-214, which is CLAC (S) I-8, it is our opinion that this
requisition should be withdrawn in its present form and again presented to ALLIED
FORCE HEADQUARTERS as an entirely new requisition. Similar procedure should be
followed in connection with the outstanding remainder of requisition MGS-216, CLAC
(S) I-5 for 20,000 RM. Combined Liberated Areas Committee (Supply) has not acted
on 2 above orders up to the present time.

2. MOC 20 cancels CLAC-I-7. There is no further action necessary on CLAC (S)
I-1 and I-6.

3. Since CLAC requisitions 2, 3, and 4, action on which is still incomplete,
26 already reached the point where acquisition of supplies had begun, they will be
handled in the usual CLAC (S) manner. This should not, however, be regarded as

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- 2 -

(WDGMC SVC 13998 continued)

the procedure to be followed in obtaining materials of similar type by civilian agencies to whom responsibility has been assigned, since the directive in FAN 487 now applies.

LIST

ACTION: Econ Sec 5
INFO: A/President
Chief Commissioner
File 2
Float

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SECRETFX 39425
MAR 071940AD/4439
MAR 080700A
ROUTINE

AFTER SIGNED ALEXANDER CITE FIGER
AGWAR FOR CCS FOR CCAC REPEATED FOR INFORMATION TO AMSSO FOR BRITISH CHIEFS
OF STAFF AND HQ COMZONE MAIN ETOUSA AND HQ ALCOM ROME

SECRET.

Refer TAM 473 of 26 February this MAT 575. Civilian supplies and collection of proceeds of sales is subject.

1. ALLIED COMMISSION replies as follows to queries in your para 1.

a. Schedules of outstanding debts are submitted to Italian Government which signs receipt in following form:

"The debts in the aforementioned schedule are in respect of goods imported into ITALY on behalf of the Italian Government by the Allied nations and sold by the ALLIED COMMISSION and ALLIED MILITARY GOVERNMENT."

b. Contrary to original expectation, it has been found possible to prepare for Italian Government lists relating to each debtor, reconstructing his account AB INITIO showing details of each issue voucher and amounts paid or credited. Copy of issue vouchers are attached to each list. Consequently procedure in effect constitutes extension of present procedure of turning over imported supplies against receiving report, since each issue voucher is in itself a receiving report from customer which is taken over by Italian Government.

2532 c. Proceeds collected are to be retained by Italian Government in accordance procedure outlined in para 5 of MAT 411.

d. This procedure will ordinarily not apply to future items because these

SECRET

- 2 -

(FX 39425 continued)

SECRET

are turned over to agents of Italian Government against receiving report only.

e. Amount of uncollected debts to be turned over is approximately 1½ billion Lire, as compared with approximately 6 billion 350 million Lire already collected and held by AFA.

2. Italian Government has agreed to A.C. proposal, and unpaid accounts totalling about 800 million Lire have already been turned over to and fully receipted by Italian Government.

DIST

INFO-ACTION: Finance S/C
INFO: A/President
Chief Commissioner
Leon Sec
File 2
Flout

2631

(24)

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Q

SECRET

MAR 2 1945

HEADQUARTERS ALLIED COMMISSION

APO 334

Office of the Executive Commissioner.

+++++

Ref: 4805/52/22.1 March 1945.

SUBJECT: Food Imports.

TO : Allied Forces Headquarters.
Attn: G-5 Section.

JLW

1. During discussions with Heads of various Sub-Commissions last month, the Acting President was struck by representations made to him by the Director of the Food Sub-Commission on the lack of firmness in the programme of deliveries of food. He instanced the irregular arrivals and delays in berthing and discharging of ships, and the discrepancies between planned shipments and actual arrivals.
2. The Acting President realises that these facts have been brought to your notice and that you are in complete sympathy with the views of this Commission. These were represented to you in my letter 4807/73/008 of 12 December 1944. I feel, therefore, you would be interested to have further examples of this uncertainty and irregularities and I therefore send you the attached memorandum by Colonel Legg. Two months to discharge a sugar ship; six weeks to move and discharge a meat ship; it seems a long time even when one takes into consideration the congestion at the ports. It not only holds up the distribution of food in a hungry country but it seems a most appalling waste of shipping.

For the Chief Commissioner.

M. S. LUSH

4005-100

A
File

firmness in the program of deliveries of food. He mentioned the irregular arrivals and delays in berthing and discharging of ships, and the discrepancies between planned shipments and actual arrivals.

2. The Acting President realizes that these facts have been brought to your notice and that you are in complete sympathy with the views of this Commission. These were represented to you in my letter 4307/72/003 of 12 December 1964. I feel, therefore, you would be interested to have further examples of this uncertainty and irregularities and I therefore send you the attached memorandum by Colonel Legg. Two months to discharge a sugar ship; six weeks to move and discharge a meat ship; it seems a long time even when one takes into consideration the congestion at the ports. It not only holds up the distribution of food in a hungry country but it seems a most appalling waste of shipping.

For the Chief Commissioner.

M. S. LUSH

Prigadier,
Executive Commissioner.

263
18/1/70.

Copy to: Acting President
Chief Commissioner
Economic Section
Food Sub-Com
File
Float

23

24th February 1945

20
 AIDE MEMOIRE FOR COMMUNICATION TO THE
 ITALIAN GOVERNMENT BY THE ACTING PRESIDENT
 OF THE COMMISSION OF THE NEW DIRECTIVE
 ON THE FUNCTIONS OF THE ALLIED COMMISSION ----

EXTRACT:

13. In the joint programme of essential Italian imports, now being prepared by the Inter-Ministerial Committee for Reconstruction and the Economic Section of this Commission, there will be some supplies for which the combined United States-United Kingdom military authorities will assume responsibility for procurement (Category "A") and other supplies for which they will not assume responsibility (Category "B"). A definition of the supplies which fall into Category "A" follows:
- (a) Those quantities of agreed essential supplies necessary to prevent disease and unrest prejudicial to military operations, such as, food, fuel, clothing, medical and sanitary supplies.
 - (b) Those supplies, the importation of which will reduce military requirements for the import of

4009

4005/CL

combined United States-United Kingdom military authorities will assume responsibility for procurement (Category "A") and other supplies for which they will not assume

responsibility (Category "B"). A definition of the supplies which fall into Category "A" follows:

(a) Those quantities of aerial essential supplies necessary to prevent disease and insect prejudicial to military operations, such as, food, fuel, clothing, medical and sanitary supplies.

(b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph, such as,

fertilizer, raw materials, machinery and equipment.

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(c) Those materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will directly further the Allied military effort.

D. The programme for which the military authorities assume responsibility will be maintained for the duration.

22a

P.T.O.

of combined (United States-United Kingdom) operations in Italy. For this period, and within the limits defined in paragraph 13, Italy will be treated as a whole. The date of the termination of military responsibility will be fixed by the Allied Nations.

19. Nothing contained in the above should be taken as constituting a commitment by the Allied Nations with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping as may be allocated from time to time by the Allied Nations.

Chief Commissioner

FEB 24 1945

HEADQUARTERS ALLIED COMMISSION
APG 304

Ref. LS/13.03

26 February 1945

EXECUTIVE MEMORANDUM

NUMBER

2

HANDLING OF IMPORTED SUPPLIES BY ISTITUTO NAZIONALES
PER IL COMMERCIO ESTERO (ICL)

1. The Italian Government has announced its intention of appointing by decree (at present in process of issuance) the Istituto Nazionale per il Commercio Estero, known as ICL, to receive, handle and account for all imported supplies with the exception of foodstuffs, medical supplies, coal and oil, and agricultural supplies normally warehoused and distributed by the Federazione del Consorzio Agrari or its agents.
2. The procedure for the handling of these imports (hereinafter called miscellaneous supplies) through ICL is set out in the attached appendix "a", but the general principles to be observed by all Sub-Commissions may be summarized as follows:
3. Sub-Commissions should agree their distribution program with the relative Italian Ministries at the time the goods are requisitioned. When notification is received that the goods are expected, the Italian Ministry concerned and not the Sub-Commission or Regional Division should give the necessary dispersal instructions to ICL.
4. ICL will be responsible for checking the goods off the ship (except in ports where for military reasons they are excluded, in which cases they will have to take delivery from AG/AGS warehouses). ICL will deliver the goods according to the instructions to be given to them by the interested Italian Ministry, will fix the sale price (in conjunction with the Ministry) and will collect the sale proceeds from the customer. They will account to the Ministry of the Treasury for such proceeds and will submit to the Chief accountant as such receiving reports and other accounts as may be required by him.

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X -

exception of foodstuffs, medical supplies, coal and iron, and cultural supplies normally warehoused and distributed by the Federazione del Conestri Agrari or its agents.

2. The procedure for the handling of these imports (hereinafter called miscellaneous supplies) through ICB is set out in the attached appendix "A", but the general principles to be observed by all Sub-Commissions may be summarized as follows:

3. Sub-Commissions should agree their distribution program with the relative Italian Ministries at the time the goods are requisitioned. When notification is received that the goods are expected, the Italian Ministry concerned and not the AD Sub-Commission or Regional Division should give the necessary disposal instructions to ICB.

4. ICB will be responsible for checking the goods off the ship (except in ports where for military reasons they are excluded, in which cases they will have to take delivery from AC/AMC warehouses). ICB will deliver the goods according to the instructions to be given to them by the interested Italian Ministry, will fix the sale price (in conjunction with the Ministry) and will collect the sale proceeds from the customer. They will account to the Ministry of the Treasury for such proceeds and submit to the Chief accountant AC such receiving reports and their accounts as may be required by him.

5. Apart from future imports of miscellaneous supplies to be received by ICB direct from shipside there are already quantities of goods of the category covered by this Executive Memorandum in AC/AMC warehouses. These will be distributed by ICB in the same way as goods to be received by ICB. The procedure (as set out in appendix "A") will of necessity differ slightly, but the main principles will remain the same and disposal instructions should be given to ICB by the interested Italian Ministry.

6. In the early stages of ICB's operations it is appreciated that emergencies may arise whereby delivery of imported supplies covered by this Executive Memorandum may sometimes require to be made by AC/AMC themselves either from shipside or warehouse instead of by ICB. In such cases ICB will be responsible for billing the customer and collecting the proceeds of sale, although delivery was made by AC/AMC. In order that ICB may be in a position to do this, the Sub-Commission making the delivery must notify them. The procedure for doing this is laid down in the attached Appendix "A".

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(X-32/11) of 15

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7. As explained in Appendix "A" notification to ICE and to Italian Ministries of expected arrival of supplies and authority to ICE to accept same from shipside or AC/ALG warehouse will always be given by the relative Section or Sub-Commission of the same standard firm, specimen of which is attached as Appendix "B".

8. The procedure as set out in this Executive Memorandum and attached Appendices will come into force at once. Insofar as Appendix "A" mentions particular AC officers now serving in the South, it will have to be adapted when withdrawal from the South takes place. It is intended to print a supply of the form shown as Appendix "B"; until this is done, Sub-Commissions and other Divisions concerned should use typewritten forms drawn up to contain the same information.

W. J. L. L.
 W.S. LUSH,
 Brigadier,
 Executive Commissioner.

DISTRIBUTION

List "A" - Group 1 & 2.
 A.F.H.Q., G-5 Section (30 copies)
 Chief accountant (20 extra copies)

14. ICB will submit to the Supply and Resources Division a statement as to the end of each month showing the quantities of each type of merchandise warehoused by them pending receipt of dispatch instructions; the Supply and Resources Division will in turn notify the interested Sub-Commissions.

15. ICB may take delivery from AC/MS of releases (a) of goods which were already in the warehouse prior to their taking over the supply and distribution of imports, (b) where for any reason ICB representative firms are not allowed in the stock area to check the goods, or may be the case in certain ports in military areas in such cases delivery must be taken by ICB ex AC/MS warehouse, and (c) in any cases where for exceptional circumstances imports have been received by AC/MS.

16. In the case of goods warehoused to the circumstances mentioned in the preceding paragraphs it will be necessary for AC/MS to authorize the warehouse to release the goods to ICB. It will be the responsibility of the interested Sub-Commissions or Regional Division to do this by means of the same Notification Note as for imports, made out in duplicate (Form J/5/60 Appendix 50). The original copy will be given to ICB as authority to take delivery; the duplicate will be sent to the interested Italian Ministry for Foreign Instructions; the triplicate will be retained by the issuing Sub-Commission or Regional Division; the quadruplicate will be sent to the Transportation Sub-Commission (Port and Warehouse Division); the quintuplicate to the Chief accountant; and the sextuplicate to the Supply and Resources Division who will see that the agreed cost is communicated to ICB.

17. Upon presentation of the Notification Note, and on receipt of the goods, ICB will give a receiving report to the warehouse in the usual form and be provided for in the accounting instructions.

EMERGENCY DELIVERIES BY AC/MS DIRECT TO CUSTOMERS FROM

SHIP 3115

18. In early stages of the landing over to ICB, and in emergency cases it may happen that goods are received from ship stores by ICB officers and despatched direct to the customer by

AC/AGG to authorize the warehouse to receive. It will be the responsibility of the interested Sub-Commission or Regional Division to do this by one of the above methods. Notification Note as for imports, made out in duplicate (Form 2/P/60 appendix 2). The original copy will be given to ICL as authority to take delivery; the duplicate will be sent to the interested foreign country for consular instructions; the duplicate will be retained by the issuing Sub-Commission or Regional Division; the quadruplicate will be sent to the Transportation Sub-Commission (Port and Airfreight Division); one quadruplicate to the Chief, Consular; and the sextuplicate to the Supply and Resources Division who will see that the landed cost is communicated to ICL.

17. Upon presentation of the Notification Note, and on receipt of the goods, ICL will give a receiving receipt to the warehouse in the usual form and be provided for in the accounting instructions.

EMERGENCY DELIVERIES BY AC/AGG DIRECT TO CUSTOMERS FROM SHIP

18. In early stages of the war, over to ICL and in emergency cases it may happen that goods are received from ship direct by AC/AGG officers and dispatched direct to the customer by AC/AGG means instead of being handled by ICL. In such cases the responsibility for agreeing the price with, and collecting the hire proceeds of the sale from, the customer will remain with ICL although they have not actually made delivery themselves. In order that ICL may be in a position to do this they will require notification of the delivery and the AC/AGG officer or Regional Division responsible therefor will:

(a) Make out the usual form of Notification Note as provided in Para 15 as though they were instructing ICL to make delivery from AC/AGG warehouse; they will, however, endorse the Notification Note with a statement that delivery has already been made to the consignee as stated thereon and that it is submitted for information only. Distribution of the Notification Note will be the same as in normal circumstances (see Para 15).

/4.

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- 4 -

(o) Obtain a receiving report from the consignee in quadruplicate to be distributed as provided in the accounting instructions. The receiving report must state clearly the name of the ship on which the goods arrived, the number of cases with the markings of each case and the nature of the goods.

(c) Obtain from the Port Liaison Officer a copy of the ocean manifest relating to the cargo and send this to the Chief Accountant attached to the copy Notification Note and Receiving Report.

(a) Notify Supply and Resources Division of the delivery with a request that they notify ICE of the landed costs.

DELIVERIES BY AC/AMC DIRECT TO CUSTOMER FROM WAREHOUSE

19. Starting immediately, ICE will be responsible for collecting the proceeds of sales in respect of all deliveries to be made in future from AC/AMC warehouses direct to customers even though, as they occur in the early stages of the handover, delivery is made by AC/AMC and not by ICE. In these cases procedure will be the same as for similar direct deliveries from ship side as set out in the preceding paragraph, except that the receiving report will quote the warehouse from which delivery was made instead of the name of the ship, and a copy of the ocean manifest will be obtained.

EXAMPLE OF COMMUNICATION

20. In case of necessity ICE will communicate direct with the Sub-Commission which has requisitioned the imported goods, as notified to them by supply and Resources Division (see para 5), or, on matters of warehousing and transport, with Port and Warehouse Division of the Transportation Sub-Commission. On order-

Starting immediately, ICE will be responsible for collecting the proceeds of sales in respect of all deliveries to be made in future from AC/AMC warehouses direct to customers even though, as may occur in the early stages of the handover, delivery is made by AC/AMC and not by ICE. In these cases procedures will be the same as for similar direct deliveries from ship side as set out in the preceding paragraph, except that the receiving report will quote the warehouse from which delivery was made instead of the name of the ship, and a copy of the ocean manifest will be obtained.

CHANNELS OF COMMUNICATION

In case of necessity ICE will communicate direct with the Sub-Commission which has regulated the imported goods, as notified to them by Supply and Resources Division (See para 5), or, on matters of warehousing and transport, with Port and Warehouse Division of the Transportation Sub-Commission. On general matters they will communicate with Supply and Resources Division and on accounting matters with the Chief accountant's department.

APPENDIX "A"PROCEDURE FOR NOTIFICATION OF EXCHANGES ARRIVED BY SHIPS OF SUPPLIES TO BE DISTRIBUTED BY IRL AND DISPOSED INSTRUCTIONS.

1. Supply and Resources Division of Economic Section will, as it presents, notify the requisitioning Sub-Commission that the requisition has been approved by ARHQ.
2. The requisitioning Sub-Commission will inform the Italian Ministry concerned that the requisition has been approved by ARHQ, giving details of the commodities ordered and will agree with the Ministry plans for the subsequent disposition and use of the requisitioned commodity.
3. Supply and Resources Division receive notification from Washington that the requisition has been accepted and a shipping number allotted. They will on receipt of this notification inform the Sub-Commission concerned who will in turn inform the interested Italian Ministry.
4. It is hoped that arrangements can be made with Washington and Italian to notify ARHQ when the requisitioned commodities are called forward for shipment. If this proves possible the Sub-Commission and Ministries concerned will be duly notified. Until and unless such arrangements are made the next information as to the progress of the requisition will be when the list of scheduled arrivals for the next ten day maintenance period is received from ARHQ. On the basis of this document supply and Resources Division will notify the interested parties as set out below, in many cases however a copy of the ocean manifest is received by the Supply and Resources Division and in such cases the notification to the interested parties will be based on the manifest and will carry reference to the requisition numbers. Where no manifest is received it will not be possible to include reference to the requisition number in the notification to interested parties.

5. All authorizations for release of miscellaneous supplies will be made by a "Notification Note" Form W/E/60 (Appendix "B"). On receipt of the scheduled arrivals or the ocean manifest, the Supply and Resources Division will prepare a "Notification Note" in duplicate. The original will be for-

Inform the interested Italian Ministry.

4. It is hoped that arrangements can be made with existing-
ton and London to notify so when the requisitioned commodities
are called forward for shipment. It thus proves possible the
Sub-Commission and Ministry concerned will be duly notified.
Until and unless such arrangements are made the next information
as to the progress of the requisition will be when the list of
scheduled arrivals for the next ten and maintenance period is re-
ceived from AEF. On the basis of this document supply and
resources Division will notify the interested parties to get out
below, in many cases however a copy of the document must be
received by the Supply and Resources Division and in such cases
the notification to the interested parties will be based on the
manifest and will carry reference to the requisition numbers.
Where no manifest is received it will not be possible to indicate
reference to the requisition number in the notification to
interested parties.

5. All authorizations for release of miscellaneous
supplies will be made by - "Notification Note" Form F/E/CO
(Appendix 7). On receipt of the authorized supplies or the
goods manifest, the Supply and Resources Division will prepare
262 Notification Note in duplicate. The original will be for-
warded to ICE as notification to prepare for reception of the
goods (see para 7); the duplicate and triplicate will be for-
warded to the interested Sub-Commission, the quadruplicate will
be sent direct to the Transportation Sub-Commission (Tori, and
Venetian Division); the quintuplicate will be sent to the Chief
Accountant, and the sextuplicate will be retained by the Supply
and Resources Division. Supply and Resources Division will be
responsible for notifying ICE of the approximate landed cost
either on the Notification Note or later.

6. The Sub-Commission handling such supplies will transmit
the duplicate copy to the Italian Ministry requesting them to
give the necessary financial approval instructions to ICE. In early
stages of the hand over to ICE and in emergency cases where the
time element makes the above procedure impracticable it may be
necessary for ICE and not Italian Government to give the approval
instructions to ICE, this is dealt with in para 13 & 19 below.

/s/

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7. For security reasons only very special information as to the expected arrivals can be given to ICB. In order that the ICB agency or port representatives may be in a position to arrange for the reception of the goods without interfering with such detailed information as may constitute a breach of security, ICB should appoint a liaison officer to work continually with the AF port liaison officer. The AF port liaison officer will be responsible for obtaining all necessary information before the arrival of the goods, as it presents, and will bring the ICB liaison officer into the picture as early as security permits.

8. Immediately on receipt of notification from the Customs and Excise Division of the expected arrival, ICB will notify their liaison officer in the expected port of arrival. This officer will keep in close contact with the port liaison officer of the Transportation Sub-Commission and should make the necessary arrangements for warehousing should this be necessary.

9. Shipping branch of Movements Division, Transportation Sub-Commission will inform ICB of arrivals and diversions of all vessels carrying classified supplies. ICB will pass this information to the Ministries and sub-commissions interested and will obtain and dispense instructions in the light of this information.

10. Regional and provincial officers will give every assistance to the ICB in matters involving placing in their disposal facilities for letter and teletype communication laterally and with ICB Head Office in Rome through HQ AF.

RECEIPT AND ACKNOWLEDGEMENT OF IMPORTED GOODS

11. Under authority from AFHQ, ICB representatives have the necessary authority to enter port offices and to obtain the information in to off-loading problems necessary to them. ICB will on receipt of this information arrange for their representatives to check the cargo off the ship and dispose of same in

9. Shipping Branch of Movements Division, responsible for Sub-Commission will inform ICB of arrivals and diversions of all vessels carrying civilian supplies. ICB will pass this information to the Sub-Commission and Sub-Commission will forward information to the Sub-Commission in the light of this information.

10. Regional and provincial officers will also convey information to the ICB, including including placing of their official facilities for better and better communication internally and with ICB Field Office in Rome through the ICB.

RECEIPT OF ACCOUNTING OF IMPORTS

11. Under authority from Rome, ICB represent that have the necessary authority to enter port before and to obtain the information as to off-loading from the necessary to them. ICB will on receipt of this information arrange for their representatives to check the cargo off the ship in the presence of ICB and conformity with the instructions issued by the Italian Ministry. Should such instructions not have been received, ICB will request for forwarding through the ICB Port and Warehousing Division or such Italian agency as may be operating the warehouse at the port.

12. ICB will submit to the Port Division Officer or Zone Supply Officer a Receiving Report in a specified form. The Port Division Officer or Zone Supply Officer will be responsible for forwarding this receiving report to the Region's Supply Accountant. This receiving report and the whole accounting procedure is dealt with in separate instructions.

13. The Chief Accountant will transmit to Supply and Resource Division a monthly schedule of receiving reports received from ICB.

1/3

NEW! NEW!

Form F/E/00

APPLIED COMMISSION

NOTIFICATION NOTE

Ref.....

.....

.....
(Name of Office Issuing Note)
.....
Date.....

TO: Istituto Nazionale per il Commercio Estero
Ministry of.....
Sub-Commission.....
Transportation Sub-Commission.....
Chief accountant, AC.....
Clerk (Specify).....

1. This note constitutes the authority for Istituto Nazionale per il Commercio Estero (INCE) to take delivery of unmentioned goods which
- (a) are expected to arrive at the port of..... during the period..... to.....; or
- (b)

(NOTE: Strike out wherever not applicable)

2. Delivery will be made against receipting Report to be added by ICH to Fort Liaison Officer or Zone Supply Officer in the case of (a), and to the warehouse in the case of (b).

[illegible]

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...this note constitutes the authority for Istituto Nazionale per il Commercio Estero (ICE) to take delivery of undermentioned goods which

- (a) are expected to arrive at the port of..... during the period..... to.....; or
- (b) are available in the warehouse situated at.....

(NOTE: Strike out whichever not applicable)

2. Delivery will be made against receiving Report to be handed by ICE to Port Liaison Officer or Zone Supply Officer in the case of (-), and to the warehouse in the case of (b).

| Requisition Number | Commodity | Trade Unit (Specify) | Approx. Number of Contain. Units | Identification Markings |
|--------------------|-----------|----------------------|----------------------------------|-------------------------|
| | | | Cases, boxes, etc. in lot | |

2625

- 3. The above goods were requisitioned by.....
- 4. For the purpose of fixing the sale price the approximate landed cost per unit is quoted above. If the cost is unknown at the time of completing this document the word "later" will be inserted in the appropriate column.

.....
(Name and rank of issuing Officer.)

Special instructions for disposition of supplies:
.....
.....
.....
.....

27

.....
(Name and title)

HEADQUARTERS ALLIED COMMISSION

Office of the President

A P O 394

cc 578
FEB 25 REC'D

TO:-

Chief Commissioner.

FROM:-

Mr Macmillan.

COPY TO:-

Chief of Staff.

24th February, 1945.

When I received the Heads of the various Sub-Commissions last month I was struck by what Colonel Legg of the Food Sub-Commission said to me about the lack of firmness of the programme of deliveries of food.

2. Colonel Legg gave me a memorandum (copy of which is attached) indicating some of the problems arising out of

(A) the irregular arrivals and delays in berthing and discharging of ships:

(B) the discrepancies between planned shipments and actual arrivals.

3. Of course I know that A.F.H.Q. are of the same opinion. Time and time again I have heard complaints down there about this irregularity but I suggest that it would not do any harm to press the point with them.

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21a

4807/79/001

H.M.

12 Dec 44

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4005/CC

COPY.

HEADQUARTERS ALLIED COMMISSION
A.P.O. 394.
Food Sub-Commission

21 January 1945.

1. Uncertainties and irregularities of Ship movements and unloadings.

With the arrival of the first sugar ship in October for several months on the mainland, it had been hoped to assure a distribution of the sugar ration to all parts of Italy during November. This was not everywhere possible, however, because of the delays experienced in unloading the ship. It arrived in Naples on 16 October; it discharged approximately 1,000 tons on 23 November; was then moved to a Northern port to ensure supplies in that area, but did not complete the discharging there until well into December.

Another illustration of delay in movement follows:

A coaster was loaded with a cargo of meat products from stockpiles in the Heel to supply Northern Tuscany area. It left a Heel port on October 21 and was reported in Naples Bay on November 1. Left Naples November 18. Arrived Northern port November 23, and did not finish off loading by the end of the month.

2. Uncertainties of arrivals of Foodstuffs into Italy.(a) December Grain Situation.

During December wheat ship arrivals were one in the first convoy period, one in the second and four in the third. Thus there was an overall shortage of two ships and irregular spacing of arrivals, causing near-crises in the bread supply of several regions and emergency adjustments having to be made.

(b) Table below shows comparison between planned shipments for January and actual arrivals.

| | <u>Fish</u>
<u>Tons</u> | <u>Dried Eggs</u>
<u>Tons</u> | <u>Milk</u>
<u>Tons</u> | <u>Fats</u>
<u>Tons</u> | <u>Sugar</u>
<u>Tons</u> | <u>Wheat</u>
<u>Tons</u> |
|----------------------------------|----------------------------|----------------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| Supplies actually called forward | 916 | 300 | 3995 | 2250 | 2700 | 94.00 |
| Actual arrivals | - | - | 1129 | 149 | - | 50.700(a) |

(a) includes wheat equivalent of 1 barley ship.

(SIGNED) W.J. LEGG. Colonel,
Director, Food Sub-Commission.

26

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SECRET

FI 30594
FEB 20 1959/2721
FEB 21 1959
ROUTINE

AFHQ, SICHER, ALEXANDER, CITE, PHONG, PHONG, PHONG, PHONG

ADVISE FOR COB FOR COAC RPT FOR INFO TO CENTRAL DISTRICT OF DEER SECTION (LONDON)
FOR CABINET SECRETARIAT, GRAFING, MIDWANT, RICH

SECRET.

(This is LAC 1022. This is YAG 213)

Refer LAC 971. All amounts in metric tons.

Subsistence requirements for July-ITALY.

| Item | German occupied ITALY | Liberated ITALY | Total |
|---------------------|-----------------------|-----------------|--------|
| Wheat equivalent | 191000 | 100000 | 291000 |
| Sugar | 5482 | 5910 | 11392 |
| Dried vega | 9740 | 7670 | 17410 |
| Soup dehydrated | 3000 | 3220 | 6220 |
| Fats | 2250 | nil | 2250 |
| Milk dry skimmed | 319 | 2345 | 2664 |
| Milk evaporated | 759 | 5629 | 6388 |
| Meat or substitutes | 1830 | 1530 | 3360 |

Para 1. Wheat is estimated as in LAC 911 amended by LAC 979. Total requirement 309000 tons less 66000 tons fed from stocks in south and 12000 tons released from stocks for consumption in north. This calculation assumes all stocks will be exhausted by 31 July.

Para 2. Basis for all requirements except sugar and wheat equivalent has been summarized in LAC 971. 5000 tons per month dried vegetables as per LAC 1006 extended through July pending further developments on entire question.

Para 3. Sugar. Reference para 1, LAC 967. Best intelligence indicates that no substantial amounts of sugar will be available in north until next fall. Basis of requisition is ration of 250 grams per month to total northern population and additional 250 grams per month to special classes which total 5 percent of population. Dates up to 25 percent of

4008/ce

(14)

(21)

SECRETPAGE 2

FX 3059h

CONT.

total requirement are acceptable.

Para 4. Reference CAL 1171. Procedure CAL 712 states August requirements not due 1 April. They will be included in the August/September/October quarterly requirements.

Para 5. Monthly planned requirements for BALKANS. May thru July forwarded you YAG 201. Actual requirement for May from extra Mediterranean sources on only 56000 tons bagged wheat per YAG 200

REF

INFO-ACTION INFORMATION BY (2)
INFO A/PRESIDENT
CHIEF COMMISSIONER
ECON SEC
FOOD SC (2)
PLANT & FILE (3)

2621

(21)

SECRET

SECRET**EXTRACT**

FROM: AGWAR FROM THE COMBINED CHIEFS OF STAFF (BOOK MESSAGE)

TO: ALEXANDER FOR ACTION

REF. NO. THIS MESSAGE: MX 29633

31 January 1945

FAN 487 - Extract

DIRECTIVE FROM COMBINED CHIEFS OF STAFF

For File# 4005/CC

Subject Imports

* * *

5. For the duration of combined operations, the combined US-UK military authorities will be responsible for providing:

A. These quantities of food, fuel, clothing, medical, sanitary and other agreed essential supplies necessary to prevent disease and unrest prejudicial to such operations.

B. Those supplies such as fertilizer, raw materials, machinery and equipment, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph. As the time when combined military responsibility will terminate will NOT be known when requisitions are being prepared and considered, the importation of supplies under this sub-paragraph will NOT be excluded merely because the effect of such imports may NOT be felt during the period of combined military responsibility.

C. Those supplies necessary for the restoration of such of the Italian power systems and transportation and communication facilities as will further the military effort against GERMANY and JAPAN.

To the extent contemplated by this Paragraph 5, essential civilian supplies cannot be divorced from the military supply program and ITALY must be treated as a whole. It is understood that the date of termination of combined military responsibility for providing supplies as set out above will be decided by the Combined Chiefs of Staff on your recommendation.

3. For the duration of combined operations, the combined US-UK military authorities will be responsible for providing:

A. Those quantities of food, fuel, clothing, medical, sanitary and other agreed essential supplies necessary to prevent disease and unrest prejudicial to such operations.

B. Those supplies such as fertilizer, raw materials, machinery and equipment, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph. As the time when combined military responsibility will terminate will NOT be known when requisitions are being prepared and considered, the importation of supplies under this sub-paragraph will NOT be excluded merely because the effect of such imports may NOT be felt during the period of combined military responsibility.

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To the extent contemplated by this Paragraph 5, essential civilian supplies cannot be divorced from the military supply program and ITALY must be treated as a whole. It is understood that the date of termination of combined military responsibility for providing supplies as set out above will be decided by the Combined Chiefs of Staff on your recommendation.

6. The Allied Commission shall be advised to assist the Italian Government in the preparation of programs of supplies designed to rehabilitate Italian industry. These supplies will be in addition to those to be provided as a military responsibility. Such programs when established by the Italian Government will NOT be subject to screening by Allied Force Headquarters, but will be reviewed and transmitted directly with appropriate comments and recommendations by the Allied Commission to the Combined Civil Affairs Committee, which will transmit the programs to the Combined Liberated Areas Committee for action by the appropriate civilian agencies of the UNITED STATES and British Governments. The UNITED STATES and British Government will each make available such shares as may be mutually agreed of the cost of the provision of such of these programs as may be approved by the Combined Liberated Areas Committee. Procurement covering such programs should immediately be put in hand without reference to the present shipping position in order that the supplies may be

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celled forward as and when shipping space becomes available. In this connection see Paragraph 8 below.

7. The questions raised by you in Sub-paragraphs A, B, and C of Paragraph 4 of MAS 773 are answered as follows:

4. **** (Inflation) ****

B. It is desired that industrial rehabilitation in ITALY be carried out by the Italian Government to the fullest extent permitted by the Italian resources and such supplies as you may be authorized to import, consistent with the discharge by you of your military mission, with the exception that industries for the production of or repair of munitions or other implements of war shall be rehabilitated only to the extent required by you in discharge of your military mission and as will further the military effort in other Theaters. Except for those industries the rehabilitation of which is essential to the discharge of your military mission and in furtherance of the military effort in other Theaters, which rehabilitation should be given first priority, industries other than those excluded by the preceding sentence will be given such precedence in rehabilitation as may be determined by the Italian Government.

C. The extent of your responsibility with respect to the importation of supplies into ITALY is defined in Paragraphs 5 and 6 hereof. Except as is so defined, you have NO responsibility for the importation of supplies into ITALY.

D. Within the limitation of available shipping and subject to military considerations as determined by you, the extent to which exports are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. The appropriate civilian agencies of the British and American Governments are currently considering methods by which the Italian Government may be assisted in these respects as soon as decisions in this connection are reached, you will be advised with respect thereto.

E. Nothing herein contained shall constitute a commitment with respect to shipping. Any supplies to be imported into ITALY must be transported within such shipping as may be allocated from time to time.

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D. Within the limitation of available shipping and subject to military considerations as determined by you, the extent to which exports are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. The appropriate civilian agencies of the British and American Governments are currently considering methods by which the Italian Government may be assisted in these respects as soon as decisions in this connection are reached, you will be advised with respect thereto.

E. Nothing herein contained shall constitute a commitment with respect to shipping. Any supplies to be imported into ITALY must be transported within such shipping as may be allocated from time to time.

* * *

~~SECRET~~

CONFIDENTIAL

ALLIED FORCE HEADQUARTERS

LAC AIRGRAM 99, 28 January 1945

FROM : FMCSG (Concurred FMCSG)

TO : Combined Civil Affairs Committee,
3C - 686 Pentagon Building, Washington, D.C. (15 copies)

SUBJECT : Use of Barley in Italy.

Further to LAC 897 and with reference to CAL 1126.

The use of barley in Italy as an adulterant has proved unsatisfactory for a number of reasons. These are set out in the following paragraphs and it is requested that the use of barley be discontinued.

1. Distribution. Since Italy has virtually no stocks of grain suitably placed for consumption in large communes and must, therefore, depend upon imports for immediate consumption needs, it is not possible to achieve an equitable dilution. Areas dependent on imports may have to accept a wheat ship or a barley ship, which ever is arriving, and in many instances the grain supply on the present unavoidable "hand to mouth" basis has consisted entirely of wheat for one period and entirely of barley for another. The extensive "milk round" necessary to avoid this state of affairs would entail a prohibitive waste of shipping.

2. Irregularity of Arrivals. Actual arrivals OCT - JAN have been as follows. (FLB is added since the vessels are now in sight)

| <u>Month</u> | <u>Allocated</u> | <u>Arrived</u> |
|--------------|------------------|----------------|
| Oct | 20,000 | 15,169 |
| Nov | 20,000 | 22,485 |
| Dec | 20,000 | HILL |
| Jan | 20,000 | 5,368 |
| Feb | 20,000 | 22,952 |
| Total | 100,000 | 65,974 |

Deficit 34,026

The difficulties outlined in para one are aggravated by these

4005/CL

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| Total | 100,000 | 65,974 |
| | Deficit | 34,026 |

The difficulties outlined in para one are aggravated by these irregular arrivals. Any planned distribution must break down in these circumstances. Whilst the wheat equivalent of the backlogs is badly needed to prevent excessive expenditure of indigenous stocks any attempt to catch up the barley programme would result in swamping.

3. Unsatisfactory Condition of Barley. The Allied Commission has repeatedly complained of the dirty state of Iraq barley. Grain machinery becomes clogged with dust and milling is impeded. The Consorzio Agrario has asked for an allowance of 15% to compensate for losses sustained in cleaning the barley and preparing it for milling. The worst cargoes specifically mentioned were those of the ELMJAIN ROUINE (7,400 tons in OCT) and the IGULAN (7,456 tons in NOV).

19

HEADQUARTERS

10 JAN 45

CONFIDENTIAL

Wheat for present use in German occupied Italy in May will be reviewed

CONFIDENTIAL

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ALLIED FORCE HEADQUARTERS

LAC AIRGRAM 99, 28 January 1945

FROM : FHGEG (Concurred FHGDS)

TO : Combined Civil Affairs Committee,
3C - 886 Pentagon Building, Washington, D.C. (15 copies)

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Deficit 34,026

4005/CC

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19

HEADQUARTERS

10 JAN 15

- 1 -

CONFIDENTIAL

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Two samples from the PENJALIN BOUNTLE were analysed. The analysis revealed the following:

| | <u>Sample A.</u> | <u>Sample B.</u> |
|-------------------------------------|------------------|------------------|
| Weight of hectoliter | 62.45 kg | 61.95 kg |
| Heated grain liable to fermentation | 21.30% | 18.40% |
| Parasite infested grain | 0.14% | 0.80% |
| Dots | 1.60% | 7.00% |
| Other seeds | 12.14% | 0.30% |
| Dirt | 16.23% | 10.22% |

4. Uneconomical use of shipping. The percentage of waste claimed (15%) and the low extraction rate (75%) result in a lower wheat equivalent than has been assumed.

100 tons barley yield 85 tons actual grain, 75% of 85 is 64.
Thus 100 tons barley yield 64 tons flour whereas 100 tons wheat yield 90 tons flour.

This supports the statement made in LAC 897 that 7 barley ships are needed to replace 5 wheat ships.

5. Agreed H. & Th.

Information Copies to:

- The Directorate of Civil Affairs
War Office, Hitchhall, London, S.W.1. (4 copies)
- Director of Freight Movements,
The War Office Q(M) 9. (4 copies)
- N.Y.P.E. (2 copies)
- SHARP, G-5 (3 copies)
- Allied Commission, APO 394 (3 copies)

M & TN, JFHQ

1 2 4 4

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SHAEF, G-5 (2 copies)

Allied Commission, APO 394 (8 copies)

G-4, AFHQ

M & Tn, AFHQ

CM

(Maint)

MTR (Med)

"THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT, U.S.C. 50; 31 AND 32. THE TRANSMISSION OR REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW."

CONFIDENTIAL

- 2 -

CONFIDENTIAL

SECRET

FX15877
JAN 27/1054A

C/9626
JAN 27/1515
PRIORITY

AFHQ SIGNED ALEXANDER CITE: PHCAO, PHEDS, PHSEG, PHGDM.
AGWAR FOR CCS FOR CCAS REPTD FOR INFO: CENTRAL DISTRICT UK BASE
SECTION (LONDON) FOR CABINET SECRETARIAT, PEMDARK, ALCOM.

SECRET.

This is LAC 979. Refer CAL 1125.

Wheat for ITALY-April. All in thousands of net metric tons.

1. Course of operations indicate no wheat now required for German occupied ITALY in April other than possible use present emergency stockpile. Liberated ITALY will require 100 as in NAF 842. This is 6 more than requirements LAC 911 same area since feeding from stocks now estimated at 66 monthly instead of 72. Consider this necessary as stocks must be spread to end July instead of to end June.
2. Note monthly flour ship requested LAC 948 has been approved CAL 1130.
3. Short falls occurring in recent months have depleted stocks at excessive rate. Request any February and March short falls be shipped in April in addition to April requirements.
4. Pending appraisal full reply to CAL 1126 request no barley be considered for April arrival.
5. Call forward will be made immediately. Wheat showing bagged and bulk will be called forward on CANADA but presume you will adjust between USA and CANADA if this not agreeable.
6. Remaining food items CAL 1125 will be called forward in full.
7. Wheat for presently GERMAN occupied ITALY in May will be reviewed shortly.

DIST

Info-Action:

Food S/C (2)
President
Chief Commissioner
Econ Sec
Agric S/C
Tr S/C
File

SECRET

18

CONFIDENTIAL

PK 91669
JAN 26/1423

C/ 9571
JAN 27/0845
ROUTINE

AFHQ SIGNED MCHAPNEY CITE NAQMC

ACTION: AGHAR FOR ID, ASF, GSB BY CANADIAN ARMY STAFF INFO TO: PERBANK, ALCOM

CONFIDENTIAL.

Subsistence for ITALY from CANADA. Reference CAL 1125.

1. April subsistence items for ITALY allocated to CANADA in CAL 1125 as changed by CAL 1136, are called forward for delivery during periods E and F as follows:

| PORT | WHEAT, BAGGED | WHEAT, BULK | MILK, EVAPORATED | LONG TONS NET | MEASURED TONS |
|-------|---------------|-------------|------------------|---------------|---------------|
| MITE | 4921 | 34447 | 1476 | 40844 | 50188 |
| HUND | 1968 | 13779 | Nil | 15747 | 19283 |
| TONS | 27558 | Nil | Nil | 727558 | 38623 |
| BOWL | 7873 | Nil | Nil | 7873 | 11022 |
| Total | 42320 | 48226 | 1476 | 92022 | 119116 |

This is requisition 3X-TCO-SHP-T 33. Shipment to carry standard TCO markings, gre dots on white tape. Landed costs to be furnished ALCOM

AC DIST

Info Action Requisition Div

Info
A/President
Chief Commissioner
Econ Sec
Food S/C (2)
File (2)
Float

4005/100

[Handwritten signature]

SECRET
 EX 89758
 JAN 23/1008A

 0/9057
 JAN 23/1430
 ROUTINE

AFHQ SIGNED ALEXANDER CITE: PH830.

 AGENT FOR CCS FOR CCAC, INFO: CENTRAL DISTRICT UK BASE SECTION
 (LONDON) FOR CABINET SECRETARIAT, ALCON.

SECRET.

This LAC 971.

Italian subsistence requirements for 2nd quarter 1945. This is a recapitulation as all amounts have been previously requested. Following are monthly requirements excluding cereals in metric tons.

| <u>ITEM</u> | <u>APRIL</u> | <u>MAY</u> | <u>JUNE</u> | <u>REFERENCE</u> |
|-----------------------|--------------|--------------|--------------|---------------------|
| sugar | 5910 | 5910 | 5910 | LAC 967 |
| Dried Voge-
tables | 12360 | 12360 | 12360 | LAC 967 |
| Soup Dehydrated 2000 | | 6220 | 6220 | LAC 967
CAL 1037 |
| Fats | 2250 | 2250 | 2250 | CAL 966 |
| Milk dry skim | 2664 | 2664 | 2664 | CAL 966 |
| Milk evaporated | 6388 | 6388 | 6388 | CAL 1086 |
| Meat or
substitute | 3360 | 3360 | 3360 | CAL 966
LAC 969 |
| Total | 34932 | 39152 | 39152 | |

DIST
 Info-Action: Requisition Br (2)
 Info: A/President
 Chief Commissioner
 Econ Sec
 Food S/C (2)
 File (2)
 Lat
SECRET

HEADQUARTERS

23 JAN 45

A. C.

26

16

1005/CC

CONFIDENTIAL

PL 88957
JAN 211844A

88909
JAN 210700A
ROUTINE

AFHQ WISHED ALBANY CITE PHOD, PHOD
ASMR FOR GGS FOR COAT INFO: CENTRAL DISTRICT UK BASE SECTION
(LONDON) FOR CURRENT VOUCHER, ALCOH

CONFIDENTIAL.

1. Meat requirements for ITALY. This is 143 969.
2. Substitutes offered in GAB 1407 are acceptable.
3. In general substitutes are acceptable in following priorities:
(a) fish, (b) salted fat cuts, (c) dehydrated eggs.
4. It has now been determined that if other substitutes not available, dehydrated eggs can be utilized up to 50 percent meat equivalent. Request that substitutes be allocated in consideration of above priorities and as necessitated by current availabilities, and AFHQ notified amounts available for mail forward.
5. Information requested as to substitutions available against our mail forward for March arrival (PL 88405 of 10 January refers).

HEADQUARTERS
27 JAN 1945
A. C.

INFO-ACTN: Econ (4)
INFO: A/Pers
C Comm.
Requisition Dist
Finance
File

2614

15

CONFIDENTIAL

4005/CC

SECRET

68908

PL 88907
JAN 21/1/42

JAN 22/1950
BRITISH

AFIC SEHED ALEXANDER CITY PHOTO PHOTO PHOTO
ACTION: AGHAN FOR COB FOR COAC INFO: CENTRAL DISTRICT UK BASE SECTION (LONDON)
FOR CABINET SECRETARIAT, ALCOH

SECRET.

Italian supplementary feeding requirements for the months indicated below, in metric tons per month. This is LAC 967.

| AREA | SUGAR
APRIL-JUNE | DRIED VEGETABLES
APRIL-JUNE | SOUP-LEAF SOUP DEHYDRATED
MAY-JUNE |
|----------------|---------------------|--------------------------------|---------------------------------------|
| MAINLAND NORTH | M11 | 9740 | 3000 |
| MAINLAND SOUTH | 4560 | 2620 | 3220 |
| SICILY | 1050 | M11 | M11 |
| SARDINIA | 300 | M11 | M11 |
| Total | 5910 | 12360 | 6220 |

1. Sugar ration intended to provide 8 grams per day for 100 percent of population. Owing to enemy destruction of processing plants in liberated ITALY there is no local production. On basis of present imports ration is only 4 grams per capita per day for population MAINLAND SOUTH and isla mis. This amount is considered insufficient as sugar is basic component of ration and the resultant deficiency can not be compensated for by other food items as all are in short supply. Requirements for north will be advised when further information is available. Dates not desired in substitution of present approved arrivals of 3260 tons (CA1891 refers). If allocation of 5,910 tons approved, dates can be accepted to equivalent of 25 percent sugar.

14 2. Dried vegetables. See para 3D, LAC 709. Now apparent that indigenous resources not sufficient to meet essential requirements. Stocks of dried vegetables both imported and amassed in liberated ITALY will be exhausted by end April. Imports into liberated ITALY for issue to persons in categories listed below are absolutely essential, and are

SECRET

CONTINUATION FROM 2

FK 88907

based on sliding ration from 100 grams per day to hospitals to 20 grams per day in devastated areas.

| <u>CATEGORY</u> | <u>NUMBER OF PERSONS</u> | <u>TONS</u> |
|-------------------------------------|--------------------------|-------------|
| Hospitals | 185000 | 560 |
| Police | 105000 | 160 |
| Prisoners | 55000 | 165 |
| Refugees | 50000 | 140 |
| Schools children | 855000 | 1165 |
| Communal feeding | 380000 | 270 |
| Devastated Areas | 250000 | 150 |
| Miscellaneous (Allied
Nationals) | <u>10000</u> | <u>10</u> |
| Total | - | 2620 |

The north supplies of all locally grown dried vegetables will be exhausted by 1 April except for quantities held by producers for own consumption. Requirements of 9,740 tons provide average issue of 50 grams per day to 2,000,000 persons in categories above, and 20 grams per day to 11,000,000 persons. The latter number includes 2,000,000 rural persons not producing dried vegetables or whose supplies will be exhausted by 1 April.

261 Soup dehydrated (see LAC 861). Require in south is average issue of 50 grams per day. to categories in para 2 above. Northern requirements are for same ration to an estimated 2,000,000 people of like classification.

14 Requirement for pulses subject to partial cancellation if supply is found to be available north.

Please advise approval and allocation.

SECRET

F 70848
DEC 182300AC/4678
DEC 190800A
ROUTINEAFHQ SIGNED SACHED CITE FHGEG FHGDM
ACTION: ALCOM ROME

SECRET.

More complete shipping information from AMERICA show cereal position better than that quoted your signal 8328 of 17 December. 78,000 tons now in sight. Balance 6,000 still doubtful but further 17,000 tons destined BALKANS UGY 64 may be diverted if position deteriorates. Cereal arrival report number 5 despatched today gives details. FX 70260 of 17 December also refers.

A.P. Dist
Action: Food Stk @
1451 Chief Commissioner
L. Can. Sec.
File

4005/CC

261

13

8312

OF ROADS AND TROOP MOVEMENTS IN ALREADY CONGESTED AREA PD UNLESS THESE TWENTY FOUR
THOUSAND TONS CAN BE MADE AVAILABLE AT THE TWO POINTS MENTIONED THE RATION WILL HAVE
TO BE QUALIFIED AT TWO HUNDRED TWENTY FIVE GRAMS FROM FIRST JANUARY PD PLEASE INSTRUCT
URGENTLY TO

26.3

FOOD SUB COMMISSION

206

H. W. DRAGNETT
MAJOR, AGO
ADJUTANT

12

SECRET

WX 77323
DSC 15/0210

C/4474
DSC 17/1640
ROUTINE

AGWAR FROM OCS

AFHQ TO ALEXANDRIA INFO UK BASE SECTION FOR BCS, COMZONE

SECRET.

For FIDES. CITE OCAC, CAL 1048, Reference CAL 996.

March subsistence requirements for ITALY.

1. Wheat-procurement responsibility for 20000 tons barley (equivalent to 1600 tons of wheat) out of IRAQ is UNITED KINGDOM. You may call on CANADA for up to 84000 tons. This is NOT to be taken as approval of AC estimated requirements, nor of 300 gram bread ration.
2. Sugar-procurement responsibility for 2700 tons is unallocated since it is not presently available.
3. Fat-procurement responsibility for 2250 tons is UNITED STATES.
4. Milk, dry, skimmed-procurement responsibility for 3995 tons is UNITED STATES.
5. Meat-after deducting the amount of fish you can call forward from UNITED KINGDOM on agreed conversion rate (CAL 866), balance will be North American supply responsibility and supplied as far as possible in form of substitutes. Advise at once in what proportions you will accept substitutions. (See LAC 844 and CAL 998).
6. In calling forward your wheat, state your amounts in bulk and bagged wheat. Request you accept as much bulk wheat as possible.

CAL 966 is Ref WX 65237 MC IN 13736 19/11/44 G-5
CAL 866 correct reference believed to be CAL 966 Ref WX 65237
MC IN 137 19/11/44 G5

LAC 844 is Ref FX 57690 MC OUT 6668 25/11/44 G-5
CAL 998 is Ref WX 71740 MC IN 2076 3/12/44 G-5

DISC
INFO-ACTION: POCS SC (2)
INFO : CHIEF COMSIS.
SIGNER
ECOM SEC
FILE

SECRET

4005/100

11

COPY

16 November 1944

My dear Prime Minister:

Your letter No 11819 of 7 November 1944 has received careful consideration.

My advisers still are convinced that there is a large amount of wheat hidden in Sicily, but, in order that the just may not be punished with the unjust, it has been decided in view of your request to reconsider our position. It is now planned that one shipload of wheat will be brought into Sicily in December, and that, with this help, the Island must feed itself until the middle of January. Shipments will be arranged for subsequent months, but their amount must of course depend on the general food situation in Italy, and on the availability of shipping for imported supplies.

I am as anxious as you are that the question of the general ration of bread and pasta for liberated Italy as a whole should be resolved as early as possible. The estimate in your letter of 7 November of the amount of grain needed by Italy has been noted, and is being studied by us. Meanwhile, the figures of actual wheat-flour imports to date, and details of our present knowledge of expected tonnages until next harvest, are attached for your information as an appendix to this letter.

Members of my staff have already gone over with M. A. Bergami, Under Secretary of Food, the problems involved in transferring the responsibility for food to your Government. While the wheat problem is by no means completely solved, it is hoped that current consultations between the Italian Government and the Allied Commission may lead to a solution as satisfactory as possible to all concerned, in view of the supply and shipping limitations under which we are all working.

Sincerely yours,

10
H. E. Ivanoe Bonomi
President of the Council of Ministers Chief Commissioner
Italian Government
Rome
cc 3 Section
Food Sub/comm

ALLERY W. STONE
Commodore, USNR

16 Nov

APPENDIXACTUAL CEREAL IMPORTS INTO ITALY FROM ALLIED SOURCE

July, 1, 1944 - October 31, 1944

(all figures in tons)

| | <u>Wheat</u> | <u>Flour</u> | <u>Barley</u> | <u>Total</u> |
|-------------|--------------|--------------|---------------|---------------|
| <u>1944</u> | | | | |
| July | 36,009 | - | - | 36,009 |
| August | 52,721 | - | - | 52,721 |
| September | 18,086 | - | - | 18,086 |
| October | 34,310 | 11,328 | 15,161 | <u>60,999</u> |
| | | | TOTAL | 167,815 Tons |

EXPECTED IMPORTS, NOVEMBER 1, 1944 - JUNE 30, 1945

(all figures in tons)

| | <u>Wheat</u> | <u>Flour</u> | <u>Barley</u> | <u>Total</u> |
|-----------------------------|--------------------|--------------|---------------|--------------|
| <u>1944</u> | | | | |
| November | 49,853 | 17,162 | 22,485 | 89,500 |
| December | - | - | - | 93,000 |
| <u>1945</u> | | | | |
| January | - | - | - | 93,000 |
| February
through
June | 107,000
monthly | | | 535,000 |
| | | | TOTAL | 810,500 Tons |

NOTES:

1. Total for year July 1st 1944 to June 30th 1945 - 978,315 tons
2. Figure quoted for February 1945 to June 1945 is not fixed firm. Increase or decrease will depend upon shipping available
3. Of the imports from November 1944 to June 1945 a considerable quantity must be earmarked for the estimated needs of North Italy, to be utilised there after its liberation.

~~TOP SECRET~~

AGHQ Political Committee

15 Nov 44

32nd Meeting 15 November 44

EXTRACT

11. IMPORTS INTO ITALY

MAJOR GENERAL LEWIS reported that a telegram was being sent to the Combined Chiefs of Staff indicating that the introduction of relief into ITALY was limited not only by the supplies and shipping available to the Combined Chiefs of Staff but also by considerations of shipping acceptance and internal movement. There appeared to be a misapprehension in WASHINGTON in this respect.

/ in ITALY.

THE SUPREME ALLIED COMMANDER:

Took note of the above.

. . .

~~TOP SECRET~~

2603

(9a)

4005/c c

SECRET

AFHQ MESSAGE CENTER
INCOMING MESSAGEWAR
Filed: 1321/72
Read: 140230A

APSC N 210/14

310

PRIORITY

FROM: AGWAR FROM THE COMBINED CHIEFS OF STAFF (BOOK MESSAGE)

TO: AFHQ TO WILSON FOR ACTION TO SHARP VERSAILLES FOR
HISBROWER TO CENTRAL DISTRICT UNITED KINGDOM BASE
SECTION LONDON TO BRITISH CHIEFS OF STAFF FOR INFORMA-
TION

REF NO THIS MESSAGE: WX 60000, 13 November 1944.

PAR 850.

Extent to which you may have responsibility beyond that
essential to the accomplishment of your military mission is
under urgent consideration as previously requested in your
NAF 778 and as supplemented by NAF 810.

Pending issuance of instructions to you by the Com-
bined Chiefs of Staff, you will take no steps to change the
basis on which your Headquarters approves for submission to
the Combined Chiefs of Staff requirements for essential
civilian supplies as being within military responsibility.

NAF 778 Ref PX 24540 MC OUT 3390 G/S 13-9-44 } not null at
NAF 810 Ref PX 45787 MC OUT 111 1-11-44 G-5 } AC 1/6

26

ACTION: G-5

INFORMATION: 803
G-3
NAAFISAFS
G-4
USAFG-1
OAG
CINC W.USPOLAD
MR MACDONALD
RECORDS

SECRET

COPY NO. 17

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN 1/1/6

4005/cv

CONFIDENTIAL

AGWAR FOR CCS FOR CCAC INFO LEVTS RPTD FOR INFO TO CENTRAL DISTRICT UK
BASE SECTION (LONDON) FOR BRITISH ++

AFHQ SIGNED WILSON

8/11

PX 50904

ROUTINE

NOV 101915A

CITE FHGEG, FHGDS

++CHIEF OF STAFF, HQ COMZONE MAIN (ETOUSA) SHARP FOR SHGE, TROOPERS, AC,
PMBARK. (This is LAC 801)

CONFIDENTIAL. COM-MOC series is subject.

Ref CAL 923.

1. See MOC 1, 8 Nov as cross ref this message, defining civilian supply items as categories "A" and "B" and outlining proposed procedure.
2. In agreement with MOC 1 and as emphasized by contact with HARRIS-MITCHELL it is desirable to place increasing responsibility upon the Italian Govt. The ref No of this message is PX 50904. With consequent decreasing control by Allied Commission.
3. In line with this thinking it is proposed that COM-MOC be designated the series in which the AC communicates category "B" civilian supplies to CLAC through CCAC.
4. Under this procedure AC and CCAC will initiate MOC and COM signals respectively, each repeating to LONDON and AFHQ for information. AFHQ will not screen these items and should not forward allocation requests. AFHQ will comment where necessary. In this connection it prefers to comment in CAL-LAC series or outside of any series. Since COM-MOC is for supplies of non military responsibility...

4005-

1 2 6 0

1280

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

PERBARK. (This is LAC 801)

CONFIDENTIAL. COM-MOC series is subject.

Ref CAL 923.

- 7- 1. See MOC 1, 8 Nov as cross ref this message, defining civilian supply items as categories "A" and "B" and outlining proposed procedure.
2. In agreement with MOC 1 and as emphasized by contact with MARRIS-MITCHELL it is desirable to place increasing responsibility upon the Italian Govt. The ref No of this message is FX 50904. With consequent decreasing control by Allied Commission.
3. In line with this thinking it is proposed that COM-MOC be designated the series in which the AC communicates category "B" civilian supplies to CLAC through CCAC.
4. Under this procedure AC and CCAC will initiate MOC and COM signals respectively, each repeating to LONDON and AFHQ for information. AFHQ will not screen these items and should not forward allocation requests. AFHQ will comment where necessary. In this connection it prefers to comment in CAL-LAC series or outside of any series. Since COM-MOC is for supplies of non military responsibility it would prefer not to originate any MOC messages. AFHQ will call forward supplies, coordinating shipping, as at present.
5. Under this procedure it is proposed to amend para five AFHQ Memo referred in CAL 923.
- 4005-1 CC

- 1 -

CONFIDENTIAL

10 Nov

CONFIDENTIAL

MSG CONTINUES PAGE 2

SEE PAGE 1

AFHQ SIGNED WILSON

PX 50904

8/11

ROUTINE

CITE PHGEG, PHGDS

NOV 101915A

CONFIDENTIAL.

6. Believe procedure MOC 1 and this message outweigh consideration
CAL 923. HAYES agreed MOC 1 but not been this message.

Dist

Info-Act: Lcan Sec (3)

Inf. Alpe

P.O.S

File (m)

1 2 6 1

CONFIDENTIAL.

6. Believe procedure LOC 1 and this message outweigh consideration
CAL 923. HAYES agreed LOC 1 but not been this message.

Dist

Typ-Aet: Leon Sa (3)

Inf. Alpe

P.O.S

File (m)

2802

NOV 110900A

8

1 2 6 2

I

TO: AGWAR FOR CCE FOR CCAC FOR INFO CENTRAL DISTRICT UK BASE SECTION (LONDON)
FOR BRITISH CHIEFS OF STAFF AND TROOPERS CMA REMARK CMA AND AFHQ PD

AC HQ

SEC

6194

PRIORITY

8 Nov 44

ECONOMIC SECTION
(CLEVELAND)

THIS IS MOC ONE

SECRET PD NON HYPERN MILITARY IMPORTS INFO ITALY FROM UNITED STATES AND
BRITISH SOURCES

PARA ONE PD DEFINITION'S PD SUPPLIES FOR ITALY ARE DIVIDED INTO TWO CATEGORIES
PD CATEGORY QUOTE ABLE QUOTE ARE THOSE ITEMS AND QUANTITIES WHICH ARE CONSIDERED
TO FALL WITHIN THE MILITARY MISSION OF QUOTE PREVENTING DISEASE AND URGENT QUOTE
CMA AS DETERMINED BY THE COMBINED CHIEFS OF STAFF PD THE ONLY BASIS ALLIED
COMMISSION HAS FOR JUDGING WHAT FALLS WITHIN OR WITHOUT THIS GENERAL FORMULA
IS THE SERIES OF DECISIONS BY THE AGENCIES OF THE COMBINED CHIEFS OF STAFF ON
PARTICULAR REQUISITIONS FOR CIVILIAN SUPPLIES FOR ITALY DURING THE PAST SEVERAL
MONTHS PD HENCE THE LINE BETWEEN THIS AND THE FOLLOWING CATEGORY IS
NECESSARILY HARD TO DRAW PD CATEGORY QUOTE BAKER QUOTE ARE THOSE ITEMS AND
QUANTITIES WHICH FALL OUTSIDE THE SCOPE OF THE MILITARY PROGRAM OF CIVILIAN
SUPPLY CMA THAT IS OUTSIDE OF CATEGORY QUOTE ABLE QUOTE PD

PARA TWO AGWAR FOR CCE FOR CCAC FOR INFO CENTRAL DISTRICT UK BASE SECTION
BRACKET LONDON BRACKET FOR BRITISH CHIEFS OF STAFF AND TROOPERS CMA REMARK
CMA AND AFHQ PD FROM HQ ALLIED COMMISSION

26

7

MOC 1

8 Nov

A

4005/100

PARA TWO PD WE ARE INFORMING THE ITALIAN GOVERNMENT OF STATUS OF ALL REQUESTS FOR SUPPLIES PUT IN BY ALLIED COMMISSION UNDER CATEGORY QUOTE ABLE QUOTE PD WE ARE TAKING UP WITH THE GOVERNMENT INDIVIDUALLY THE REQUISITIONS WHICH HAVE BEEN DISAPPROVED BY AFHQ OR CCAC UNDER CATEGORY QUOTE ABLE QUOTE CMA TO SEE IF THE GOVERNMENT CONSIDERS THEM TO BE SUPPLIES WHICH SHOULD BE PURCHASED UNDER CATEGORY QUOTE BAKER QUOTE WITH THE SMALL AMOUNT OF FOREIGN EXCHANGE WHICH MAY BE AVAILABLE TO IT PD WE WILL SEND YOU SHORTLY A SUMMARY OF OUR RECOMMENDATIONS OF EACH OF THE PENDING CATEGORY QUOTE BAKER QUOTE REQUISITIONS PD

PARA THREE PD AS A RESULT OF A SERIES OF CONFERENCES WITH AFHQ AND THE POLITICAL ADVISERS IN THE THEATRE CMA ALLIED COMMISSION HAS NOW RECEIVED CLEARANCE TO APPROACH THE ITALIAN GOVERNMENT AND DEVELOP A JOINT PROGRAM FOR CATEGORY QUOTE BAKER QUOTE SUPPLIES PD WE HAVE NOW ASKED THE GOVERNMENT TO DRAW UP THREE OUTLINE PROGRAMS REPRESENTING THREE POSSIBLE LEVELS OF FINANCIAL AVAILABILITY DASH ONE FIVE NAUGHT CMA TWO NAUGHT NAUGHT CMA AND TWO FIVE NAUGHT MILLION DOLLARS DASH AND TO SAY IN EFFECT HOW THE FOREIGN EXCHANGES REPRESENTED BY EACH OF THESE SUMS MIGHT BE SPENT MOST EFFICIENTLY IN STARTING THE REHABILITATION OF ITALIAN PRODUCTION PD THE GOVERNMENT HAS AGREED TO PRESENT TO ALLIED COMMISSION A GENERAL PRIORITY SCHEDULE ALONG THESE LINES CMA AND THEN TO WORK WITH ALLIED COMMISSION ON THE SPECIFIC PROJECTS AND DETAILED REQUISITIONS WHICH WILL BE NECESSARY TO IMPLEMENT IT PD OUR PRESENT TARGET IS FOR THIS ENTIRE JOB TO BE COMPLETED BY THE END OF THE YEAR PD WE HOPE TO HAVE SOME OVERALL INDICATION OF PRIORITIES WITHIN A COUPLE OF WEEKS PD

PARA FOUR PD REQUISITIONS FOR CATEGORY QUOTE BAKER QUOTE ITEMS AND QUANTITIES WILL BE PREPARED IN THE FIRST INSTANCE BY THE ITALIAN GOVERNMENT PD THESE REQUISITIONS WILL THEN BE SUBMITTED TO ALLIED COMMISSION FOR SCREENING AS TO END HYPERBOLIC JUSTIFICATION CMA AVAILABILITY OF SUPPLY AND AVAILABILITY OF SHIPPING PD REQUISITIONS APPROVED BY ALLIED COMMISSION WILL BE SENT IN THE COM HYPERBOLIC MOC SERIES TO CCAC FOR CLAC FOR APPROPRIATE PROCUREMENT ACTION PD

PARA FIVE PD AS SOON AS CLAC HAS ASCERTAINED BRACKET ABLE BRACKET SOURCE OF SUPPLY AND AVAILABILITY CMA BRACKET BAKER BRACKET PROBABLE DATE OF READINESS AT SEABOARD CMA FEA OR MINISTRY OF SUPPLY WILL IMMEDIATELY INSTITUTE SUPPLY ACTION CMA SINCE THERE IS NO NEED FOR A REQUISITION THROUGH MILITARY CHANNELS AS IN THE CASE OF CATEGORY QUOTE ABLE QUOTE ITEMS PD CLAC WILL NOTIFY ALLIED COMMISSION OF ACTION TAKEN PD

PARA SIX PD IT IS ASSUMED THAT SHIPPING OF CATEGORY QUOTE BAKER QUOTE ITEMS WILL CONTINUE FOR SOME TIME TO BE HANDLED THROUGH MILITARY CHANNELS PD FEA OR MINISTRY OF SUPPLY WILL KEEP ALLIED COMMISSION ADVISED AS TO THE AVAILABILITY OF SUPPLIES FOR SHIPMENT PD ALLIED COMMISSION WILL CALL FORWARD SUPPLIES THROUGH AFHQ IN ACCORDANCE WITH EXISTING PROCEDURES PD

PARA SEVEN PD WE WILL UNDERTAKE TO SECURE FROM THE ITALIAN GOVERNMENT WITH EACH REQUISITION A STATEMENT OF WILLINGNESS TO PAY OUT OF ITALIAN FUNDS FOR THE ARTICLES REQUISITIONED PD AS TO THE DETAILED ACCOUNTING AND BANKING PROCEDURES BY WHICH DOLLARS OR STERLING AVAILABLE TO THE ITALIAN GOVERNMENT WILL BE USED TO PAY FOR CATEGORY QUOTE BAKER QUOTE IMPORTS CMA PROPOSALS WILL SHORTLY BE MADE CMA INCLUDING SUCH MATTERS AS THE ROLE TO BE PLAYED BY ISTOAMMI OR BANCA D'ITALIA AND THE NATURE OF THE ADVICES AGAINST WHICH PAYMENT WOULD BE MADE BY THE BANKING INSTITUTION IN THE UNITED STATES OR UNITED KINGDOM IN WHICH OFFICIAL ITALIAN FUNDS ARE HELD PD

PARA EIGHT PD QUESTIONS OF REQUISITION NUMBERING AND UNIFORM MARKINGS ON CATEGORY QUOTE BAKER QUOTE REQUISITIONS ARE UNDER CONSIDERATION PD OUR OBJECTIVE IS TO HAVE A SINGLE NUMBER APPLIED TO THE ITEM OR GROUP OF ITEMS CMA FROM THE ORIGINAL REQUISITION TO THE FINAL MARKING BRACKET THROUGH A BLOCK OF ASSIGNED NUMBERS FURNISHED ALLIED COMMISSION BY CLAC CMA COVERING BOTH US AND BRITISH SHIPMENTS BRACKET PD YOUR SUGGESTIONS ON THIS POINT WOULD BE HELPFUL PD

PARA NINE PD NOTHING IN THIS CABLE REFERS TO TRADE COUNTRIES OTHER THAN UNITED STATES OR BRITISH SOURCES PD PROCEDURE AND FINANCIAL ARRANGEMENTS FOR TRADE WITH NEUTRAL COUNTRIES AND OTHER LIBERATED AREAS IS UNDER CONSIDERATION CMA WITH PARTICULAR REFERENCE TO TAN AIRGRAM TWO FOUR PD

PARA TEN PD YOUR COMMENTS ARE REQUESTED ON THE PROCEDURE SUGGESTED IN PARAGRAPHS FOUR CMA FIVE CMA SIX CMA AND EIGHT ABOVE PD

PARA ELEVEN PD REFER IN THIS CONNECTION TO THE MICROGRAPHED QUOTE SUMMARY OUTLINE OF ESSENTIAL ITALIAN IMPORTS QUOTE CMA A DRAFT OF WHICH WAS TAKEN BY MITCHELL AND MARSH THEN THEY WERE IN ROME CMA AND WHICH HAS ALSO BEEN SENT TO FEA FOR HUNT THROUGH DIPLOMATIC POUCH PD WE HAVE NOT REPEAT NOT GIVEN A

COPY THIS DOCUMENT TO THE ITALIAN GOVERNMENT PD REFER ALSO TO THE ATTACHMENTS TO LETTER NUMBER PD NIPHEN FOUR TO FEA FOR HUNT FROM CLEVELAND CMA FORWARDED THROUGH DIPLOMATIC POUCH SIX NOVEMBER PD

PARA TWELVE PD THIS CABLE HAS BEEN COORDINATED WITH GEORGE HYCHEN FIVE CMA GEORGE HYCHEN FOUR CMA MOVEMENTS AND TRANSPORTATION CMA AFTER PD

SECRET

HISTORICAL DIVISION, ARMY, WASHINGTON, D. C.

400 394

200-1510-3800000

Ref: 120-4

6 November 1944

Mr. S. E. Hunt
Chief, Italian Division,
Identified Areas Branch, WPA
Washington, D. C.

Dear Sir:

I want to give you in this letter a summary of the main things that are going on in the Economic Section just now, and indicate what some of the basic trends seem to be. This letter has been checked with Tony, of course, and so I'll try to reflect his thinking in it too, insofar as I have been able to get it in three weeks.

1. Forward Areas

Believe never adequately realized in Washington how pre-occupied AG has been responsible for getting supplies up into these areas, as soon as the Army has "uncovered" them, even though the AG represents as civil affairs officers in the forward areas come under the administrative jurisdiction of HQ. Allied Armies in Italy and at the 9th and 10th armies. As an operating job, this supply function tends to take precedence over matters of national importance and general policy--as is often the case in an organization where the operating and policy functions are so effect concentrated in the same people. (For example, the Post Administration never worked out a plan for the transfer of operating functions to the Italian Government; it was too busy performing the operating functions itself. It remained for Tony to bring to a head at the divisional level the question of the transfer of operating responsibility for feeding Italy -- (of which more later.) Similarly, the transportation people have been so busy getting 100 tons of this or that moved that they have never set up a real system of coordinated shipping by all elements for the limited amount of transportation available for civilian purposes.)

Recently all the Subcommissions were asked to submit their plans for operations in Northwest Italy, and the result is a collection of intentions on Northwest Italy which I think you will find most interesting. I am in the process of editing this report.

400

able to get it in three weeks.

1. Forward areas

Beliefs never adequately realized in Washington how pre-occupied AG has been responsible for getting supplies up into those areas, as soon as the Army has "uncovered" them, even though the AG appointees as civil affairs officers in the forward areas came under the administrative jurisdiction of HQ. Allied Forces in Italy and of the 15th and 16th armies. As an operating job, this supply function tends to take precedence over matters of national importance and general policy—as in order the same in an organization where the operating and policy functions are in effect concentrated in the same people. (For example, the AG's administration never worked out a plan for the transfer of operating functions to the Italian Government; it was too busy performing the governing functions itself. It resided for long to bring to a head at the significant level the question of the transfer of governing responsibilities for Italian Italy — (of which more later.) Similarly, the transportation people have been too busy getting 100 tons of this or that moved from one place to another that they have never set up a real system of coordinated bidding by all elements for the limited amount of transportation available for civilian purposes.)

Recently all the commissions were asked to submit their plans for operations in Northwest Italy, and the result is a collection of intentions on Northwest Italy which I think you will find most interesting. I am in the process of editing this report, which is to be used as a guide by the AG/HQ personnel in that area; as soon as it is finished I'll put it in the next pouch.

Every month or so there is a conference at Siena of all the northern regional officers, with the top executive and Sub-Commission directors from here. At the moment, of course, most of the people assigned to the northern regions are simply sitting on a mountain top somewhere waiting for something to happen—and have been that way for quite a while. In fact, a considerable number of officers have been pulled back into the headquarters Sub-Commission to help out on current work until the day breaks in the north.

2. Breakdown of the economic situation

Partly as a result of the need for constant attention to the forward areas, and partly because of the inherent situation, some 50% or more of Tony's time (and as a result, as the line of those around him) is spent on food and transportation. It's like this: when you have a good cook, you don't need to spend much time on it, except to make sure it is not on backwards; but when the cook is there, and it is likely to pop out in

Continued, dated 6 Nov 44, No. 4

-2-

any one of a dozen places, all these places have to be watched like a hawk. Or, to put it another way, it is like a bank whose legal reserve is 25% of its total deposits, but which is trying to operate on 2% and still cover all the withdrawals. It's not helped any, with it, when the absentee directors of the bank announce to the newspapers that special extra dividends are being declared and encourage all depositors to withdraw all the money they need and then some.

The net effect of the situation is a constant state of emergency which makes orderly planning difficult or impossible. One day Sicily erupts with food riots fed by politics; the next day word comes that Rome's stocks are down to a couple of days' supply; the day after we find that the Red Army is a fit of generosity has given out the entire year's ration of rice, presumably to save the administrative headaches, and that the theoretical northern stockpiles are now more theoretical than ever. And then, just when things are settling down for a few hours, we read in the papers that the President has raised the bread ration to 500 grams and is taking the responsibility for distributing stockpiles of food in emergency fully which do not exist, with no promise or even indication as to replenishment beyond December 31.

Recent visiting missions have been surprised that ICI had prepared no long-range plan for the development of Italy's resources and industrial facilities. I'm not.

3. "Civilianization"

The infiltration of civilians into key positions in the Economic Section is proceeding apace---in fact, I would judge, at just about the right pace. Lee Allbaugh has now been definitely and formally appointed Director of the Agriculture Sub-Commission. Bill Vaughan is of course already Director of the Industry Sub-Commission. Yesterday Commodore Steno removed a reorganization of the Economic Section staff into three staff Divisions:

Administrative Division (for admin. management work---personnel, fiscal, and space matters), under an American officer. Dave Lebrun will fit into this group.

Priorities and Movements Division, headed by Merritt Taylor. He was originally scheduled to be Director of the Transportation Sub-Commission, but that fell through for reasons of personality (not Taylor's personality). When the present arrangement was worked out, which I think is almost as good. The new Division, which will also include Tom Sturtevant and Tony Villa, will pull together all needs and "bids" for transportation, set priorities on internal movements, allocate the types of transportation facilities to be used (i.e., rail, road, or coastal shipping) and

long-range plan for the development of Italy's resources and industrial facilities. It's not.

3. Coordination

The infiltration of divisions into key positions in the Economic Section is proceeding apace--in fact, I would judge, at just about the right pace. Lee Allbaugh has now been definitely and formally appointed director of the Agriculture Sub-Commission. Bill Vaughan is of course already director of the Industry Sub-Commission. Yesterday Comodor Blane approved a reorganization of the Economic Section staff into three staff divisions:

Administrative Division (for admin. management work--personnel, fiscal, and space matters), under an American officer. Dave Larson will fit into this group.

Priorities and Movement Division, headed by Herriet Taylor. He was originally scheduled to be director of the Transportation Sub-Commission, but that fell through for reasons of personality (not Taylor's personality). Then the present arrangement was worked out, which I think is almost as good. The new Division, which will also include "a staffer and Tony Villa, will pull together all needs and "bids" for transportation, not priorities on intermodal movement, allocate the types of transportation facilities to be used (i.e., rail, road, or coastal shipping) and generally make sure that the most in gaiton out of the limited transportation facilities which can be pressed into service. A really dynamic operation along these lines has apparently been long overdue.

Supply and Resources Division: This is a place of veridige designed to cover my transportation and utilization activities. The official language of the order setting this Division up is a pretty good description of what I am intended to do, so I'll quote it verbatim:

III. RESPONSIBILITIES OF SUPPLY AND RESOURCES DIVISION

1. Advise the Vice-President on matters related to economic and price policy.
2. On behalf of the Vice-President, coordinate the activities of the several Sub-commissions in the Economic Section, with respect to:
 - a. The development of requirements programs, and the requisitioning of supplies from outside Italy.

long-range plan for the development of the country's resources and industrial facilities. It's not.

3. Civilianization

The infiltration of civilians into key positions in the Economic Section is proceeding apace--in fact, I would judge, at just about the right pace. Lee Albaugh has been definitely and formally appointed Director of the Agriculture Sub-Commission. Bill Vaughan is of course already Director of the Industry Sub-Commission. Yesterday, Commodore Sims approved a reorganization of the Economic Section staff into three staff divisions:

Administrative Division (for admin. management work--personnel, fiscal, and space matters), under an American officer. Here, Adams will fit into this group.

Priorities and Movement Division, headed by Merritt Taylor. He was originally scheduled to be Director of the Transportation Sub-Commission, but that fell through for reasons of personality (not Taylor's personality). Then the present arrangement was worked out, which I think is almost as good. The new division, which will also include Van Stuffer and Tony Villo, will pull together all needs and "bids" for transportation, set priorities on internal movements, allocate the types of transportation facilities to be used (i.e., rail, road, or coastal shipping) and generally make sure that the route in question out of the limited transportation facilities which can be pressed into service. A really dynamic operation along these lines has apparently been long overdue.

Supply and Requirements Division: This is a piece of verbiage designed to cover my information and communications activities. The official language of the order setting this Division up is a pretty good description of what I am supposed to do, so I'll quote it verbatim:

III. RESPONSIBILITIES OF SUPPLY AND REQUIREMENTS DIVISION

1. Advise the Vice-President on matters related to economic and price policy.
2. On behalf of the Vice-President, coordinate the activities of the several Sub-commissions in the Economic Section, with respect to:
 - a. The development of requirements programs, and the requisitioning of supplies from outside Tully.

Cont'd: SUP, dtd 6 Nov 44, No. 4

-3-

- b. Participation by the AS in the Allied Force Local Resources (Italian) Board and its committees.
- c. Consideration of proposed decisions and other actions to be taken by the Italian Government in the economic field, where necessary through the medium of Joint (AS-Italian Government) working parties.
3. Assume such other responsibilities as the Vice-President may direct.

"IV DESIGNATION OF CHIEF, SUPPLY AND ECONOMIC DIVISIONS, AND ECONOMIC ADVICE"

"Announcement in name of the designation of Harlan Cleveland as Chief, Supply and Resources Division, and as Economic Advisor to the Vice-President, Economic Section."

The Supply and Resources Division (but you can't guess where the name came from) will include the existing Price Group (Henry Bakken, a Captain, and a statistician, plus girls) and the existing Acquisition Division, headed by Lt. Col. Bob Martino. This means, among other things, that you and I will be writing back and forth directly in the COM-SEC series.

In addition to these definite administrative moves, Tony and I are discussing today the whole question of what type of eventual PEA mission might be aimed at as a target, which officers should be taken out of uniform if possible, and the additional people who will need to be recruited in the U.S. while the civilian participation is still on an infiltration basis. I think we'll have some definite word for you on this before very long. The whole process may be accelerated by two recent events: the positive and official declaration by the War Department that it wants all American officers out of here by the end of this year; and the current mission to London by Brigadier Lush, Chief of Staff of AS and the top British representative in AI, who went back with Foreign Secretary Eden to sort out the London policy on civilisation. (Incidentally, "civilisation" is the official word used around here, not "demilitarization".)

4. Local Resources

I don't know how much information has come your way about the recent reorganization of the Local Resources set-up, which we used to talk about so much before I left. The original set-up, the one to which Mr. Grady objected so strongly, was apparently not satisfactory either to AI or to AFHQ.

The Supply and Resources Division (but you can't guess more the name comes from) will include the existing Price Group (Henry Bakken, a Captain, and a statistician, plus girls) and the existing Requisition Division, headed by Lt. Col. Bob Martino. This means, among other things, that you and I will be writing back and forth directly in the COM-SEC series.

In addition to these definite administrative moves, Tony and I are discussing today the whole question of what type of eventual JMA mission might be aimed at as a target, which officers should be taken out of uniform if possible, and the additional people who will need to be recruited in the U.S. while the civilian participation is still on an infiltration basis. I think we'll have some definite word for you on this before very long. The whole process may be accelerated by two recent events: the positive and official declaration by the War Department that it wants all American officers out of here by the end of this year; and the current mission to London by Brigadier Inch, Chief of Staff of AG and the top British representative in AG, who went back with Foreign Secretary Eden to sort out the London policy on civilisation. (Incidentally, "civilisation" is the official word used around here, not "demilitarization".)

4. Local Resources

I don't know how much information has come your way about the recent reorganization of the Local Resources set-up, which we used to talk about so much before I left. The original set-up, the one to which Mr. Orady objected so strongly, was apparently not satisfactory either to AG or to AFHQ. The Allied Force Local Resources (Italian) Board, as it is officially called, was therefore reorganized, with the Chief Administrative Officer of AFHQ, Major-General Clarke (British), and the Acting Chief Commissioner of AG, Comodore Stone (American) as co-chairmen. The other members are:

C-4 (B), C-4 (A), and C-5 AFHQ
 CAS, AAI or representative
 Vice-President, Economic Section, AG
 Representative of C in C Mediterranean
 HQ, Communications Zone MEVITA (Formerly was MEVITA)
 C Staff, AFHQ
 MAAP and U.S.S.

For some time there have been a number of Committees of the Board on special problems, viz:

Food Supply Committee (Col. Leiss, AG, Chairman)
 Engineering Materials Committee (Vig. Anderson, Director of Works, AAI, Chairman)
 Labor and Wage Committee (Col. Smith of AG, Chairman)
 Purge Committee (C Maintenance, AFHQ, Chairman)
 Electric Power Committee (Chief Engineer, AFHQ, Chairman)
 Miscellaneous Purposes Committee

Cont'd: XTH, Oct 6 Nov 14, 1944

These Committees are all all-seeing committees, actually making allocations of materials and facilities among their claimant members.

At the next Board meeting next Saturday, another Committee is to be set up, the Industrial Transportation Committee, with Commodore Stone as Chairman. It will allocate industrial capacity, decide which plants are to be requisitioned and which to be leased from requisition, and a number of related functions which are spelled out in the attached draft terms of reference of the new Committee. Since it will be doing most of its start work, the Committee should be in a position to stop the process of wholesale auctioneering which has characterized the handling of industrial facilities to date. We are also bringing up at the Board meeting the recommendation that as a matter of policy the civilian Minister of Industry, Commerce and Labor should be a member of the Industrial Coordination Committee.

At the same meeting, we are proposing that the principle of the joint chairmanship of the Board be extended to its secretariat. At present the Secretariat for the Board and in effect for most of its committees is the Allied Force Local Resources Section (ALRS). As a result of seeing in the WACAG and WFF the extent to which the secretariat is the real seat of power (especially in a committee of claimants), I suggested that it should have a joint secretary as well as a joint chairman. The proposal is to be put up and will be decided, presumably, at the Board meeting.

In addition to passing on special questions such as those just mentioned, the monthly Board meeting reviews all decisions of its several Committees. In fact, the Committee sessions are recommendations to the Board, so that it is possible to reverse them at the "policy level" if necessary.

When these steps have been completed, it will be in an excellent position to act as part claimant, part judge, in the allocation of various "controlled" and "restricted" materials. It will tell the civilian economy court in the competition for local resources will then be simply a question of how aggressively and completely we present our case in the various allocating groups.

5. Joint Programmes and the "Planning for Italy"

You heard last week about the visit of Messrs. "Tide" and "Vario", and the resulting attention to the idea of laying out a program for the use of semi-military funds in purchasing essential civilian supplies. As a

Allied Forces (and resources) in the rear part of the war and up to the extent to which the secretariat is the real seat of power (especially in a committee of claimants). I suggested that it should have a joint secretary as well as a joint chairman. The proposal is to be put up and will be decided, presumably, at the Board meeting.

In addition to passing on special questions such as those just mentioned, the monthly Board meeting reviews all kind of its several Committees. In fact, the Committee on Recommendations to the Board, so that it is possible to review them at the "policy level" if necessary.

When these things have been completed, it will be in an excellent position to act as part claimant, part judge, in the allocation of various "controlled" and "restricted" materials. It will also be the division of money out in the competition for local resources. All this is simply a question of how aggressively and completely we present our case in the various allocating groups.

5. Joint Programme and the "New Deal for Italy"

You heard last week about the visit of Messrs. Mitchell and Martin, and the resulting stimulation to the idea of laying out a program for the use of non-edible funds in purchasing essential civilian supplies. As a result of their visit, and the tentative "summary outline" of projects which was drawn up while they were here, a couple of important meetings were held at APO in which Harold Phillips, British Political Adviser to General Wilson, took a leading part. A cable was then sent by General Wilson to the Combined Chiefs of Staff detailing the steps which he proposed to take in the absence of any directive or indication of policy from the Combined Chiefs. Finally, clearance was given by him to initiating jointly with the Italian Government the preparation of a requirements program related to the amount of funds likely to become available.

The whole file including minutes of the 12 recent meetings, the draft Wilson cable, and the terms of the instructions under which we are now operating, is attached to this letter. Please see important papers, and I'm sure you'll find them interesting.

Given this clearance, I've held an immediate staff meeting and we thrashed out at some length the terms in which this "New Deal" (as Mr. Phillips called it--we don't like the term in this particular application) should be put to the Italian Government. I then drafted the attached agenda, which was translated in Italian and used as the basis for a meeting between the Economic Section (and all its affected sub-committees) and five ministers--Industry-Commerce-education, Agriculture, Commerce, Finance, and Minister of the Interior (which is particularly so in acting as a sort of Government coordinator on this particular job). I leave the necessary responsibility on the APO side.

Conf'd: NSM, 22-6 Nov 44, No. 4

-5-

The meeting was quite a show. Tony is an excellent bilingual chairman, dominating the situation and acting as official interpreter besides. The high point came when the ministers got into a conflict among themselves as to what priorities should be assigned to various classes of essential activities. The upshot was that the ministers agreed to come up in a week with a preliminary sketch along the lines of point 5 (b) of the Agenda, based to the three assumed levels of 150, 200, and 250 million dollars. The three different levels were picked to avoid coming out with a single hypothetical figure which might be taken too much as gospel by the Italian Government. We have not given them the "Summary Outline", on the theory that it is preferable for them to sweat out the priority problem by themselves in the first instance, before we get together with them to (a) discuss the general allocation of funds, and (b) work out the specific programs and requisitions to implement the overall decisions arrived at.

6. Procedure for Handling Non-Military Imports

Now that the COM-INFO series is official, and we can cable back and forth directly between Washington and Rome, we have been working on the procedure for handling the non-military (or Category "C") imports. Tomorrow we are going down to Caserta to work out a drill on the whole procedure, including shipping, as far as this side of the water is concerned. I assume that you are doing similarly on your side, so that when our proposed procedure reaches you it will be possible to add your thinking and come up with a complete procedural drill.

We will also send you, very soon, our understanding of the present status of every requisition that has been declared non-military by COM or COMAC, and ask you to check our records.

The financial angles, as I am sure you will agree, will really have to be worked out on your end. Can you let us have, just as soon as is possible, a complete round-up of your thinking on the handling of the financial side-- who will act as agent of whom in the US, who will pay them for what, when, how, and on the basis of what documents? We are assuming, incidentally, that it is all going to be Government procurement for the time being, and we are planning to put the handling at this end in the hands of the Italians (Government or private groups) as soon as possible.

7. Export and Import Coordination of the Italian Government

Along the same line, we have been reviewing the whole status of export and import operations, with special stress on the functions which need to be performed by COM and ISIRI/AF, or their successors. By next week we

we are going down to Caserta to work out a drill on the whole procedure, including shipping, as far as this side of the water is concerned. I assume that you are going similarly on your side, so that when our proposed procedure reaches you it will be possible to add your thinking and come up with a complete procedural drill.

We will also send you, very soon, our understanding of the present status of every requisition that has been declared non-military by ARMO or DIAC, and ask you to check our records.

The financial angles, as I am sure you will agree, will mainly have to be worked out on your end. Can you let us have, just as soon as is possible, a complete round-up of your thinking on the handling of the financial side-- who will act as agent of whom in the US, who will pay whom for what, when, how, and on the basis of what documents? We are assuming, incidentally, that it is all going to be Government procurement for the time being, and we are planning to put the handling of this end in the hands of the Italians (Government or private groups) as soon as possible.

7. Export and Import Operations of the Italian Government

Along the same line, we have been reviewing the whole status of export and import operations, with special stress on the functions which need to be performed by IUC and IMAIMI, or their successors. By next week we should have a firm draft to send you on this. In that connection, SAM Airgram 24 was a considerable contribution to the progress of matters--I wish it were possible for more such policy cables to get out of the Washington mill.

The Italians are beginning to break into the outside world a little bit. Two top-flight financial experts, one from Government and the other from banking, have left for the U.S., with Lt. Commander John Lander, USN, (American Joint Director of the Finance Subcommittee) as chaperon. Also a very strange cable came in through State channels obliquely inviting the Italian Member of Commerce to join a forthcoming International Chamber of Commerce convention at Atlantic City. The only difficulty was that the cable said that the hosts reserved the right to veto any individual that the Italians might want to send, and added that the representatives might have to stay in the U.S. a long while, since they might not be able to get transportation home--in other words, a cable which made it a little difficult to approach the Italians on the subject at all.

8. Jurisdiction of AR

It is still quite unclear what the jurisdiction of the AR is to be, now that the middle C has been taken out. No further word from Washington, except (through the press as usual) the Presidential statement about the 300,000 ration--on which, of course, we have heard not a breath of a whisper through official channels since the original proposal went to AR from the

Gen'l: MHI, 210 6 Nov 44, to, A

Theatre Commander. That makes four statements made, at intervals of a week or two, without a shred of clarification sent from Washington to the people who are supposed to be responsible for carrying out these grandiose schemes. Or isn't it intended for them to be carried out?

Tom and I are pressing for more inter- "party line", at least within AC, on the vital question of decrees and appointments. The Italian Government is still supposed to be clearing every appointment to a major post, and every decree, with the AC. Nobody has told them not to—but of course they read the papers too. The result is that when a real difference of opinion develops one of two things happens: either the Minister concerned says the AC isn't will have to resign if the action in question doesn't go through; or they put it through in spite of all objections, and AC, not knowing whether it would be supported in a strong stand by higher echelons, naturally looks the other way.

This is not leading up to an argument that AC should "breathe down the neck of the Government" on decrees and appointments. Quite the contrary: the tendency here is to turn functions back to the Italian Government as quickly as possible. But it should be clear as a matter of policy, not as a result of administrative bungling and lack of follow-through on the part of the Allied Governments—which serves only to make the representatives of the liberating powers look ridiculous.

Our tentative thinking on what the AC position should be runs something like this: "With respect to concrete problems, and appointments to key Government posts, AC will assert the right to veto a proposed action if such action:

- "(a) Interferes with the Allied war effort;
- "(b) Increases the degree to which Italy is a drag on the economy of the United Nations; or
- "(c) Re-introduces serious or practices identified with Fascism into the functioning of the economic and governmental machinery.

"In all cases where objection is to be made by AC to a proposed action, the burden of proof will be on the Sub-Committee concerned to demonstrate that the action is in the interest of one of the above criteria. If it

This is not leading up to an attack on the Government. Quite the contrary: the neck of the Government on decrees and appointments. Quite the contrary: the tendency here is to turn functions back to the Italian Government as quickly as possible. But it should be clear as a matter of policy, not as a result of administrative bungling and lack of follow-through on the part of the Allied Governments--which serves only to make the representatives of the liberating powers look ridiculous.

Our tentative thinking on what the AG position should be runs something like this: "With respect to economic problems, and appointments to key Government posts, AG will assert the right to veto a proposed action if such action:

- "(a) Interferes with the Allied war effort;
- "(b) Increases the degree to which Italy is a drag on the economy of the United Nations; or
- "(c) Re-introduces persons or practices identified with Fascism into the functioning of the economic and governmental machinery.

"In all cases where objection is to be made by AG to a proposed action, the burden of proof will be on the Sub-Commission concerned to demonstrate that the action falls within the terms of one of the above criteria. If it does not, AG will not only in an advisory capacity to the Italian Government, making available to it the best opinion and judgment of the U.S. and U.K. Governments with respect to the problem facing the Italian Government."

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This letter obviously could go up for days--it has already taken a considerable bite out of one day. I still want to bring you up to date on the developments in the food field (including the recent setting up of an Undersecretariat of Food, the Sicily situation, the bus and car for a "free market," the near-strike in Rome, and the imminent project for turning over the feeding problem to the Government). I also want to mention developments on the UNRRA program (Sam Posen arrived a couple of days ago), describe what progress of the census, and perhaps eventually give you a rough idea what each of the civilians is doing (as contrasted with what he was sent over here to do or what his job description says). But all that will have to wait for a few days anyway. In any case, I'll try to get some sort of a letter into each week's pouch, which leaves here Friday nights.

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Cont'd: RM, dtd 6 Nov 44, No. 4

My best to all and family who read this letter, and my assurance that I don't take very long to start looking at Washington with the jaundiced eye of a man in the field.

Sincerely yours,

HARLAN CLEVELAND
Chief,
Supply and Resources Division

P.S. You'll be interested to know that Earle Wolf, who left 10 days before I did, arrived in Rome last evening (3 Nov.), that makes considerably more than a month.

P.P.S. I'm attaching a copy of last week's letter (RM-2) in case it didn't get to you for any reason.

- 4 Incls: cy ltr dtd 2 Nov 44 "A"
" " 31 Oct 44 "B" (w/incls.)
Agenda of J. Imports "C"
cy ltr to RM, RM-2, dtd 23 Oct 44

P.P.S. I'm attaching a copy of last week's letter (NO-2) in case it didn't
more than a month.

4 Encls: cy ltr dtd 2 Nov 44
" " 31 Oct 44
Agenda of T. Imports
cy ltr to WHI, 17 Dec, 44 23 Oct 44

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

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JAG/lvs

5 November 1944

SUBJECT: Forwarding of Missing Document

TO : G-5 Section, AFHQ
(Attn: CWO Burton)

1. With reference to your telephone call of this evening requesting urgently a copy of Appendix "G" to the enclosure of letter dated 21 October from the Acting Chief Commissioner, Allied Commission, to G-5, AFHQ, subject: "Imports", enclosed herewith is a reproduced copy of the report entitled "Summary Outline of Essential Italian Imports", including a copy of Appendix "G".

2. Text of the enclosed copy of the Appendix has been checked with the original and found to be an exact duplicate.

1 Incl.

As above, Oct 44

J. A. QUAYLE
Major, RA

Chief Staff Officer to A/CC

4005

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4005

2. Text of the enclosed copy of the Appendix has been checked with the original and found to be an exact duplicate.

J. A. QUAYLE
Major, RA
Chief Staff Officer to A/CO

1 Incl.
As above, Oct 44

~~SECRET~~

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HEADQUARTERS ALLIED COMMISSION
ECONOMIC SECTION
APO #394

MINUTES OF MEETING OF REPRESENTATIVES OF THE ITALIAN
GOVERNMENT AND REPRESENTATIVES OF THE ALLIED COM-
MISSION, 3 NOVEMBER 1944, 1600. RE "PROGRAM
OF ESSENTIAL ITALIAN IMPORTS".

PRESENT:

H. E. Cerabona, Minister of Communications
H. E. Cullio, Minister of Agriculture
H. E. Gronchi, Minister of Industry, Commerce and Labor
H. E. Solari, Minister of Treasury
H. E. Bergami, Under-Secretary of Agriculture
H. E. Rinaldi, Minister without Portfolio
Comm. Introna, Bank of Italy
Mr. A. G. Antolini, Acting Deputy Chief of Staff, E/S
Col. L. D. Denmore, Chief Staff Officer, E/S
Mr. Harlan Cleveland, Special Assistant to DCOB, E/S
Mr. Emilio Garavoglio, Economic Section Staff
Mr. Henry W. Sakken, Economic Section Staff
Col. R. Martino, Chief, Requisition Division, E/S
Mr. James E. Hurley, Requisition Division, E/S
Mr. Leland G. Allbaugh, Director, Agriculture S/C, E/S
Major J. Kacie, Food Sub-Commission, E/S
Col. A. P. Graftley-Smith, Joint Director, Finance S/C, E/S
Major Fred Tooby, Finance Sub-Commission, E/S
Col. S. A. Grump, Commerce Sub-Commission, E/S
Mr. Wm. S. Vaughan, Director, Industry S/C, E/S
Col. L. A. Jenny, Director, Public Works & Utilities S/C, E/S
Col. D. S. Adams, Director, Transportation S/C, E/S
Major A. H. Street, Transportation S/C, E/S
Mr. Merritt Taylor, Chief, Priorities & Movements Div., E/S
Captain R. Grady, AFHQ, E-5

NOTE

These minutes were taken from those remarks and state-
ments at the meeting which were made in English. They
therefore reflect the Ministers' statements in Italian only
to the extent that they were translated or summarized by

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4005/CC

- Mr. Harlan Cleveland, Special Assistant
- Mr. Emilio Garavito, Economic Section Staff
- Mr. Henry R. Bakken, Economic Section Staff
- Col. R. Martico, Chief, Regulation Division, E/S
- Mr. James E. Hurley, Regulation Division, E/S
- Mr. Leland G. Allbaugh, Director, Agriculture S/C, E/S
- Major J. J. Imrie, Feed Sub-Commission, E/S
- Col. A. P. Grady, Finance Sub-Commission, E/S
- Major Fred Tooby, Finance Sub-Commission, E/S
- Col. S. A. Crump, Commerce Sub-Commission, E/S
- Mr. Wm. S. Vaughan, Director, Industry S/C, E/S
- Col. L. A. Jenny, Director, Public Works & Utilities S/C, E/S
- Col. D. S. Adams, Director, Transportation S/C, E/S
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- Captain R. Grady, AFHQ, G-5

NOTE

These minutes were taken from those remarks and statements at the meeting which were made in English. They therefore reflect the Ministers' statements in Italian only to the extent that they were translated or summarized by the Chairman (Mr. A. G. Antolini).

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ANTOLINI: I will summarize briefly what I have told the Ministers as a preliminary to our discussion. I have notified the Ministers that as a preliminary step to the ultimate determination of the exact credit which will be passed on to the Italian Government we believe it to be important at this stage for them to state what they need, within certain definite limitation of foreign exchange. I have indicated to them in brief the mechanism of Washington procedures and screening and given them the criteria of judgment to be used on this program and/or requisitions. With your concurrence I shall review this paper with them. Anticipating the Ministers' questions I am going to talk to them briefly now in terms of giving them basic information that will be required on our system of requisitioning and our supply positions.

(Outline of program distributed to the Ministers and to Allied Commission representatives.)

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RUBINI: Accepts the program and warmly applauds it on the part of the Italian Government and assures us of their closest cooperation. He restates the case of how this credit will be finally established. He poses the question which was in effect self-answered that the program should be one of determining the priority of needs for consumer goods and production goods. He implied that production goods would, of course, be of greater use to them so that they could, as soon as possible, be in a position to produce consumer goods for themselves. He fully understands that the program in scope is one of first aid and here I have translated his statement literally. I feel sure that he has understood and that our outline is clear to them. They have requested that we review the program point by point.

GROMCHI: Believes that to set a limit was important but to know the cost was fundamental. I told him I knew that setting exact costs presented difficult problems, but that we had experts to help them and I felt that we could reach an approximate figure on costs. We can get catalogs if we find we are in a vacuum.

GROMCHI: Question raised on coal: Is coal a Category "A" or a Category "B" item? As Col. Griffithy-Smith and Mr. Cleveland say, we perpetuate the end use of coal for Category "A" when it is a military necessity, but when the end use of coal falls outside the scope of military program it will naturally come under Category "B".

BERGAMI: Does the Category "A" item cease to be Category "A" when the geographic area involved is no longer of military importance? Would distribution come out of Category "A" regardless of geography?

ANTOLINI: Yes. For this purpose we cannot consider that there is a geographical distinction between Category "A" and Category "B".

BERGAMI: Assuming that food is in Category "A", it may result that the amount of food now being brought in under Category "A" may not be sufficient. Hence, will they be allowed to buy food out of the total credit in Category "B"?

ANTOLINI: I would think that the program should reflect the need in the first instance but with your permission I will answer their question in this way: We are bringing in the maximum we can with the shipping available, and if we cannot get it we are positive that the Italian Government cannot get it.

GROMCHI: Is transportation of requested items assured?

we perpetuate the end use of coal for Category "A" when the end use of coal falls outside the military necessity, but when the end use of coal falls outside the military necessity, it will naturally come under Category "B".

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GRONCHI: Is transportation of requested items assured?

ANTOLINI: We know our program but shipping is not assured.

BERGAMI: Question has again reverted to food. Carrying out their thought he said that the Italian Government might want to use a substantial portion of this money for buying wheat. That might be a necessity for the tranquility of the people. Though we might accept it as a program, perhaps even if the world supply would support their needs, shipping might not be available in adequate amounts.... The other Ministers look upon this program as a "privat-aid" program and feel that it should be reflected in the re-activation of agricultural and industrial production.

GULLO: Points out also that shipping is obviously the most difficult factor to be determined. If shipping is so difficult to be determined and if it is, in effect, the determining factor by and large, and if they find that we may consider that in Category "A" items like wheat it would be difficult to supplement our present import program, how do we see that we would be able to secure shipping for Category "B" supplies? I have answered the question to the effect that the considerations applying to wheat affect only the commodities which are bulk cargoes and require a great deal of shipping - mostly wheat and coal.

SOLERI: Restates his position which seems to have the concurrence of the other Ministers to the effect that they, the Italian Government, must consider the Category "A" goods as top priority in shipping and perforce Category "B" items will be secondary in terms of need. Therefore, they feel that they must take the view of requesting only most urgently needed Category "B" items.

SOLERI: Says that all you are talking about is production goods and consumer goods but you are not telling me that you are going to allow me to take any of this money for stabilizing the Lira.

ANTOLINI: I have told the Ministers exactly what our position is on the feeding of this country. We have requested import to satisfy 300 gram ration and to date we have an unbalanced ration because we are unable to get shipping for imports. I have indicated that Category "A" items may well reflect a substantial portion of transportation and shipping. I have asked them to take a realistic viewpoint on the feeding of their country in terms of shipping problems.

RUINI: Suggests that it be added there, to put it on the positive side, that this Category "B" reflects a forest-aid emergency program -- BERGAMI: "A harnessing program".

GRONCHI: Raised the question whether or not we will perhaps put the cart before the horse" in asking to program certain goods without knowing their availability. He is afraid that the Italian Government position on the program -- not knowing the availability of goods -- would place them in an unrealistic position and indicated that if they knew something was not available they would have to use a substitute. I have told him that in all government purchases you screen programs as to end use and justification, and then you inquire as to the availability.

CLEVELAND: Should it not be explained to them that "availability" depends a great deal too on the justification of the requested items? (Antolini explained Mr. Cleveland's point to the Ministers.)

GRONCHI: Would like to treat it in some cases with an alternate plan. If we cannot supply an item requested they would like to substitute another item for the unavailable one. For instance, if they could not get the finished product, would it be possible for them to secure raw materials (and machinery, if necessary) for their own production.

VAUGHAN: Requested Mr. Antolini to tell Minister Gronchi that

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VANUGHAN: Requested Mr. Antolini to tell Minister Gronchi that members of his Sub-Commission were always available for discussion of any problems the Ministry might have in this respect. (Antolini transmitted this message to Minister Gronchi.)

GRONCHI: Feels, on first impression, that priority in the Category new items should be somewhat as follows:

1. Transport
2. Electrical equipment
3. Agricultural equipment and supplies
4. Cotton, wool and hides for the clothing, for footwear, and textiles industries

ANTOLINI: I have requested the Ministers to review 5.c. and 5.d. at once so that we may be given a deadline for their presentation. They have agreed to present to us in about a week an outline of programs related to 150, 200, and 250 million dollars in foreign exchange. At that time another meeting will be held with them.

(See page 4 for Distribution)

PAGES A

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HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

S E C R E T

SUMMARY OUTLINE OF ESSENTIAL ITALIAN IMPORTS

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October 1944

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Corrigenda

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30 Oct

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SUMMARY OUTLINE OF ESSENTIAL ITALIAN IMPORTS

In the following pages are summarized the current views of the Economic Section, Allied Control Commission, with respect to Italy's most essential needs for imported supplies, roughly during the first half of 1945.

The supplies to be imported have been broken down into two categories:

Category "A": Those items and quantities which are considered to fall within the military mission of "preventing disease and unrest", as interpreted by the Combined Chiefs of Staff. The only basic ACC has for judging what falls within or without this general formula is the series of decisions by the agencies of the Combined Chiefs of Staff on particular requisitions for civilian supplies for Italy during the past several months. Hence the line between this and the following category is necessarily hard to draw.

Category "B": Those items and quantities which fall outside the scope of the military program of civilian supply (Category "A") and for which provision must therefore be made by the civilian agencies of the Allied Governments. The total amount of money available for the furnishing of Category "B" supplies has been assumed to be the equivalent of \$250,000,000.

Transportation

The chief factor limiting anything to be done in Italy is transportation. That is not a very exciting statement, but the fact has cost the United Nations thousands of shipping tons, of dollars and of pounds sterling.

The Allied Control Commission is convinced that unless adequate provision is made for transporting goods and people within Italy, a large part of any import program will be wasted. Specifically, it believes that any program of Category "B" supplies would be largely wasted unless provision can be made for a minimum number of trucks, tires, tubes, batteries, patching kits and fuel to run both the imported trucks and those that can be put into working order by the provision of needed parts.

The need for trucks is so acute that they are considered to be in

Category "B". Those items and quantities which fall outside the scope of the military program of civilian supply (Category "A") and for which provision must therefore be made by the civilian agencies of the Allied Governments. The total amount of money available for the furnishing of Category "B" supplies has been assumed to be the equivalent of \$250,000,000.

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The need for trucks is so acute that they are considered to be in a special priority class by themselves. On this basis, the estimated needs for trucks and related supplies, broken down by the areas north of the Pisa-Rimini line, are given in Appendix "A".

In addition to the needs for trucks, there is an acute need for railroad locomotives and freight cars, and for coal to run even the locomotives now available for civilian use. Arrangements in this regard are necessarily worked out from day to day with the military railway services and the coal supply authorities of the Allied Armies.

(3)

- 2 -

Category "A" Supplies

The supplies required for the "military necessity" needs of Italy have in most cases already been requisitioned. This is not to say that during the first six months of 1945 there will not be additional requisitions as the northern part of the country is opened up and unutilized essential needs are encountered. Current requisitions, however, give the best indication of needs for Category "A" supplies as currently anticipated by the ACC.

Incorporation in this summary report of the detailed figures and specifications in all these requisitions would be an unprofitable exercise, since the relevant facts and figures have already been sent through military channels and are available for inspection in Rome, Caserta, London, and Washington. The requirements already stated as falling within the military category of civilian supply have therefore been referred to by requisition number only. The list of these requisitions, by general commodity or purpose groups, will be found in Appendix "A". It should be understood, however, that some of these requisitions have already been filled in whole or in part. They are all included in order to give a complete reference list. Information on action taken on each requisition is presumably available in London and Washington.

Certain commodities require special comments, as follows:

Food - Requests for food imports are handled as statements of requirements rather than as formal requisitions. Estimated requirements through June 1945 as submitted to the CCAC in Washington are shown in Appendix "C". The quantities of wheat and flour shown are required to implement a bread ration of 300 grams throughout Italy, as recommended to the Combined Chiefs of Staff by the Theatre Commander in his letter of 24 September 1944 (CCAC 105/2).

Fuel - Estimates of requirements for both coal and petroleum products are made by Allied Force Headquarters, considering military and civilian needs as parts of a consolidated, "pooled", import program for the theatre. It is therefore not possible at this time for the Allied Control Commission to give any firm estimate of the quantities of these important commodities falling in Category "A". (In Category "A" an attempt has been made to refer to requirements of coal to the industrial projects listed).

Power - After very considerable effort, Southern Italy has been

In Central Italy,

each requisition is presumably available in the file.

Certain commodities require special comments, as follows:

Food - Requests for food imports are handled as statements of requirements rather than as formal requisitions. Estimated requirements through June 1945 as submitted to the CCAC in Washington are shown in Appendix "C". The quantities of wheat and flour shown are required to implement a bread ration of 300 grams throughout Italy, as recommended to the Combined Chiefs of Staff by the Theatre Commander in his letter of 24 September 1944 (CCAC 105/2).

Fuel - Estimates of requirements for both coal and petroleum products are made by Allied Force Headquarters, considering military and civilian needs as parts of a consolidated, "peeled", import program for the theatre. It is therefore not possible at this time for the Allied Control Commission to give a firm estimate of the quantities of these important commodities falling in Category "A". (In Category "B" an attempt has been made to relate requirements of coal to the industrial projects listed).

Power - After very considerable effort, Southern Italy has been provided with power for most of its essential needs. In Central Italy, where 94 percent of all generating capacity was destroyed, the situation need runs into hundreds of thousands of kilowatts. Of the huge potential demand for mobile generating plants only 75,000 KW were requested by ACC and only 60,000 KW were approved by the theatre and requisitioned from Washington. Additional emergency generating capacity will undoubtedly be needed in the north, where the destruction is expected to be nearly complete, and where two-thirds of Italy's power capacity is concentrated.

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Agricultural Supplies - A table showing the essential minimum imports of agricultural supplies, classified as Category "B", is attached as Appendix "D". These supplies are for use in Italy during the Spring of 1945. It should be emphasized that every ton of imports shown in this table can be justified as saving two or more tons in imported food during the next crop year.

Clothing, shoes, and textiles - LAC Airgram 32 gives the requirement of clothing, shoes, and textiles for the civilian population of Southern Italy and the Islands. Although there is every indication that the need for clothing (or the want withal to make clothing) remains one of the most acute consumer needs after food, no affirmative action has been taken on this requisition in Washington. As we move into the north, large additional needs will be uncovered and will have to be met. At present, therefore, the picture on clothing, shoes, and textiles is not bright.

A special project has been under way to provide shoes for the public safety agents of the Italian Government. The need for this purpose have been met so far primarily from the repairing of Army salvage shoes in Italy. Increased demands for this purpose in the future may require the import of certain quantities of findings and leather to aid in this repair project.

CATEGORY "B" Supplies

It has been indicated to ACC by the U. S. State Department and the British Foreign Office that roughly \$250,000 might become available for the purchase of essential imports into Italy, even and above the items and quantities approved as part of the military program. The question therefore arises: In what way would such a sum be most efficiently used in meeting the essential requirements of the Italian people and their economy?

Although an attempt is made here to give a very rough preliminary answer to this question, the answer is necessarily based on assumptions with respect to a host of other, unanswered, questions. For example:

(1) Neither the scope nor the duration of the "military" program (i.e., that approved by the Combined Chiefs of Staff) is clear. It has therefore been necessary in this outline to make a rather arbitrary

- 4 -

of specific projects and requisitions which will need to be agreed on between the Italian Government and the Allied Control Commission.

The first need is always transportation. Since transportation is the factor limiting everything that is done in Italy, and since the military are in any event the only feasible sources of supply for transportation facilities for at least the next year or so, it is assumed that minimum transportation needs especially in terms of trucks, will be provided as part of the Category "A" program, for which the military assume responsibility. Unless a reasonable provision can be made for essential transportation needs, along the lines of Appendix "A", it would probably be a mistake, from the standpoint of any of the parties concerned to make the type of investment mentioned.

Assuming that \$250,000,000 is all the exchange which will be available for the whole country, it will be necessary to keep in reserve at least about \$65,000,000 for urgent needs in the north. The rest of the exchange can be tentatively allocated to the southern part of the country on the theory that most of the supplies (other than equipment for hydroelectric plants) which will be purchased for the south with the available funds can equally well be used in the north if the need there proves to be more urgent at the time the supplies actually become available in Italy.

The remaining \$185,000,000 would be applied almost entirely to industrial and agricultural production, and to the services necessary for any production. More than two-thirds of this sum, \$130,500,000, would be allocated to the partial rehabilitation of the power industry, since virtually all production in Italy has been geared to electricity. Another \$6,000,000 would go for heavy equipment to be used in public works. Agricultural supplies, reclamation equipment, and supplies for the fishing industry, would take up about \$6,650,750, while \$46,140,000 is estimated as the cost of rebuilding, repair, maintenance and operating supplies for the industries which make (a) goods essential to the living of any civilized people (clothing, for example), and (b) materials needed for the gradual rebuilding of power industry and the consumer industries themselves (e.g., cement and steel).

The significant thing about this (or any other) allocation of this limited sum of money is the following: With \$180,000,000 it is not possible to start production going in Italy to any considerable extent; all that can be hoped for is to put some plants in some basic industries in a position where they can make needed goods if they get the raw materials.

the available funds can equally well be used in the north if the need there proves to be more urgent at the time the supplies actually become available in Italy.

The remaining \$140,000,000 would be applied almost entirely to industrial and agricultural production, and to the services necessary for any production. More than two-thirds of this sum, \$130,500,000, would be allocated to the partial rehabilitation of the power industry, since virtually all production in Italy has been geared to electricity. Another \$6,000,000 would go for heavy equipment to be used in public works. Agricultural supplies, reclamation equipment, and supplies for the fishing industry, would take up about \$6,650,750, while \$45,400,000 is estimated as the cost of rebuilding, repair, maintenance and other living supplies for the industries which make (a) goods essential to the living of any civilized people (clothing, for example), and (b) materials needed for the gradual rebuilding of power industry and the consumer industries themselves (e.g., cement and steel).

The significant thing about this (or any other) allocation of this limited sum of money is the following: With \$140,000,000 it is not possible to start production going in Italy to any considerable extent; all that can be hoped for is to put some plants in some basic industries in a position where they can make needed goods if they get the raw materials.

The basic estimates on which the above allocation of funds is made are given in Appendices "G", "H", and "I". The first of these is a memorandum and tabulation showing what it would take, in terms of money, to repair war damages south of the Pisa-Rimini line, on estimates damages north of that line. Although there is included in Category "G" for the present purposes only a portion of the estimates for the power industry, the reclamation of land flooded by the Germans, and a special program of heavy engineering equipment, the entire memorandum is included as an appendix because it gives an idea of the scope of the rest.

40,872,000

- 5 -

task of rebuilding Italy. More recent information indicates that the assumptions in the memorandum with respect to damage in the north were unduly optimistic; the true costs, therefore, would probably be considerably higher than those indicated in the tabulation.

Appendix "F" indicates the cost of rebuilding, repair, maintenance, and operating supplies, for a number of basic industries, in terms of the money value of imported supplies and also in terms of power and imported coal. The data on industries in the southern part of the country (at least up to a line drawn through the city of Terni) is based to a considerable degree on actual engineering surveys in the field; the needs for the rest of the country are estimated by the use of factors based on the proportion of Italy's total production in each industry which is located in the southern part.

Appendix "G" shows the breakdown of the \$6,150,750 which is taken as the cost of essential imports of agricultural supplies, and supplies for the fishing industry over and above those already requisitioned through military channels.

The following table summarizes the allocation of the \$250,000,000 to the various categories of essential needs.

for the fishing industry over and over again through military channels.

The following table summarizes the allocation of the \$250,000,000 to the various categories of essential needs.

- 6 -

TABLE I

TEMPERATURE ALLOCATION OF FUNDS FOR CATEGORY "B"
IMPORTS INTO ITALY

| | |
|--------------------------------------|--------------------|
| Total funds assumed to be available | 250,000,000 |
| ELECTRIC POWER INDUSTRY (1) | |
| Power stations | 76,500,000 |
| Switching stations | 30,000,000 |
| Transmission | <u>24,000,000</u> |
| PUBLIC WORKS (2) | |
| Heavy engineering equipment (3) | 6,000,000 |
| Reclamation projects (4) | <u>500,000</u> |
| BASIC INDUSTRIES (5) | |
| AGRICULTURE AND FISHERIES (6) | |
| Total funds allocated | 48,872,000 |
| Reserve for urgent needs | 46,147,000 |
| Total funds assumed to be available | 6,150,750 |
| | <u>184,022,750</u> |
| | <u>189,297,750</u> |
| | 65,777,250 |
| | <u>60,702,250</u> |
| Total funds assumed to be available | 250,000,000 |

NOTES ON TABLE I

- (1) One half of the figures shown in Appendix "B" as imports for power industry, south of the Pisa-Rimini line.
- (2) South of Pisa-Rimini Line.

| | |
|-------------------------------------|-------------|
| equipment (3) | 6,000,000 |
| Reclamation projects (4) | 500,000 |
| | <hr/> |
| BASIC INDUSTRIES (5) | 6,500,000 |
| | <hr/> |
| AGRICULTURE AND FISHERIES (6) | 44,872,000 |
| | 40,147,000 |
| | <hr/> |
| | 6,150,750 |
| | <hr/> |
| Total funds allocated | 184,022,750 |
| | <hr/> |
| Reserve for urgent needs | 180,207,000 |
| | <hr/> |
| | 65,777,250 |
| | <hr/> |
| | 60,702,250 |
| | <hr/> |
| Total funds assumed to be available | 250,000,000 |

NOTES ON TABLE I

- (1) One half of the figures shown in Appendix "E" as imports for power industry, south of the Pisa-Rimini line. "E" e-
- (2) South of Pisa-Rimini Line.
- (3) LAC Airgram 35 requisitioned a list of heavy engineering equipment for public works, for the area south of Naples. This requisition, which has never been approved by the Combined Chiefs of Staff as a military requirement, would cost roughly \$2,000,000. At least three times this quantity of equipment would be required for the entire southern area up to the Pisa-Rimini line --hence the estimate of \$6,000,000.
- (4) Mostly motors for pumping out former reclamation projects flooded by the Germans.
- (5) See Appendix "G". The area involved here is the Italian mainland south of the Tarni line, plus Sicily and Sardinia.
- (6) See Appendix "G". In the case of agriculture, it is possible to predict the supply requirements with reasonable accuracy for all parts of the country. The figure for total Italy is therefore used in this summary statement.

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APPENDIX A
Estimated Requirements
for Trucks and Related Supplies by Area

| | Unit | | South of P-R L. | North of P-R L. |
|--|-------------|-----------|-----------------|-----------------|
| Trucks (all sizes) (1) | No. | 1,700 (2) | 5,000 (2) | |
| Tires (3) | No. | 22,108 | 44,216 | |
| Tubes (3) | No. | 23,390 | 46,780 | |
| Batteries | No. | 1,376 | 2,752 | |
| Patching Kits | No. of Kits | 6,566 | 13,132 | |
| Additional POL for new trucks (for six months) | Bbls | 40,600 | 120,000 | |

NOTES

- (1) As a result of changes made by AFHQ, the requisition which reached Washington (LAC Airgram 51 of 20 August 1944) requested 1,700 trucks for the northern part of the country and no trucks whatever for the southern part. However, the figures shown here are still the best minimum estimate by ACC of the need for imported trucks. The 5,000 trucks for the north are currently under requisition to AFHQ.
- (2) 250 may be available from Peninsular Base Section, Italy and 250 from British Army sources.
- (3) In addition to the finished tires and tubes, a requisition has been submitted to AFHQ on 22 September 1944 for raw materials and supplies for the repairing and retreading of tires and tubes at the Rome and Bari plants for a six-month period beginning 1 October 1944 (Requisition No. ACC-ENG-35-45). More of these supplies will be needed.

APPENDIX B

new trucks
(for six months)

NOTES

- (1) As a result of changes made by AFHQ, the requisition which reached Washington (LAC Airgram 51 of 20 August 1944) requested 1,700 trucks for the northern part of the country and no trucks whatever for the southern part. However, the figures shown here are still the best minimum estimate by ACC of the need for imported trucks. The 5,000 trucks for the north are currently under requisition to AFHQ.
- (2) 250 may be available from Peninsular Base Section, Italy and 250 from British Army sources.
- (3) In addition to the finished tires and tubes, a requisition has been submitted to AFHQ on 22 September 1944 for raw materials and supplies for the repairing and retreading of tires and tubes at the Rome and Bari plants for a six-month period beginning 1 October 1944 (Requisition O. ACC-ENG-35-45). More of these supplies will be needed.

APPENDIX E

List of Reference Numbers on Requisitions Already Submitted Through Military Channels for Items and Quantities Considered to Fall Within the Military Category of Civilian Supplies

| Commodity or Industry | Reference Number
MGS or ACC | LAC Airgram
Number |
|----------------------------|--------------------------------|-----------------------|
| Power, Equipment and Parts | MGS- 63-ENG | 16 |
| | " - 83-ENG | 33 |
| | " - 85-ENG | 49 |
| | " - 88-ENG | |
| | " - 104-ENG | |
| | " - 151-ENG | |
| | " - 177-ENG | |
| | " - 191-ENG | |
| | ACC-ENG-9-45 | |
| | " - ENG-11-45 | |
| | MGS-217-SIG | |
| | ACC-ENG-27-45 | |

250

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Cont'd: Appendix B.

Commodity or Industry

| Reference Number
MGS or ACC | LAC Airgram
Number |
|--------------------------------|-----------------------|
|--------------------------------|-----------------------|

73

MGS-221-MED

Medical and Sanitation7 & 32
185Clothing; Shoes and Textiles

| | |
|------------|--|
| MGS-132-QM | |
| " - 82-QM | |
| " - 141-QM | |
| " - 92-QM | |
| " - 122-QM | |
| " - 131-QM | |

Agricultural Supplies

| | |
|-------------|--|
| MGS- 95-QM | |
| " - 96-QM | |
| " - 101-QM | |
| " - 127-ENG | |
| " - 130-QM | |
| " - 135-QM | |
| " - 142-QM | |
| " - 159-QM | |
| " - 160-QM | |
| " - 193-ENG | |
| " - 212-QM | |
| " - 213-QM | |
| " - 214-QM | |

3

340

50
68
69
704

4

Supplies for Forestry

| | |
|---------------|--|
| MGS-128-ENG | |
| " - ENG-26-45 | |

Mining Supplies, Coal

| | |
|-------------|--|
| MGS- 51-ENG | |
| " - 52-ENG | |
| " - 69-ENG | |
| " - 70-ENG | |
| " - 81-ENG | |
| " - 133-ENG | |
| " - 145-ENG | |
| " - 157-ENG | |
| " - 162-ENG | |

8
15
20
37

" - 96-QM
" - 101-QM
" - 127-ENG
" - 130-QM
" - 135-QM
" - 142-QM
" - 159-QM
" - 160-QM
" - 193-ENG
" - 212-QM
" - 213-QM
" - 214-QM

3

340

50
68
69
704

MGS-128-ENG
" -ENG-26-45

Supplies for Forestry

4

MGS- 51-ENG
" - 52-ENG
" - 69-ENG
" - 70-ENG
" - 81-ENG
" - 113-ENG
" - 145-ENG
" - 157-ENG
" - 182-ENG

Mining Supplies, Coal

8
15
20
37

MGS - 73-ENG
" - 74-ENG
" - 75-ENG
" - 80-ORD
" - 131-ENG
" - 168-ORD
" - 174-ORD
" - 197-ENG
" - 148-SIG
" - 195-ENG
" - 196-SIG

Sulphur

6

55
52
54

Essential Industrial Production Supplies:

MGS- 57-QM
L2-MISC-GEN-44
ACC-ENG-31-45

Chemical Industry

MGS- 87-QM

Hemp Industry

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Cont'd: Appendix E.

Commodity or Industry

| <u>Reference Number
MGS or ACC</u> | <u>LAC Airgram
Number</u> |
|--|-------------------------------|
| Textile Industry | |
| MGS-164-QM | 25 |
| " -183-QM | 38 |
| " -202-QM | 59 |
| " -203-QM | 60 |
| Cigarette Industry | |
| MGS-205-ENG | 62 |
| Printing Industry | |
| MGS-46-QM | |
| " -126-QM | 330 |
| " -130-QM | |
| " -146-QM | |
| " -167-QM | 29 |
| Match Production | |
| MGS-137-QM | |
| Soap Production | |
| MGS-69-QM | |
| " -186-QM | 554 |
| " -192-QM | 614 |
| Paper: | |
| Newsprint | |
| MGS-139-QM | |
| " -126-QM | 330 |
| " -148-QM | |
| " -167-QM | |
| Ration Card Paper | |
| MGS-129-QM | 5 |
| Paper for Banking | |
| MGS-123-QM | 34 |
| " -163-QM | 24 |
| " -123-QM | 2 & 31 |

| | | |
|---|---------------|--------|
| Match Production | MGS-137-QM | |
| Soap Production | MGS-89-QM | 554 |
| | " -186-QM | 614 |
| | " -192-QM | |
| Paper: | | |
| Newsprint | MGS-129-QM | 330 |
| | " -126-QM | |
| | " -148-QM | |
| | " -167-QM | |
| Ration Card Paper | MGS-129-QM | 5 |
| Paper for Bankings | MGS-126-QM | 34 |
| | " -163-QM | 24 |
| | " -123-QM | 2 & 31 |
| Paper for School Books | MGS-124-QM | 1 |
| | " -209-QM | 66 |
| Export Trade (lamin wrapping paper, etc.) | | |
| | MGS-172-QM | 383 |
| | " -183-QM | 26 |
| | " -165-QM | 71 |
| | " -219-QM | |
| Miscellaneous Supplies: | | |
| Flour Mills | ACC-ENG-33-45 | |
| Candles | MGS-208-QM | 65 |
| Paper Bags | MGS-121-QM | 209 |
| | " -179-QM | 12 |
| | " -156-QM | |

* An MGS number indicates that the requisition has been forwarded to Washington by AFHQ after screening. An ACC number indicates that AFHQ has either not yet completed its screening or has disapproved the requisition.

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APPENDIX A
Estimated Requirements
for Trucks and Related Supplies by Area

| | Unit | | South of P-R L. | North of P-R L. |
|--|-------------|--|-----------------|-----------------|
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| Tires (3) | No. | | 22,108 | 44,216 |
| Tubes (3) | No. | | 23,390 | 46,780 |
| Batteries | No. | | 1,376 | 2,752 |
| Patching Kits | No. of Kits | | 6,566 | 13,132 |
| Additional POL for new trucks (for six months) | Bbls | | 40,800 | 120,000 |

NOTES

- (1) As a result of changes made by AFHQ, the requisition which reached Washington (LAC Airgram 51 of 20 August 1944) requested 1,700 trucks for the northern part of the country and no trucks whatever for the southern part. However, the figures shown here are still the best minimum estimate by ACC of the need for imported trucks. The 5,000 trucks for the north are currently under requisition to AFHQ.
- (2) 250 may be available from Peninsular Base Section, Italy and 250 from British Army sources.
- (3) In addition to the finished tires and tubes, a requisition has been submitted to AFHQ on 22 September 1944 for raw materials and supplies for the repairing and retreading of tires and tubes at the Rome and Bari plants for a six-month period beginning 1 October 1944 (Requisition No. ACC-DMG-35-45). More of these supplies will be needed.

NOTES

- (1) As a result of changes made by AFHQ, the requisition which reached Washington (LAC Airgram 51 of 20 August 1944) requested 1,700 trucks for the northern part of the country and no trucks whatever for the southern part. However, the figures shown here are still the best minimum estimate by ACC of the need for imported trucks. The 5,000 trucks for the north are currently under requisition to AFHQ.
- (2) 250 may be available from Peninsular Base Section, Italy and 250 from British Army sources.
- (3) In addition to the finished tires and tubes, a requisition has been submitted to AFHQ on 22 September 1944 for raw materials and supplies for the repairing and retreading of tires and tubes at the Rome and Bari plants for a six-month period beginning 1 October 1944 (Requisition No. ACC-ENG-35-45). More of these supplies will be needed.

APPENDIX B

List of Reference Numbers on Requisitions Already Submitted Through
Military Channels for Items and Quantities Considered to Fall
Within the Military Category of Civilian Supplies

253

| Commodity or Industry | Reference Number
MGs or ACC | LAC Airgram
Number |
|----------------------------|--------------------------------|-----------------------|
| Power, Equipment and Parts | MPS- 63-ENG | |
| | " - 83-ENG | 16 |
| | " - 85-ENG | 33 |
| | " - 88-ENG | 49 |
| | " - 104-ENG | |
| | " - 151-ENG | |
| | " - 177-ENG | |
| | " - 191-ENG | |
| | ACC-ENG-9-45 | |
| | " - ENG-11-45 | |
| | MGS-217-SIG | |
| | ACC-ENG-27-45 | |

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Cont'd: Appendix B.

| Commodity or Industry | Reference Number
MGS or ACC | LAC Airgram
Number |
|------------------------------|--------------------------------|-----------------------|
| Medical and Sanitation | MGS-221-MED | 73 |
| Clothing; Shoes and Textiles | MGS-132-QM | 7 & 32 |
| | " - 82-QM | 185 |
| | " - 141-QM | |
| | " - 92-QM | |
| | " - 122-QM | |
| | " - 161-QM | |
| Agricultural Supplies | MGS- 95-QM | |
| | " - 96-QM | |
| | " - 101-QM | |
| | " - 127-ENG | 3 |
| | " - 130-QM | |
| | " - 135-QM | |
| | " - 142-QM | |
| | " - 159-QM | |
| | " - 160-QM | 340 |
| | " - 193-ENG | |
| | " - 212-QM | 50 |
| | " - 213-QM | 68 |
| | " - 214-QM | 69 |
| | | 704 |
| Supplies for Forestry | MGS-128-ENG | |
| | " - ENG-26-45 | 4 |
| Mining Supplies, Coal | MGS- 51-ENG | |
| | " - 52-ENG | |
| | " - 69-ENG | |
| | " - 70-ENG | |
| | " - 81-ENG | |
| | " - 133-ENG | 8 |
| | " - 145-ENG | 15 |
| | " - 157-ENG | 20 |
| | " - 162-ENG | 37 |

" -130-QM
 " -135-QM
 " -142-QM
 " -159-QM
 " -160-QM
 " -193-ENG
 " -212-QM
 " -213-QM
 " -214-QM

340

50
68
69
704

MGS-128-ENG
 " -ENG-26-45

4

Supplies for Forestry

MGS- 51-ENG
 " - 52-ENG
 " - 69-ENG
 " - 70-ENG
 " - 81-ENG
 " -113-ENG
 " -145-ENG
 " -155-ENG
 " -162-ENG

8
15
20
37

Mining Supplies, Coal

MGS - 73-ENG
 " - 74-ENG
 " - 75-ENG
 " - 80-ORD
 " -131-ENG
 " -168-ORD
 " -174-ORD
 " -197-ENG
 " -148-SIG
 " -195-ENG
 " -196-SIG

6

55
52
54

Sulphur

Essential Industrial Production Supplies:

Chemical Industry
 MGS- 57-QM
 12-MISC-GEN-44
 ACC-ENG-31-45

Hemp Industry
 MGS- 87-QM

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Cont'd: Appendix E.

Commodity or Industry

| <u>Reference Number
MGS or ACC</u> | <u>LAC Airgram
Number</u> |
|--|-------------------------------|
| MGS-164-QM | 23 |
| " -183-QM | 38 |
| " -202-QM | 59 |
| " -203-QM | 60 |
| MGS-205-ENG | 62 |
| MGS-46-QM | 330 |
| " -126-QM | |
| " -139-QM | |
| " -146-QM | |
| " -167-QM | 29 |
| MGS-137-QM | |
| MGS-89-QM | 554 |
| " -186-QM | 614 |
| " -192-QM | |
| MGS-139-QM | 330 |
| " -126-QM | |
| " -148-QM | |
| " -167-QM | |
| MGS-129-QM | 5 |
| MGS-128-QM | 34 |
| " -163-QM | 24 |
| " -123-QM | 2 & 31 |
| MGS-124-QM | 1 |

Textile Industry

Cigarette Industry

Printing Industry

Match Production

Soap Production

Paper:

Newsprint

Ration Card Paper

Paper for Banking

1319

| | | |
|---|---------------|--------|
| Woven Production | MGS-127-QM | |
| Soap Production | MGS-129-QM | 554 |
| | " -128-QM | 614 |
| | " -129-QM | |
| <u>Paper:</u> | | |
| Newsprint | MGS-129-QM | 330 |
| | " -128-QM | |
| | " -148-QM | |
| | " -167-QM | |
| Ration Card Paper | MGS-129-QM | 5 |
| Paper for Banking | MGS-125-QM | 34 |
| | " -163-QM | 24 |
| | " -123-QM | 2 & 31 |
| Paper for School Books | MGS-124-QM | 1 |
| | " -209-QM | 66 |
| Export Trade (lemon wrapping paper, etc.) | | |
| | MGS-172-QM | 389 |
| | " -173-QM | 26 |
| | " -165-QM | 71 |
| | " -219-QM | |
| <u>Miscellaneous Supplies:</u> | | |
| Flour Mills | ACC-ENG-33-45 | |
| Candles | MGS-208-QM | 65 |
| Paper Bags | MGS-121-QM | 209 |
| | " -179-QM | 12 |
| | " -156-QM | |

* An MGS number indicates that the requisition has been forwarded to Washington by AFHQ after screening. An ACC number indicates that AFHQ has either not yet completed its screening or has disapproved the requisition.

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Appendix C

TABLE 1. MAINLAND OF ITALY (1)
Estimated Import Subsistence Requirements
1 January to June 1945
(Metric Tons - Net)

| Commodity | Jan. | Feb. | Mar. | Apr. | May | Jun. | Total |
|------------------|---|---|---|---|---|---|-----------|
| Wheat-North | 87,000 | 150,000 | 159,000 | 159,000 | 159,000 | 159,000 | 882,000 |
| Wheat-South | - | - | - | 1,000 | 125,000 | 125,000 | 251,000 |
| Total | 87,000 | 150,000 | 159,000 | 160,000 | 284,000 | 284,000 | 1,133,000 |
| Sugar-North | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 16,200 |
| Sugar-South | 4,360 | 4,360 | 4,360 | 4,360 | 4,360 | 4,360 | 27,360 |
| Total | 7,260 | 7,260 | 7,260 | 7,260 | 7,260 | 7,260 | 43,560 |
| Milk, dry, skim | | | | | | | |
| North | 475 | 475 | 475 | 475 | 475 | 475 | 2,850 |
| Milk, ecc. South | | | | | | | |
| Total | 3,520 | 3,520 | 3,520 | 3,520 | 3,520 | 3,520 | 21,120 |
| | 3,995 | 3,995 | 3,995 | 3,995 | 3,995 | 3,995 | 23,970 |
| Vegs. Dried-No. | 14,610 | 14,610 | 14,610 | 14,610 | 14,610 | 14,610 | 87,660 |
| Vegs. Dried-S. | 7,710 | 7,710 | 7,710 | 7,710 | 7,710 | 7,710 | 46,260 |
| Total | 22,320 | 22,320 | 22,320 | 22,320 | 22,320 | 22,320 | 133,320 |
| Meat-North | 1,830 | 1,830 | 1,830 | 1,830 | 1,830 | 1,830 | 10,980 |
| Meat-South | 1,530 | 1,530 | 1,530 | 1,530 | 1,530 | 1,530 | 9,180 |
| Total | 3,360 | 3,360 | 3,360 | 3,360 | 3,360 | 3,360 | 20,160 |
| Fats - North | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 13,500 |
| Total Mainland | | | | | | | |
| | 126,185-198,185-198,185-198,185-198,185-198,185 | 126,185-198,185-198,185-198,185-198,185-198,185 | 126,185-198,185-198,185-198,185-198,185-198,185 | 126,185-198,185-198,185-198,185-198,185-198,185 | 126,185-198,185-198,185-198,185-198,185-198,185 | 126,185-198,185-198,185-198,185-198,185-198,185 | 1,368,110 |

(1) See Notes for basis of estimates

TABLE 2. SICILY and SARDINIA (1)
Estimated Import Subsistence Requirements

1 3 2 1

(I) See Notes for explanation of symbols.

TABLE 2. STOICHIOMETRY AND GROWTH (1)

May 10 June 1945
(Metric Tons - Net)

(1) see Notes for basis of estimates

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Cont'd: Appendix C.

Notes on Basis for Estimated Import Substitution
Requirements for Italian Mainland, Sicily and Sardinia
1 January to 30 June 1945

WHEAT

based on normal daily ration of 300 grams of bread (or the equivalent of 240 grams of flour) plus 125g for supplemental rations, with extraction rate for flour at 90% of wheat. Population to be fed calculated at 75% for South of Pisa-Rimini line and at 80% for north thereof based on our experience in south and Italian experience in north and south. Of estimated harvest of 2,036,000 metric tons, it is assumed that 1,412,000 will be consumed during 1944 leaving 624,000 metric tons to reduce indicated imports during 1945. (See wheat requirements for Italy" dated 7 August 1944 and amendment thereto dated 6 September 1944.)

SUGAR

based on monthly ration of 250 grams for 100% of population and assuming that mainland north of Pisa-Rimini line will be able to supply 50% of its own requirements. No sugar plants south of P-R line are presently operable.

MILK

Dry - Skim - based on daily requirements of 500 grams of fluid milk for children under two years of age and 250 grams for children 2 to 12 years of age, excluding children of milk producers. Fluid supply for non-producers estimated at 40% of 1942 supply as result of experience in liberated areas not unduly affected by enemy action. One part dry skim milk plus one part fluid milk plus eight parts water treated as substitute for 10 parts fluid milk although caloric value is substantially less.

VEGETABLES DRIED

Mainland North of P-R line is based on feeding 80% of population 28 grams per day. Mainland south of P-R line is based on feeding 50% of population 28 grams per day. Sicily based on LAC 18 of 3 May 1944.

MEAT

based on feeding 10% of population 28 grams per day and is for use primarily in large urban areas.

ments for Italy, dated 7 August 1944.
Dated 6 September 1944.)

SUGAR

based on monthly ration of 250 grams per 100% of population and assuming that mainland north of Pisa-Rimini line will be able to apply 50% of its own requirements. No sugar plants south of P-R line are presently operable.

MILK

Dry - Gail - based on daily requirements of 500 grams of fluid milk for children under two years of age and 250 grams for children 2 to 12 years of age, excluding children of milk producers. Fluid supply for non-producers estimated at 40% of 1942 supply as result of experience in liberated areas not unduly affected by enemy action. One part dry skim milk plus one part fluid milk plus eight parts water treated as substitute for 10 parts fluid milk although caloric value is substantially less.

VEGETABLES DRIED

Mainland North of P-R line is based on feeding 80% of population 28 grams per day. Mainland south of P-R line is based on feeding 50% of population 28 grams per day. Sicily based on LAC 18 of 3 May 1944.

MEAT

based on feeding 10% of population 28 grams per day and is for use primarily in large urban areas.

FATS

based on feeding at least 50% of population north of P-R line 7 grams per day.

GENERAL REQUIREMENTS for mainland north of P-R line are subject to curtailment of conditions justifiably after enemy withdrawal.

21 Sep 44.

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APPENDIX "D"

ANNEX 2: ESTIMATED MINERAL REQUIREMENTS, PARTICULARS REGARDING MINERAL RESOURCES
(For Spring Use in 1945)

| Compartments | Ammonium Nitrate | Uriste of Pot. | Copper Sulphate | Copper Oxide | Zinc Phos. | Lead Arc. | Sod. Arc. | Cryolite |
|-----------------------|------------------|----------------|-----------------|--------------|------------|-----------|-----------|----------|
| Piemonte | 18,500 | 7,500 | 4,480 | 1,135 | - | 45 | 1 | 6 |
| Liguria | 775 | 200 | 780 | 420 | - | 16 | 3 | 2 |
| Lombardia | 20,565 | 5,550 | 2,480 | 365 | - | 34 | 1 | 5 |
| Venezia Tridentina | 885 | 650 | 360 | 210 | - | 122 | 1 | 18 |
| Veneto | 11,245 | 3,450 | 3,300 | 320 | - | 65 | 2 | 3 |
| Venezia Giulia e Zara | 540 | 300 | 530 | 115 | - | 9 | - | 1 |
| Emilia | 16,130 | 1,600 | 8,420 | 620 | 0.5 | 95 | 10 | 16 |
| Toscana | 7,405 | 250 | 4,070 | 385 | - | 11 | 5 | 12 |
| Umbria | 3,715 | 100 | 960 | 435 | 1.5 | 12 | 2 | 2 |
| Marche | 1,760 | 150 | 750 | 115 | - | 17 | - | 2 |
| Lazio | 3,300 | 150 | 2,030 | 575 | 1.3 | 21 | 4 | 3 |
| Abruzzi | 2,470 | 50 | 1,030 | 140 | - | 17 | - | 2 |
| Molise | 210 | - | - | - | - | - | - | - |
| Campania | 7,145 | 350 | 2,470 | 335 | 1.0 | 105 | 4 | 15 |
| Puglia | 3,001 | 850 | 2,230 | 785 | - | 25 | 4 | 4 |
| Basilicata | 305 | - | 130 | 70 | - | 1 | - | - |
| Calabria | 1,520 | 50 | 230 | 125 | - | 8 | - | 1 |
| Sicilia | 5,420 | 750 | 460 | 520 | - | 16 | 2 | 3 |
| Sardegna | 559 | - | 130 | 325 | - | 2 | 1 | 2 |
| TOTAL | 108,310 | 22,000 | 30,050 | 7,000 | 4.0 | 700 | 50 | 100 |

(1) Firm statements of requirements with necessary detail of specifications have been prepared and submitted through proper channels for request.

(2) Total for Regions I to VII, inclusive.

APPENDIX "D"

(1)

ITEMS, PARADISES WITHIN ACHIEVEMENT REQUIREMENTS FOR ALL FURY
(For Spring Use In 1945)

| Copper Ox-
chloride | Zinc
Phos. | Lead
Ars. | Sod.
Ars. | Oxy-
lith | Tractors | Flows | Binders | Balers | Care
lines | Trailers |
|------------------------|---------------|--------------|--------------|--------------|----------|-------|---------|--------|---|----------|
| 1,135 | - | 45 | 1 | 6 | 110 | 50 | 50 | 40 | } Estimated basic
} minimum initial
} needs | |
| 420 | - | 16 | 3 | 3 | - | - | - | - | | |
| 365 | - | 34 | 1 | 5 | 270 | 120 | 105 | 50 | | |
| 210 | - | 122 | 1 | 18 | 10 | 5 | - | - | | |
| 320 | - | 65 | 2 | 3 | 190 | 130 | 30 | 50 | | |
| 115 | - | 9 | - | 1 | 10 | 5 | 10 | - | } 100 } | |
| 603 | 0.5 | 99 | 13 | 14 | 320 | 150 | 30 | 100 | | |
| 375 | - | 31 | 5 | 12 | (2) | (2) | (2) | (2) | (2) | (2) |
| 435 | 1.5 | 14 | 2 | 2 | | | | | | |
| 115 | - | 17 | - | 2 | | | | | | |
| 575 | 1.0 | 21 | 6 | 3 | | | | | | |
| 140 | - | 17 | - | 2 | | | | | | |
| - | - | - | - | - | 750 | 500 | 1,000 | 50 | 100 | 50 |
| 335 | 1.0 | 106 | 4 | 15 | | | | | | |
| 765 | - | 25 | 4 | 4 | | | | | | |
| 70 | - | 1 | - | - | | | | | | |
| 125 | - | 8 | - | 1 | | | | | | |
| 520 | - | 16 | 2 | 3 | | | | | | |
| 325 | - | 2 | 1 | 1 | | | | | | |
| 7,000 | 4.0 | 700 | 50 | 100 | 1,160 | 960 | 1,240 | 250 | 100 | 50 |

ements with necessary detail of specifications and justifications
submitted through proper channels for requisition purposes.

II, inclusive.

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APRIL 1944

HEADQUARTERS

ALLIED COMMISSION

Public Works and Utilities Sub-Commission

APO 194

ACC/108/PWU

5 Aug. 1944

SUBJECT: Estimate of one year's expenditure for reconstruction.

TO : Vice President, Economic Section.

1. Attached hereto is an estimate of one year's reconstruction program to cover the first year after the war.

2. The attached estimate is based upon known damage to the Pisa-Rimini line in Italy, Sicily and Sardinia. The latter to the possible work to be done north of that line is predicated upon the theory that only a portion of that work would be damaged to a similar extent as Central Italy, whereas, generally speaking, the damage would have a relatively limited amount of damage.

3. The whole estimate has been prepared in lire using present construction costs in Italy. These lire have been converted into dollars at the rate of 100 lire per dollar. Should the post-war rate of the lire be different a proportionate adjustment should have to be made in the dollar estimate presented herewith.

4. In discussion with officials of the Ministry of Public Works, who have been furnishing us with some of the basic data, we are given to understand that Italy plans to undertake an active program of reconstruction covering a period of several years. In that program it is naturally conceded that electrical plants must be largely rehabilitated during the first and second years with the commitments probably made during the first year. Therefore, machinery which must be imported for these plants, and for which commitments will have to be made during the first year, are included in the first year program. Likewise, machinery to rehabilitate certain portions of the ports of Italy, essential for the rehabilitation of international commerce, are also included in the first year's commitment program. Similarly, highway reconstruction equipment which must be brought over at an early date to enable Italy to rebuild its highways so that highway commerce may be given a relatively free flow, has been included in the first year's program.

2. The attached estimate of the plan-victim line in Italy. The estimate is based on the possible work to be done in Italy. If that line is projected upon the theory that only a portion of that work would be damaged to a similar extent as Central Italy, whereas, generally speaking, the balance would give a relatively limited amount of damage.

3. The whole estimate has been prepared in Italy with the present reconstruction costs as a basis. These life were then converted into dollars at the rate of 100 lire per dollar. Should the post-war rate of the lire be different a proportional adjustment would have to be made in the dollar cost, as presented herewith.

4. In discussion with officials of the Ministry of Public Works, who have been from time to time been furnishing us with some of the basic data, we are given to understand that Italy plans to undertake in 1946 a program of reconstruction covering a period of several years. In that program it is generally conceded that electrical plants must be largely rehabilitated during the first and second years with the commitments probably made during the first year. Therefore, secondary commitments must be reported for these plants, and for which commitments which must be made during the first year, are included in the first year program. Likewise, secondary to rehabilitation certain activities will have to be made during the first year, and for which commitments of the part of Italy, essential for the rehabilitation of infrastructure and commerce. It is also included in the first year's commitment program. Similarly, highway reconstruction equipment which must be brought over at an early date to enable Italy to rebuild its highways so that highway commerce may be given a relatively free flow, has also been included in the first year's program.

5. We have not only made an estimate of the cost of anticipated imports but we have also made a rough estimate of the possible cost to Italy in the way of local labor and material in connection with the reconstruction program as we try to obtain an over-all picture of the total cost to Italy for this work.

6. It should be brought out at this time that these estimates are based upon approximations and upon available data which in several respects is not complete, and for that reason these figures should be taken only as reflective of our best judgment at this time as to what this cost may possibly be.

L. A. JENNY
Lt. Colonel, C.E.
Director.

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Cont'd: Appendix E.

HEADQUARTERS
UNITED CONTROL COMMISSION
Public Works and Utilities Sub-Commission
APO 394

APPROXIMATE ESTIMATE OF THE EXPENDITURE FOR THE REPAIR OF WAR
DAMAGES THROUGHOUT ITALY RELATIVE TO THE WORKS LISTED BELOW

| | S. of P-R Line | | N. of P-R Line | | Total (Million \$'s) | |
|------------------------------------|----------------|--------------|----------------|--------------|----------------------|--------------|
| | Local Cost | Imports Cost | Local Cost | Imports Cost | Local Cost | Imports Cost |
| State Highways | 6.45 | 2.20 | 4.85 | 1.50 | 11.30 | 3.70 (a) |
| State Hy Bridges | 27.56 | - | 67.14 | 5.00 | 95.00 | 5.00 (b) |
| Other Highways | 6.80 | 2.40 | 10.20 | 3.60 | 17.00 | 6.00 (c) |
| Other Hy Bridges | 36.00 | - | 84.00 | - | 120.00 | - |
| Buildings-Private | 480.00 | 53.00 | 615.00 | 68.00 | 1095.00 | 121.00 (d) |
| Buildings-Public | 65.70 | 7.30 | 85.95 | 9.55 | 151.65 | 16.85 (d) |
| Churches | 0.45 | 0.05 | 0.45 | 0.05 | 0.90 | 0.10 (d) |
| Ports, Incl.
raising vessels | 31.50 | 3.50 | 13.50 | 1.50 | 45.00 | 5.00 (e) |
| Reclaimed Lands
(Bonifiche) | 2.50 | 0.50 | 5.00 | 1.00 | 7.50 | 1.50 |
| Steam Control &
Irrigation | 1.35 | 0.15 | 2.75 | 0.25 | 4.10 | 0.40 |
| Acqueducts, Sewers
& Cemeteries | 5.40 | 1.60 | 12.00 | 3.00 | 17.40 | 4.60 |

(a) 100 MILLIONS for Machinery and 270 MILLIONS for Bitumen at \$30.00 a ton.
(b) Imported Stall Shapes 50,000 tons at \$100.00 a ton.
(c) 100 MILLIONS for Machinery and 500 MILLIONS for Bitumen at \$30.00 a ton.
(d) Estimated 10% of total cost for Stall and T. Timber.
(e) port Machinery.

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SEP. 1944
INDUSTRIAL COMPLEX OF A LIMITED
REPARATION PROGRAM FOR ITALY
(See Notes below)

| No. | Item | Quantity
Pounds | Electric Power
Required
1000 KWH. | | Tons
Area 1 Area 2 | | Costs
Area 1 Area 2 | |
|-----|--------|--------------------|---|--------|-----------------------|--------|------------------------|------------|
| | | | Area 1 | Area 2 | Area 1 | Area 2 | Area 1 | Area 2 |
| 1 | Sulfur | 1 | 7 | 9 | 0.3 | 0.3 | \$ 6,000 | \$ 6,000 |
| | Sulfur | 1 | 10 | 10 | 10 | 10 | 200,000 | 200,000 |
| | Lead | 2 | 14 | 14 | 2 | 2 | 40,000 | 40,000 |
| | Zinc | 2 | 1 | 2 | - | - | - | - |
| | Iron | 2 | 15 | 30 | 0.4 | 0.8 | 8,000 | 16,000 |
| | Coal | 1 | 5 | 10 | 1 | 2 | 20,000 | 40,000 |
| 2. | Steel | 1 | 10 | 20 | 15 | 30 | 300,000 | 600,000 |
| 3 | Steel | 2 | 10 | 20 | 15 | 30 | 1,000,000 | 2,000,000 |
| 4 | Steel | 1 | 10 | 20 | 15 | 30 | 1,000,000 | 2,000,000 |
| 5 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 6 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 7 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 8 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 9 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 10 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 11 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 12 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 13 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 14 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 15 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 16 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 17 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 18 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 19 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 20 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 21 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 22 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 23 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 24 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 25 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 26 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 27 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 28 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 29 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 30 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 31 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 32 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 33 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 34 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 35 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 36 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 37 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 38 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 39 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 40 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 41 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 42 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 43 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 44 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 45 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 46 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 47 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 48 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 49 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 50 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 51 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 52 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 53 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 54 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 55 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 56 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 57 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 58 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 59 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 60 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 61 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 62 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 63 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 64 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 65 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 66 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 67 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 68 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 69 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 70 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 71 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 72 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 73 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 74 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 75 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 76 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 77 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 78 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 79 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 80 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 81 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 82 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 83 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 84 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 85 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 86 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 87 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 88 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 89 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 90 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 91 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 92 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 93 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 94 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 95 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 96 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 97 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 98 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 99 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |
| 100 | Steel | 1 | 17 | 35 | 120 | 600 | 2,400,000 | 12,000,000 |

5,857,000 on \$31,000
5,857,000 on \$31,000

INDEPENDENT OF A LIMITED
 DEMONSTRATION PROGRAM FOR ITALY
 (See Notes below)

EXPENSES - General Expenses

ALL OTHER EXPENSES

| 1955 | 1956 | 1957 | 1958 | 1959 | 1960 |
|--------|--------|---|---|---|---|
| Area 1 | Area 2 | Area 1 | Area 2 | Area 1 | Area 2 |
| 0.3 | 0.3 | \$ 6,000 | \$ 6,000 | \$ 450,000 | \$ 450,000 |
| 10 | 10 | 200,000 | 200,000 | 225,000 | 225,000 |
| 2 | 2 | 40,000 | 40,000 | 225,000 | 225,000 |
| - | - | - | - | 50,000 | 100,000 |
| 0.4 | 0.8 | 3,000 | 16,000 | 600,000 | 1,200,000 |
| 1 | 2 | 20,000 | 10,000 | 6,000,000 | 12,000,000 |
| 15 | 30 | 300,000 | 600,000 | 9,000,000 | 18,000,000 |
| 90 | 630 | 1,800,000 | 12,600,000 | 520,000 | 5,640,000 |
| 120 | 630 | 2,400,000 | 12,000,000 | 2,300,000 | 10,000,000 |
| 15 | 90 | 300,000 | 1,800,000 | 220,000 | 1,320,000 |
| 4 | 20 | 80,000 | 400,000 | 1,500,000 | 7,500,000 |
| 20 | 60 | 400,000 | 1,200,000 | 5,500,000 | 16,500,000 |
| - | - | - | - | 50,000 | 150,000 |
| - | - | - | - | 25,000 | 75,000 |
| 3.5 | 7 | 70,000 | 1,400,000 | 500,000 | 1,000,000 |
| 2 | 4 | 40,000 | 80,000 | 3,500,000 | 7,000,000 |
| 0.9 | 4.5 | 10,000 | 50,000 | 50,000 | 250,000 |
| 0.5 | 2.5 | 10,000 | 50,000 | 2,500,000 | 12,500,000 |
| - | - | - | - | - | - |
| 0.5 | 2.5 | 10,000 | 50,000 | 300,000 | 1,500,000 |
| - | - | - | - | 100,000 | 500,000 |
| 0.25 | 1.25 | 5,000 | 25,000 | 1,000,000 | 5,000,000 |
| 5 | 25 | 100,000 | 500,000 | 500,000 | 2,500,000 |
| 2.5 | 12.5 | 2,000 | 10,000 | 200,000 | 1,000,000 |
| 253 | 1104 | 55,000,000 55,000,000 | 55,000,000 55,000,000 | 55,000,000 55,000,000 | 55,000,000 55,000,000 |
| 253 | 1104 | 55,857,000 | 55,857,000 | 55,016,000 | 55,016,000 |
| 253 | 1104 | 55,857,000 55,857,000 | 55,857,000 55,857,000 | 55,016,000 55,016,000 | 55,016,000 55,016,000 |
| 253 | 1104 | 55,857,000 | 55,857,000 | 55,016,000 | 55,016,000 |

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- NOTES:
- #1 Area = South of Terni
 - #2 Area = All of Italy
 - These figures reflect our best estimate from observations and calculations of conditions as found South of Terni.
 - All cost figures represent quantities over a 6 months period.

133,982,000 Y.
540,872,000 Y.
26,147,000 - 347,000
3 132,722,000 (Total)

CHIEF IMPORTS REQUIRED

| | | |
|---------|---|---|
| ITEM #1 | - | Explosives, carbide, accessories |
| " #2 | - | Equipment & Misc. M.R.O. Mining supplies |
| " #3 | - | Caustic Soda & Oils, M.R.O. & Equipment |
| " #4 | - | Cellulose, new machines, Misc. M.R.O. supplies |
| " #5 | - | Rags & Misc. M.R.O. & Equipment |
| " #6 | - | New Equipment as Motors Transformers, etc. & Misc. M.R.O. supplies |
| " #7 | - | New Equipment as Motors Transformers, etc. & Misc. M.R.O. supplies |
| " #8 | - | Raw Cotton, Reconstruction Machinery & Misc. M.R.O. supplies |
| " #9 | - | Reconstruction Equipment, M.R.O. supplies, Phosphate Rock & other chemicals |
| " #10 | - | Machinery & M.R.O. supplies |
| " #11 | - | M.R.O. supplies - new machines |
| " #12 | - | New Equipment & M.R.O. supplies |
| " #13 | - | New Equipment & M.R.O. supplies |
| " #14 | - | Plant Reconstruction & M.R.O. supplies |
| " #15 | - | Scrap copper & M.R.O. supplies. |

Appendix C

MINIMUM REQUIREMENTS OF SUPPLIES FOR AGRICULTURAL PRODUCTION, FISHERIES AND FORESTRY
IN ALL OF ITALY UP TO JUNE 30, 1945

These requirements are over and above those already requisitioned and to be included in Category A. (See Appendix "B").

| Use Unit | Total Value | |
|----------------|-------------|-----------|
| | South Italy | All Italy |
| Value P-R Line | | |

AGRICULTURE

Fertilizers, insecticides, etc. 10 5 750,000 \$ 750,000 \$1,500,000

- " #10 - M.R.O. supplies
 " #11 - New Equipment & M.R.O. supplies
 " #12 - New Equipment & M.R.O. supplies
 " #13 - Plant Reconstruction & M.R.O. supplies
 " #14 - Scrap copper & M.R.O. supplies.

Appendix G

MINIMUM REQUIREMENTS OF SUPPLIES FOR AGRICULTURAL PRODUCTION, FISHERIES AND FORESTRY IN JAIL OF ITALY UP TO JUNE 30, 1945

These requirements are over and above those already requisitioned and to be included in Category A (see Appendix "D").

| | US Unit Value | South P-R Line | Total Value | |
|---|---------------|----------------|-------------|-------------|
| | | | North Italy | All Italy |
| <u>AGRICULTURE</u> | | | | |
| Fertilizers, Insecticides, etc. | | | | |
| 50,000 tons Superphosphate | 30 | \$ 750,000 | \$ 750,000 | \$1,500,000 |
| 50 " Copper Carbonate | 200 | | 10,000 | 10,000 |
| 20 " Zinc Phosphate | 150 | | 3,000 | 3,000 |
| 200 " Spray Oil (33%) | 100 | 15,000 | 5,000 | 20,000 |
| Ammonium Emulsion, Volck type | | \$ 765,000 | \$ 765,000 | \$1,513,000 |
| <u>Agricultural Machinery</u> | | | | |
| Implementa, tools, etc. | | | | |
| 1,160 Tractors, 12 ton (of which 1,110 steel wheels and 50 rubber wheels) | \$ 1,000 | \$ 360,000 | \$ 800,000 | \$1,160,000 |
| 100 Combined | 1,000 | | 100,000 | 100,000 |
| 200 Rollers (Holt driven, etc) | 300 | 27,000 | 60,000 | 87,000 |
| 1,240 binders | 225 | | 275,000 | 275,000 |
| 660 plows | 150 | 44,000 | 100,000 | 144,000 |
| 50 Trailers (rubber wheels) | 150 | 1,750 | 3,750 | 7,500 |
| | | \$14,750 | \$1,342,750 | \$1,777,500 |

(cont'd on page 17)

-17-

Cont'd: Appendix G.

| | US Unit
Value | South
P-R Line | Total Value
North
Italy | All
Italy |
|--|------------------|-------------------|-------------------------------|--------------|
| Sale, brought fwd.
(find 10% of value for
spare parts) | | \$ 434,750 | \$1,342,750 | \$1,777,500 |
| 400 Trucks, 1 1/2 ton, 2 wheel | 1,500 | 43,475 | 134,475 | 177,950 |
| 800 tons Blinder Twine | 250 | 300,000 | 300,000 | 600,000 |
| 200 " Horseshoe Nails | 300 | | 200,000 | 200,000 |
| Hand Tools (airrady wall-
dic at US Port) | | 7,500 | 60,000 | 60,000 |
| 100 Thrashers (for dry-sted
peas) | 1,500 | 50,500 | 100,000 | 150,000 |
| Spare parts for these 100
Thrashers | | 15,000 | 35,000 | 50,000 |
| | | 870,725 | 1,179,525 | 2,050,250 |
| Total - Agriculture | | \$1,615,725 | \$4,917,525 | \$6,533,250 |

FISHING INDUSTRY

Motors

| | | | |
|---|----------|------------|------------|
| 50 Marine Motors, Diesel
Internal Combustion
Reduction gear, 30 HP | \$ 4,000 | \$ 100,000 | \$ 200,000 |
| 75 Marine Motors, Diesel
Internal Combustion
Reduction gear, 150 HP | 4,500 | 168,750 | 337,500 |
| 25 Marine Motors, Diesel
Internal Combustion
With Reduction gear
from 150 HP to 250 HP | 10,000 | 125,000 | 250,000 |
| 100 Marine Motors, Diesel
Internal Combustion
from 30 HP, from 2 HP
to 30 HP | 1,500 | 75,000 | 150,000 |
| | | 468,750 | 937,500 |

Machines to Manufacture Nets

50 Units to manufacture
various size fishing nets

125,000

125,000

250,000

Refrigeration

20 Units for installation on

50 Marine Motors, Diesel
Internal Combustion
reduction gear, 80 HP & 4,000 \$ 100,000 \$ 200,000

75 Marine Motors, Diesel
Internal Combustion
reduction gear, 100 HP 4,500 168,750 337,500

25 Marine Motors, Diesel
Internal Combustion
with reduction gear
from 150 HP to 250 HP 10,000 125,000 250,000

100 Marine Motors, Diesel
Internal Combustion
fast type, from 8 HP
to 30 HP 1,500 75,000 150,000
168,750 937,500

Machines to Manufacture Note

40 Units to manufacture
various size fishing nets 125,000 250,000

Refrigeration

20 Tons for installation on
a dry fishing vessel
(40 to 50 tons) for the
purposes of fish and fish
carrying fresh fish 125,000 250,000

Cannock

2,500 tons pin for Cannock, size 300 }
2,500 " " " " " 100 } 75,000 150,000
2,500 " " " " " 100 }
Total - P 100,000 \$ 793,750 91,387,500

FORESTRY

Prerequisites for Forestry
are required to be sufficient until
the 3,000 heads in Forestry
Italy is known.

GRAND TOTAL - AGRICULTURE }
FISHERIES & }
FORESTRY }
none 82,009,275 93,750,275 15,150,750

Chief Commission

(3)

HEADQUARTERS ALLIED COMMISSION
ALC 394
ECONOMIC SECTION

Q

MEMORANDUM TO: Distribution List A
SUBJECT: "Summary Outline of Essential Italian Imports"

The following corrections should be made in the report entitled "Summary Outline of Essential Italian Imports", dated October 1944 SECRET.

Cover Sheet

1. Omit "Control" from Allied Control Commission.

Page 4

1. Paragraph 2, line 3, substitute \$65,000,000 for \$60,000,000.
2. Paragraph 3, line 1, substitute \$185,000,000 for \$190,000,000.
3. Paragraph 3, line 3, substitute \$40,872,000 for \$46,148,000.
4. Paragraph 4, line 2, substitute \$185,000,000 for \$190,000,000.

Page 6

1. "Basic Industries (5)", substitute 40,872,000 for 46,147,000.
2. "Total Funds Allocated," substitute 134,022,750 for 139,297,750.
3. "Reserve for Urgent needs," substitute 65,977,250 for 60,702,250.
4. "Notes on Table I" (1), change appendix "C" to "E".

Page 15, Appendix "F"

1. No. 14 in N 1 Area Totals, change total in Costs column (Area N. 1) from \$5,632,000 to \$5,357,000.

2. No. 14 in N 2 Area Totals, change total in Costs column (Area N. 1) from \$5,632,000 to \$5,357,000.

2. Paragraph 3, line 1, substitute \$185,000,000 for \$190,000,000. ✓

3. Paragraph 3, line 3, substitute \$40,872,000 for \$46,148,000. ✓

4. Paragraph 4, line 2, substitute \$185,000,000 for \$190,000,000. ✓

Page 6

1. "Basic Industries (5)", substitute 40,872,000 for 46,147,000. ✓

2. "Total Funds Allocated," substitute 184,022,750 for 189,297,750. ✓

3. "Reserve for Urgent needs," substitute 65,977,250 for 60,702,250. ✓

4. "Notes on Table I" (I), change appendix "C" to "D". ✓

Page 15, Appendix "F"

1. No. 14 in N 1 Area Totals, change total in Costs column (Area N. 1) from \$5,632,000 to \$5,857,000. ✓

2. No. 14 in N 2 Area Totals, change total in Costs column (Area N. 2) from \$30,087,000 to \$31,347,000. ✓

3. No. 14, in N 1 Area totals "All Other Imports" change \$39,515,000 to \$35,015,000. ✓

4. "Grand Totals", change total in Costs column (Area N 1) from \$5,632,000 to \$5,857,000. ✓

5. "Grand Totals," change total in Costs column (Area N 2) from \$30,087,000 to \$31,347,000. ✓

6. "Grand Totals", Area N 1, "All other Imports" change from \$39,515,000 to \$35,015,000. ✓

Page 16, Appendix "F"

1. Notes: (a) N 1 Area change \$46,147,000 to \$40,872,000. ✓

2. Notes: (b) N 2 Area, change \$132,722,000 to \$133,982,000. ✓

Reviewed by SGT SHEPHERD

4404
(10)

A

Ref:

21st October, 1944.

SUBJECT: Imports.

22 OCT Recd

TO : Allied Force Headquarters.
Attn: G-5 Section.

1. Mr. Mitchell, State Department, and Mr. Harris, British representative on the CMAC, have asked me to give them a summary outline of essential Italian imports (a) to meet needs of diseases and unrest; (b) the needs of rehabilitation.

2. I have at short time prepared this outline, not with the co-operation of the Italian Government who have, as I have informed you, not yet been asked to prepare a detailed programme, and I forward it herewith with the request that you will hand it to Messrs. Mitchell and Harris if you think it desirable.

FINAL LIST

ATT 3

HARRY W. STONE
Commodore, USN
Acting Chief Commissioner

1-007

2

25

21 Oct

DRAFT TELEGRAM

FOREIGN OFFICE

NO. REBMD

CYPHER

Please pass following to
Prime Minister Personal from
Macmillan.

Please see MAP 10 on
civilian supply for Italy.

13.9.44.

2. In order to carry out
your policy we need a clear and
more liberal directive. The
present formula is obscure and too
restrictive.

3. If you can settle this
in principle we will do our best
to work out practical details.

2573

18

13 Sept

FILES (A) B

4005/CC

TOP SECRET

AFHQ

HQ ACC

S-323

8 SEPT

TOP SECRET

PRIORITY

ACTING CHIEF COMM.

FOLLOWING IF YOU AGREE FOR AGWAR FOR GENERAL HILDRING FOR BRIGADIER GENERAL O
 APOSTROPHE DWYER CLM QUOTE PLEASE DO EVERYTHING POSSIBLE TO GET DELIVERIES ADVANCED
 OF FOOD FOR AREA NORTH OF PISA DASH MINIM LINE PD CHARLIE CHARLIE SUGAR NOW HAS FIRST
 DELIVERY FOR THAT AREA SCHEDULED TO ARRIVE HERE SOMETIME IN NOVEMBER WHICH WILL LEAVE
 LARGE CENTHOS OF POPULATION IN NORTH IN DESPERATE SITUATION IF ENEMY WITHDRAWALS
 OCCUR EARLIER AS APPEARS LIKELY PD PARAN TO AFHQ FOR GEORGE FIVE PERSONAL FOR
SPOFFORD FROM HQ ACC FROM STONE PERSONAL PARAN STOCKS URGENTLY NEEDED FOR PRESENTLY
 LIBERATED AREAS NOW BEING TRANSFERRED TO PROVIDE SOME FOOD IN THE NORTH THROUGH
 SEPTEMBER AND EARLY OCTOBER PD ABOUT MID OCTOBER EXPECT SOME SUPPLIES FOR NORTH FROM
 OTHER THEATERS UNDER ARRANGEMENTS NOW BEING MADE BY US WITH AFHQ PD VITAL THAT
 SCHEDULED SHIPMENTS FOR NORTH BE RUSHED IMMEDIATELY AND THAT GAPS IN PRESENT PHASING
 FOR NORTH BE BORNE IN MIND IF ANY PUBLIC STATEMENTS ARE MADE THAT FOOD SITUATION IN
 ITALY IS TO BE IMPROVED PD THIS MESSAGE HAS BEEN CONCURRED IN BY AFHQ PD SIGNED
 STONE UNQUOTE

10057/cc

10057/cc
 ELLERY W. STONE, Captain, USNR, Acting Chief Commissioner

1a
 Econ Sec
 Food S/C
 Exec Comm

Spofford food
 DASH message now sent
 Only E-4
 will call AS

with copy to O'Dwyer
 9/12

1 Sept
 hand to Sigs
 DRC

FOOD PRODUCTION AND SUPPLY IN LIBERATED ITALY

PART III

1. The Status of Supply in liberated Italy and the Islands depends on the following factors:

- a. The quantity of imported supplies shipped into the Country.
- b. Domestic and Local Resources.
- c. The demands of the Armed Forces including the Italian Army, Navy and Air Force.
- d. Ability to move local resources from surplus to deficit areas.

2. In regard to (a) above, the original intention of the planning staff prior to invasion was to import supplies of essential basic commodities to furnish a minimum daily diet of 1000 calories for normal consumers plus an additional 200 gr. of flour for heavy workers. No allowance was made for hospitals, Institutions, Prisons, Refugees, etc. The balance required to raise the level to 1500 calories was to be made up from local resources.

3. The standard of imported supplies has not, at any time permitted the attainment of the planned figure. Similarly the availability of local resources, except in the producing and rural areas has not permitted the attainment of 500 calories.

4. The authorized and still more important, the unauthorized purchases by the Services has an important bearing on the status of supply.

5. As regards the inability to distribute local resources from surplus to deficit areas, two outstanding examples are, the lack of means of transportation to move the large 1943 surplus of citrus fruits, almonds, other nuts and cereals from Sicily and 200,000 tons of wine from Apulia.

6. Turning to production, while estimates serve a useful guide, the (calculating) factor must be the amount actually available for distribution in deficit areas, more especially the cities and large urban areas.

4305/CC

2. In regard to (a) above, the staff prior to invasion was to import supplies of essential basis commodities to furnish a minimum daily diet of 1000 calories for normal consumers plus an additional 200 gr. of flour for heavy workers. No allowance was made for hospitals, institutions, prisons, refugees, etc. The balance required to raise the level to 1500 calories was to be made up from local resources.

3. The standard of imported supplies has not, at any time permitted the attainment of the planned figure. Similarly the availability of local resources, except in the producing and rural areas has not permitted the attainment of 500 calories.

4. The authorized and still more important, the unauthorized purchases by the Services has an important bearing on the status of supply.

5. As regards the inability to distribute local resources from surplus to deficit areas, two outstanding examples are, the lack of means of transportation to move the large 1943 surplus of citrus fruits, almonds, other nuts and carob beans from Sicily and 300,000 tons of wine from Apulia.

6. Turning to production, while estimates serve a useful guide, the (calculating) factor must be the amount actually available for distribution to the deficit areas, more especially the cities and large urban areas. This is governed by two factors:

Firstly: an adequate and efficient agency for enforcing collection,

Secondly: Rapid Transportation.

With regard to future status of Supply:

Imports.

7. On the 18th of July, the Food Sub-Commission prepared and submitted to AFHQ a forecast of the estimated requirements for the period Oct. through Dec. 1944 based on the present ration scale.

8. Information was now being received of the tonnage it is proposed to import against these requirements which represents a substantial reduction as indicated by the following.

| | Oct. | Nov. | Dec. |
|-------|-------|--------|--------|
| Wheat | 5,260 | 30,000 | 30,000 |
| Sugar | 90 | 2,560 | 5,260 |
| Milk | | 90 | 90 |

No explanation for the reduction has been given. The foregoing represents a statement of factual data.

25 July

9. The time has now arrived when consideration in review of policy must be taken into account.

10. Since January of this year, occupied Italy has been restored from a state of chaos and uncertainty to that of normal expectation in the matter of food in accordance with Allied undertaking.

11. Conditions have changed and Central and Southern Italy is slowly returning to more normal conditions. The war is moving away.

12. The present situation is reflected in the almost complete absence of labour unrest, food demonstrations. A restoration of confidence in AGC Administration is apparent.

13. As indicated in para 7, there is a tendency to pursue minimum requirements without regard to psychological and practical considerations. Sufficient experience has been gained by the present Administration to warrant an expression of opinion in policy matters.

14. No provision has been made for wastage hospitals and institutional requirements or the political importance of Rome and a clear statement of policy would materially assist the Food Administration in framing future plans.

14. No provision has been made for requirements or the political importance of Rome and a clear statement of policy would materially assist the Food Administration in framing future plans.

2571

Q. M. C. Form 158 (Old No. 400)
Revised July 26, 1948

LIST OF PAPERS

File under No. 091.711*(11)*
Italian Armed Forces

| SERIAL NUMBER | FROM | DATE | TO | SYNOPSIS |
|---|--|--|--|--|
| 241. 6/6/382 | C.C. | 10 June | Hq AAI | Adv party for Min. of Marine May " proceed to Rome? |
| 275) F-61327 | AFHQ | 19 June | AAI, ACC, MMIA, 305 NATCUSA | maximum total of Italian troops recommended. |
| 276) 6/6/1 | Army S/C | 27 June | Public Safety | Strength of C.C.R. & G.S.F.F. |
| 277) 169/25/A | P.C. & M.S. | 28 June | (Distribution A) | ACC/ARG Certificates of Employment. |
| 278) 141
cite 30/1020 | Main AAI | 1 July | MMIA, SC Sardinia
ACC Main | Internal security formations: ceiling. Also the personnel for Sardinia. |
| 279) 04 345 | Hq AAI | 2 July | PBS, MMIA, ACC | Strength - Italian Military in Rome |
| 280) AQ/2 | Army S/C | 23 June | Min. for War
CofS, J.M.R.E. | Issue of rations to Italian Army. |
| 281) A/CC 091.711 | A/CC | 5 JULY | Marshal Messe | Requests report on functions of Comando Supremo |
| 282) G. 109 | MMIA Adm.
(Army Sub-Com.) | 25 JUNE | Ital. Mil. Auth.
Rome | Italian Armed Forces in Rome. |
| 283) C/6/1 | MMIA | 27 JUNE | HQ AAI | Ceiling of Italian Army |
| 284) 64 346 | HQ AAI | 3 JULY | MMIA, ACC | How Italian Armed Forces forward than can be maintained. Strength of C.C.R. should be reduced. |
| 285) 14005/OP | Gen. Infante | 3 JULY | A.C.C. | Italian soldiers of the Cuneo div. not to be regarded as POW |
| 286) 7175
52 1136 | A/CC
C.M.S. Sec.
MMIA | 10 JULY
6 July
7 July | AFHQ
MMIA
ACC | Increase Ital. Military Sicily for Grain Collection. |
| 287) R/521/08 | FOTALI | 8 July | ACC ADV | Commo. PALMER REP. IN ROME |
| 288) 6/101 | MMIA | 10 July | MINISTRY OF WAR | ITALIAN ARMY - ROME REAV. |
| 289) AQ/204 | MMIA | 10 July? | MINISTRY OF WAR | CALL UP OF ITALIAN MILITARY POSTERS |
| 290) E-136-G | AAFS/MTU | 10 July | AAI, MMIA | ITALIAN AIR FORCE CEILING. |
| 291) R/141.711
6/201/CA | REGION IV
LUSH | 8 July
11 July | RC+MG Sec.
A/CC. | "ARMATA ROSSA" RCTG
(RED ARMY PARTISANS IN ITALY) |
| 292) NSG/539 | Commo. PALMER | 14 July | ACC | ITAL. ADMIRALS - ROME - STATUS OF |
| 293) A/CC 810.13 | A/CC | 16 July
23 " | Bonomi
" | COMMAND + REORGANIZATION OF CARABINIERI. |
| 294) 14093/OP
A/CC 091.711 | MESSE
STONE | 16 "
18 " | STONE
MESSE | FUNCTIONS OF COMANDO SUPREMO. |
| 295) A/CC 091.711 | A/CC | 21 July | MESSE | HAPPY SEE YOU BRING " " (SEE 259-2) |
| 296) 135/28/OP
6/6/1
S-297
00150/2 | MESSE
MMIA
P. BA OAA
STONE
MIN. OF FOREIGN AFFAIRS | 7 June
19 "
10 July
22 "
31 JULY | ACC
FORGE 206
CACCIA
ARNA
A/CC | REDITI AF 32. (SEE 213-198) NO G. |
| | | | | ITALIAN TROOPS FIGHTING IN YUGOSLAVIA + MISSION THEREFOR. |
| | | | | See also (313) + 315 |

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

1346