1004

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

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

10000/136/410

INDUSTRIAL MOBILIZATION, GENERAL
JAN. - MAY 1945

1008

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

4045/CC

LIST OF PAPERS

Office of the
Chief Commissioner
ALLIED COMMISSION

File under No. 4045 INDUSTRIAL MOBILIZATION () GENERAL

From: 1 Jan 45
To: 28 May 45

SECRET

Vol. III Page 3

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
167	AFHQ LRS/21931/10	6 May 45	CC, AC	Timber creosoting works - Soc.Italian Rueping at Naples.
168	544/59/EC, Stone	8 May 45	Prunas	Preservation of industrial premises(?
169	Cbl AC ExC, 7188	8 May 45	AFHQ	Coal needed for industry in North; Allied industrial mission to north.
170	Cbl AC-17,15 AG LO	12 May 45	15 AG,AC	Economic records,knowledge,of Krauts.
171	12.03/ES, Stone	14 May 45	G-4 MTOUSA	Solvay Soda Works at Rosignano.
172	4040/10/EC,Stone(Lush)	18 May 45	A/Pres.	Report on Cement
173	11/07564/21, Prunas	18 May 45	Stone	Preservation of industrial premises
174	CAO/117,Gen Robertson	18 May 45	Stone	Industrial rehabilitation,generally; increase in TO/WE of Econ Sec; Advisory Board.
174a	Cbl AFHQ FX-78276	19 May 45	AGWAR ASF,AC	Initial report on It industries,in Nth
175	Aide-Memoire,(Lush)	21 May 45	CAO AFHQ	Antolini's Mission to N reports on: Food;finance-purchasing,Germans;Coal;Ry rolling stock;use of It industry for War roduction;Factories;Change to PhaseII.
176	CC 4045, Stone	21 May 45	CAO AFHQ	Proposal formation of Industrial Advisory and Production Boards.
177	Cbl AC Ind, 8170	22 May 45	FHS,MFO,AFHQ	Reqn of It State monopoly tobacco factory in Florence.
178	SAC Econ Subcom 7thMtg	22 May 45		Ital Production Advisory Board.
179	SAC (P) (45) 12th Mtg	24 May 45		Ital Production Advisory Board.
179a	Cbl AFHQ F 81118	24 May 45	AC	Cbl AC 7188 relayed to Washington
179a 1	Cbl Liguria fr Boger	26 May 45	AC	Steelworks situation in North.
180	AC/5542/IND, Maskrey	28 May 45	Dist	Maskrey report on visit N on:Removal Ind Plants;German coal for Ind;Todt organization;Ind situ in Bolzano Province.

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1009

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

4045/CC

LIST OF PAPERS

Office of the
Chief Commissioner

ALLIED COMMISSION

File under No. 4045 INDUSTRIAL MOBILIZATION, GENERAL

SECRET

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
152	CC 4045, Quayle	28 Mar 45	Econ Sec	It rubber production.
152a	Cbl AC, Industry, 4332	28 Mar 45	AFHQ	It rubber prod; Mr Barker requested.
153	Memo, Quayle	29 Mar 45	Livengood,	It rubber production
153a	Ltr CAO AFHQ	4 Apr 45	A/VP Econ	Proposed Industrial Advisory Board.
154	AC/5605/IND, Stone	6 Apr 45	G-4(A), AFHQ	Solvay Soda Works at Rosignano.
154a	Memo, Macmillan	8 Apr 45	CC	Hemp production & officers to do it.
155	Cbl AFHQ, MEG 470	11 Apr 45	Troopers	It rubber production.
156	Ltr Minister Gronchi	12 Apr 45	Stone	Thanks for Memo 14 - help to IG. (?)
157	Ltr Alex Kirk	14 Apr 45	Stone	It rubber production.
158	CC 4045, Quayle	16 Apr 45	Econ Sec	It rubber production.
158a	G-4 AFHQ-MTOUSA	16 Apr 45	Stone	Solvay Soda Works at Rosignano.
159	CC 4045, Stone	16 Apr 45	Alex Kirk	It rubber production.
160	5008/EC, Stone	17 Apr 45	G-4 AFHQ	Thanks for help in obtaining release of certain factories, tanning products. APPENDIX: Ltr G-4 AFHQ, 5 Feb, to CC.
161	Cbl Troopers 86149CM3B	17 Apr 45	AFHQ, AC, WAR	It rubber production.
162	ES/5.06, Antolini	19 Apr 45	Gronchi	What publicity desired given to Adm. Memo. No. 14. See 156. (?)
163	AC/5587/IND, Maskrey	26 Apr 45	Distr	Reqn & De-reqn of industrial facilities in AC/AMG Territory - procedures.
164	AC/5587/IND, Maskrey	27 Apr 45	RCs, PCs, S/Cs	Use of industrial facilities for civil requirements.
164a	ES/12.03, Antolini	27 Apr 45	CAO AFHQ	Proposed Industrial Advisory Board.
165	Cbl AFHQ FX. LAC-1128	27 Apr 45	CCS	Maintenance materials for power plants.
166	AC/5587/IND, Maskrey	30 Apr 45	Distr	Security in re procedure for Reqn & De-reqn of Industrial Plants.
166a	PW & U, Jenny, Report	30 Apr 45	VP Econ Sec	Report on Jenny Mission to Switzerland 28 Mar to 22 Apr.
166b	Memo, Col Jenny	2 May 45	CC	

1010

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

4045/CC

Office of the
Chief Commissioner

ALLIED COMMISSION

LIST OF PAPERS

File under No. 4045 INDUSTRIAL MOBILIZATION, GENERAL

SECRET

Part III

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
132	Ltr Alex Kirk	6 Mar 45	Stone	Col Green reports on It tire production & use of US synthetic rubber.
132a	AFHQ ADM MEMO No. 14	7 Mar 45		Use Commercial Facilities for civ req
133	CC 4045, Quayle	8 Mar 45	McKinley	Col Green's reports on It tire production & use of synthetic rubber.
134	CC 4045, Quayle	8 Mar 45	Alex Kirk	Thanks for Col Green's report on It tire production & synthetic rubber.
135	Ltr Alex Kirk	8 Mar 45	Stone	Col Green further reports on proposed activation of It rubber plants.
136	CC-4045, Quayle	9 Mar 45	Alex Kirk	Thanks for Col Green's report.
137	CC-4045, Quayle	9 Mar 45	McKinley	Col Green's report for action.
138	Cbl Troopers, 75623 (CA 16), PAT 37	11 Mar 45	AC, AFHQ, CCS	Col Green suggests Pirelli expert visit Tivoli; does AC agree?
139	AC/5550/IND, Vaughn	13 Mar 45	RCs SCs, etc	Use Commercial facilities for civil requirements; dereqn of industrial plants
140	5008/96/EC, Rively	14 Mar 45	Econ Sec	Solvay Soda Works at Rosignano.
141	Ltr Alex Kirk	16 Mar 45	Stone	Col Green on It rubber production.
142	CC 4045, Quayle	17 Mar 45	Antolini	Col Green on It rubber production.
143	5009/30/EC, Stone	17 Mar 45	Bonomi	IC alarm over proposed Allied air attacks against industry in North Italy.
144	CC 4045, Quayle	17 Mar 45	Alex Kirk	Col Green on It rubber production.
145	AC/4183/L, Upjohn	17 Mar 45	RCs N.Italy	Appt of Receivers in AMG Territory.
146	AC/4183/L, Cripps	20 Mar 45	CC	Appt of Receivers in AMG Territory.
146a	LSC/910, Antolini	21 Mar 45	Ex C	It Adv Committees on Ind/Econ Qns.
147	Ltr Alex Kirk	23 Mar 45	CC	It rubber production.
148	CC 4045, Quayle	24 Mar 45	Alex Kirk	It rubber production.
149	Memo, Quayle	24 Mar 45	Econ Sec	It rubber production.
149a	AC/5603/IND, Bullock	26 Mar 45	Quayle	It rubber production.
150	Ltr Alex Kirk	27 Mar 45	CC	It rubber production.
151	CC 4045, Quayle	28 Mar 45	Alex Kirk	It rubber production.

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1011

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

4045/CC

LIST OF PAPERS

Office of the
Chief Commissioner

File under No. 4045 INDUSTRIAL MOBILIZATION, GENERAL

ALLIED COMMISSION

SECRET

Part III

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
117	Cbl AC 9218 (MOC 3)	4 Jan 45	CCAC	Reqn of power equipment (Kw)
118	Ltr G-4 AFHQ	9 Jan 45	Stone	Solvay Soda Works at Rosignano.
119	Ltr Belgian Consul Gen.	16 Jan 45	Stone	Solvay Soda Works at Rosignano.
120	Ltr Stone CC-4045	18 Jan 45	Belg Consul	Solvay Soda Works at Rosignano.
121	Ltr Stone COS-5008	18 Jan 45	G-4 AFHQ	Solvay Soda Works at Rosignano.
122	AC/5615/IND	18 Jan 45	S/Cs & RCs	Applications for derequisitioning of industrial premises.
123	Cbl AC Ind, 566	26 Jan 45	AFHQ G-5	ItPress demands permission publish effects on basic food supply in Bari, etc. fr inactivity of Stucky Mills Bari
124	Cbl AFHQ, F-15876	27 Jan 45	AC	Cbl fr CCS; Centr It electric power equipment.
125	Cbl AC PW S/C 699	28 Jan 45	AFHQ	Centr It electric power equpment.
126	Cbl, CCS, Fan 487	31 Jan 45	SACMED	New CCS Directive to AC. AC shall assist It Govt in preparation programs of supplies designed rehabilitate industry
126a	AMG 5 Army	8 Feb 45	Stone	Rpt of Ind Production in 5/A Area.
127	Cbl CCS, COM 33	14 Feb 45	AC	Sardinian Mines must be put to work.
127a	AC/5676/IND, Maskrey	4 Feb 45	Quayle	Ing Sacerdoti, of Committee for Industrial reconstruction, wishes see CC.
128	ES/12.03, Stone	21 Feb 45	Bonomi	Econ Sec's ideas for 'Policy on Industrial Cannibalization' INCL: ES/12.03, 17 Feb 45.
128a	Aide Memoire, Macmillan	24 Feb 45	Bonomi	"New Deal for Italy" clarified.
128b	Ltr Alex Kirk	25 Feb 45	Stone	Col Green's study on rubber in Ital, generally, and use in tpt.... INCL: Col Green's Report, 23 Feb 45.
129	Ltr, Quayle	28 Feb 45	Kirk	Thanks for Green's report on rubber..
130	Ltr Quayle	1 Mar 45	Gen Hume	Thanks for Ind Production Rpt 5/A.
130a	Cbl G-5, 15th A/G, 404	2 Mar 45	AC PWU S/C	Submit list of hydro-plants in N.It for hi-priority preservation.
131	Bonomi, 198	6 Mar 45	Stone	IG alarm over proposed Allied air attacks against industry in N.Italy.

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1012

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

CROSS REFERENCE SHEET

Ltr AC/5542/IND
From Lt Col Maskrey, A/Dir Ind S/C

28 May 1945

Subjects: REMOVAL OF INDUSTRIAL PLANTS
GERMAN PROVISION OF COAL FOR INDUSTRY
TODT ORGANIZATION
INDUSTRY SITUATION IN BOLZANO PROVINCE

Comprehensive reports on these subjects, the result of Col Maskrey's visist to the North, especially to the Bolzano area.

DOCUMENT FILED IN CC 4057

AC/5404

45

180

1013

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

RESTRICTED

137
MAY 261210B

E/2522
MAY 270950B
PRIORITY

AMG LIGURIA FOR BOGER

HQ ALCOM CITE ECONOMIC SEC IYD PLANNING SEC ATTN LT COL GLENDINNING. DES ADVANCE STEEL SEC C/O RAAC

RESTRICTED.

Steelworks of north have already formed equivalent of COLLIGAMENTO in south. COMITAT SIDERURGICA of MILAN Chairman ING DECIO of BREDA. Have sent souths 6 months plen to MILAN with request for similar plen for north also plen for all ITALY ARTIGIANI to help. This will indicate finally items to be imported. Have seen ILVA Directors at VOGHERA including TRIESTE manager. Propose take him TRIESTE later. Col EVANS of Coal Sec recently here stated to have made coal promises for steel industry suggest you verify your end. Suggest AC declare steel production of north if any at next AFLRS meeting. End signed BOGER.

DIST

ACTION: Industry 2
INFO: Chief Commissioner
Econ Sec
File 2
Float

RESTRICTED

1014

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

CONFIDENTIAL

F 61118
MAY 24/1148B

F/2138
MAY 24/1335B
Routine

AFHQ SIGMED SACMED CITE FHCBD

AIOCM RCME

(169)

CONFIDENTIAL

Substance of your signal 7188 of 8 May, advising of situation in north and recommending mission be dispatched from USA/UK to survey conditions, was transmitted to WASHINGTON

Signal sent to Wash.

DIST

ACTION : EX COMMISSIONER (2)

INFO : A/PRESIDENT
CHIEF COMMISSIONER
ECON SEC (2)
POL ADV (A)
POL ADV (B)
US AMBASSADOR
BR AMBASSADOR
FILE (2)
FLOAT

(182)a

(179)a

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1015

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AC INVITE
SENT TO
WASHINGTON

1016

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EXTRACT

ALLIED FORCE HEADQUARTERS
Supreme Allied Commander's Secretariat

K 182

TOP SECRET

SAC (P) (45) 12th Meeting
24th May 1945

178

SUPREME ALLIED COMMANDER'S CONFERENCE
(POLITICAL)

* * *

8. ITALIAN PRODUCTION ADVISORY BOARD

REAR ADMIRAL STONE, replying to a question by the British Resident Minister, stated that no information had been forwarded to the Combined Chiefs of Staff regarding the formation of the Italian Production Advisory Board, which he had recommended. The formation of this board had been discussed at the last meeting of the Economic Sub-Committee. The scheme now proposed differed considerably from that which had at first been suggested.

GENERAL McNARNEY considered that a paper dealing with the whole matter should be put before the Conference at the next meeting. The Combined Chiefs of Staff should then be informed of the proposals.

THE SUPREME ALLIED COMMANDER:

Instructed the Chief Administrative Officer to submit for his approval at the next meeting of his Political Conference, a paper dealing with the organization and functions of the proposed Italian Production Advisory Board, together with a draft cable to the Combined Chiefs of Staff requesting their approval of the project.

* * *

See 181

43

179

1017

R E S T R I C T E D

ALLIED FORCE HEADQUARTERS

7th Meeting

25 May 1945

SUPREME ALLIED COMMANDER'S
ECONOMIC SUB-COMMITTEE

MINUTES OF A MEETING OF THE ECONOMIC SUB-COMMITTEE HELD IN THE G-3 WAR ROOM AT 1030 HOURS ON TUESDAY 22 MAY 1945

* * *

5. FORMATION OF INDUSTRIAL ADVISORY AND PRODUCTION BOARD.

GENERAL ROBERTSON informed the sub-committee of action previously taken to form industrial advisory boards in Italy:

(a) It was apparent prior to the liberation of the North that a centralized group was necessary to ensure that Italian industry was fully employed; part of Southern Italian industry utilized by the military was being fully exploited but the remaining Southern facilities were not. This was primarily because the factors necessary to initiate production were under military control, and until they could be deployed and allocated for civil production, reactivation of industry could not take place. It was for this reason that the establishment of industrial advisory boards was recommended. Now that the North is uncovered it is even more necessary that industrial activity be centralized, if Italian economy is not to be allowed to lapse into inactivity with consequent unemployment and greater rather than less dependence on imported supplies by the Allies.

(b) The proposed board was to consist of three vice chairmen; one representing A.C., one the Italian Government, and one Italian industry. Initially the A.C. representative was to be chairman.

ADMIRAL STONE summarized the problem as follows:

(a) The proposed board is comparable to the War Production Board

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

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ADMIRAL STONE summarized the problem as follows:

43 (a) The proposed board is comparable to the War Production Board in the U.S. Great Britain has found need for a similar organization. It is to be noted that these agencies are a temporary war-time expediency.

(b) It is difficult to constitute a board of this nature under the provisions of FAN 437, and the A.C. has consequently recommended the establishment of a board acceptable to the Italian Government and not in conflict with Allied policy. He explained that he has sought political advice on this matter.

(c) Admiral Stone then read a paper, explaining the A.C. position, which is attached as Annex A.

GENERAL ROBERTSON enquired how the military requirements of AFHQ/AC would be enforced were the board nominally controlled by the Italian Government. ADMIRAL STONE replied that control will be exercised primarily through the power to allocate imports and transportation and by means of industrial contracts. GENERAL SPOFFORD NOTED that, under the terms of FAN 437, SACMED is authorized to utilize local resources for military production, and that SACMED still retains the power of requisitioning.

178

176

See 179

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

RESTRICTED

GENERAL ROBERTSON observed that the terms of reference of the board should make reservations to the effect that the military needs of the Allied Forces will receive priority in Italian industry. He asked Admiral Stone to request one of his staff, to advise what provision for Allied personnel will be necessary in view of the new composition of the board.

BRIGADIER ANDERSON, at the request of Admiral Stone, stated that an increase in staff of approximately 150 officers will be necessary for the purpose of making industrial surveys and of forming the necessary board secretariats. He further pointed out that during the last year of German occupation in Northern Italy 3,000 German officers were used to control industry.

GENERAL ROBERTSON expressed the opinion that considerable difficulty would be encountered in obtaining the requested number of Allied officer personnel, and recommended that Admiral Stone raise this matter at the next SACMED political meeting.

MR OFFIE recommended that the establishment of these boards be brought to the attention of the Combined Chiefs of Staff.

(179)

GENERAL ROBERTSON confirmed that the Combined Chiefs of Staff would be notified by G-5 of action taken.

ADMIRAL STONE suggested that one of the Allied members of the Industrial Board should be drawn from AFHQ. It was agreed that this would be logical.

GENERAL ROBERTSON asked if the sub-committee were in agreement with the proposals set forth in the memorandum read by the Chief Commissioner, Allied Commission.

The Sub Committee confirmed agreement with the proposals of the Chief Commissioner, Allied Commission, attached as Annex A.

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

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48

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

1021

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

NS

MAY 23 REC'D

FOR ACTION CG PENBASE RPTD CG MEDUSA FOR INFO AFHQ G-5, AFHQ G-4 (A), AFHQ G-4 (B)

8170 22 MAY 1945 ROUTINE

SECRET PD

SUBJECT IS REQUISITIONING OF ITALIAN STATE MONOPOLY TOBACCO FACTORY FLORENCE PD PAREN TO FOR ACTION CG PENBASE RPTD CG MEDUSA FOR INFO AFHQ FOR GEORGE DASH FIVE CMA AFHQ FOR GEORGE DASH FOUR AMERICAN CMA AFHQ FOR GEORGE DASH FOUR BRITISH FROM ALCOM CITE ACIDX PAREN

PARA ONE PD YOUR PENBASE SIX TWO NINE THREE OF ONE NINE MAY ONE NINE FOUR FIVE REFERS PD INFORMATION IS URGENTLY REQUESTED AS TO NUMBER OF DAYS IT IS PROPOSED TO OCCUPY FACTORY PD INACTIVITY WILL SERIOUSLY AFFECT CIGARETTE AND TOBACCO SUPPLY FOR ITALIAN LAND FORCES AND ESSENTIAL CIVIL REQUIREMENTS PD INVITE ATTENTION TO ARMY BOX HOW QUEEN ADMINISTRATIVE MEMORANDUM NUMBER ONE FOUR OF SEVEN MARCH ONE NINE FOUR FIVE

132a

Copy to:-
A/President
Chief Comafesioner
Economic Section
AFHQ, AAAC
Finance S/C
MMIA

INDUSTRY

237

CAPT. N.R.L. MACDONALD

NICHOLAS PIOMBINO
CWC, USA,
Asst. Adjutant

4c

177

1022

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

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 4045 21 May 1945

SUBJECT: Formation of Industrial Advisory and Production Boards.

TO : Chief Administrative Officer, A.F.H.Q.

1. The survey which has been made in Northern Italy by members of the Economic Section of Allied Commission clearly indicates that the setting up of Industrial Boards as envisaged in the correspondence between us has now become a matter of considerable urgency. Nevertheless, there are still many difficulties in the way.

2. The main difficulties are:

(a) Agreement of the Italian Government is essential

(1) as to the composition of the Boards, and

(2) as to their powers and methods of working.

This will probably take some time to obtain on account of the political situation. The Boards will have to be largely Italian in complexion.

(b) The composition and powers of the Boards must be such that the scheme for their initiation will receive the support of the Allied Governments.

(c) If the Boards are largely Italian in complexion, they would probably be acceptable to the United States and British Governments as being in accord with FAN 467. At the same time, if the Boards are Italian in nature, the U.S. and British Governments may fear that they may become instruments for the nationalization of Industry, with possible injury to U.S. and British investments in Italy.

(d) Time is not now available for prolonged discussions with either the Italian Government or the Allied Governments.

We are therefore forced to compromise between the evils of the courses open to us.

48

3. The Allied Commission therefore proposes that the formation of an Italian Production Advisory Board be referred immediately to the

176

See 178

1023

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

Italian Government. Since some time will elapse before its creation, it is recommended that Italian Boards be set up by this Italian Government and A.M.G. for the following vital industries:

Textile industry;
Chemical industry, including fertilisers;
Steel industry, including coke oven industry;
Cement, lime and brick industries; and
Food processing industry.

4. It is proposed that the composition of these Boards be Italian, with Allied minority non-voting members participating only as advisors.

5. Until the Italian Government has set up the Italian Production Advisory Board (vide paragraph 3), the Allied Commission, acting on behalf of the Italian Government, will control the allocation of raw materials in common use by all industries, such as coal, etc. The Allied Commission representatives participating in the Production Advisory Board would be designated advisory members. being so termed, the scheme would conform with the conditions and intentions of FAN 467. The Allied members would, of course, exercise very considerable power as the import of raw materials would depend very largely on their advice and they would also control, through AC/AFHQ, the facilities of movement of raw and manufactured materials between industries.

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Orig. delivered by Adm.

DISTRIBUTION:
U.S. Ambassador
British Ambassador
A/President — deld by adm.
Exec. Commr.
Econ. Sec. " - "
42 Pol. Advisors " - "
CC File

176

1024

21st May 1945.

AIDE MEMOIR FOR THE CHIEF ADMINISTRATIVE OFFICER, ALLIED FORCE HEADQUARTERS.

The Economic group, headed by the Acting Vice President, has just returned from an initial survey of conditions in Northern Italy and have brought the following urgent points to my notice:

(1) Food Supplies. The implementation of that part of Log Plan 177 regarding the lifting of 500 tons per day of civilian food supplies to PARMA has not taken place. There is a shortage of food in some of the large towns as a result of this. It is essential that food should be lifted to PARMA and the other centres defined in Log Plan 177 on the demand of the Food Supply Officer, AMG Fifth Army (see note from Director, Food Sub-Commission attached).

(2) Financing and Purchasing - German Army. A directive on the financing and purchasing procedure of the surrendered German Army is urgently required, together with a definition of their status.

(3) Coal. The crux of the whole economic future of Northern

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

Italy and have brought the [illegible]

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(2) Financing and Purchasing - German Army. A directive on the financing and purchasing procedure of the surrendered German Army is urgently required, together with a definition of their status.

(3) Coal. The crux of the whole economic future of Northern Italy depends on coal. AFHQ coal representative gave a figure of 24,000 tons for June, 49,000 tons for July and 69,000 tons for August, as probable imports for civilian supplies in Italy, this against a normal monthly consumption of 1 million tons. It is essential that this be increased if unemployment running into several millions and unrest and disorder are to be avoided. It is recommended (a) that the total allocation of coal for Italy be increased (this has already been subject of ALCOA telegram); (b) that a review be made of the breakdown of the present total allocation to Italy of 200,000 tons with a view to increasing the amount allocated to the civilian needs in the North.

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

(4) Railway Rolling Stock. It is recommended that close scrutiny be made by AFHQ railway and movements services to ensure that railway trucks, wagons and locomotives are not retained outside Italy if they have to cross the frontier for haulage purposes.

(5) Employment of Italian industry for War Production. It is considered that certain Italian industries (e.g., rubber, silk, etc), could be employed for the furtherance of the Allied war effort but it is emphasised that coal and raw materials for such employment must be supplementary to the needs of Italian industry for rehabilitation and reconstruction of Italy. In the Italian economy, rehabilitation must come first and Allied war production second.

(6) Programme "B". The situation in the North will necessitate a modification of requisitions under Programme "B". This has already been started.

(7) Factories. The satisfactory state of industry in the North applies only to the physical state of the factories. The operation of these factories depends entirely on coal and raw materials and unless sufficient quantities of these are introduced immediately, we shall be faced with a vast unemployment problem running probably into 6 million people.

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

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(8) Phase II. Lastly, everything points to the necessity for an immediate change to Phase II. An administrative set-up (Regional staffs) is ready to operate but is unable to do so owing to being subordinate to an Army formation whose staff is capable of initial first-aid only and not for the subsequent and enormous problems of administration in a densely populated and highly industrialised area. It is essential that this should be changed without fail and without delay.

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

1028

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

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FX 78276
MAY 191557Z

E/1556
MAY 200945Z
ROUTINE

AFHQ SIGNED MCNARNEY CITE NAGOS

ACTION AGWAR WASHINGTON FOR SOMERVELL FOR MINLOG FOR INFO TO AIGOM, AFLRS ROME FOR [redacted]BON

CONFIDENTIAL.

1. Following is an initial report requested your W 77694.

Information obtained from conferences with Central Economic Commission, CLNAI, and its subcommittee for textiles and fibers as well as individual members of the subcommittee representing cotton, wool, hemp, jute, silk, and synthetic fibers industries.

2. COTTON. Less than 5% war damage. Machinery ready to operate at estimated 95% prewar (1938) capacity. No ginned cotton on hand or available locally. All processing materials available locally except lubricants and vegetable oils. 33000 tons of coal required per month. No coal on hand. 20% dyeing and finishing industry can use diesel oil in lieu of coal. No oil on hand.

3. WOOL. War damage insignificant. Machinery in good operating condition. Industry 95% intact. No virgin wool on hand or available in NORTHER ITALY. 5000 tons shoddy on hand. All processing materials available locally except lubricants and olein. 14000 tons of coal required per month. No coal on hand. 10% of industry can use diesel oil in lieu of coal. In NORTHERN ITALY industry does not plan to use Sardinian wool.

4. HEMP. 5% of industry completely destroyed. 10% damage can be reactivated in

174a

CONFIDENTIAL

1029

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

(FX 78276 cont'd)

6 months after repair materials are made available. 85% of machinery and facilities operational. Hemp available locally for full capacity of existing installations. Amnesement program critical. Farters refusing to release hemp. Only 160 tons available in warehouses. Processing materials generally available except small deficiencies in lubricants. 1750 tons of coal required per month. No on hand. Industry now operated 10% capacity and can continue for 20 days with present stocks of materials. Italian officials estimate 30000 tons of raw hemp will be available for export from 1945 crop.

5. JUTE. 35% of spindles and 27% of looms completely destroyed by war damage. 65% of total industry is intact. No jute on hand or available locally. Jute industries have converted to manufacture of hemp products. If jute is made available, reconversion no problem. Processing materials generally available except small deficiencies in lubricants. 800 tons of coal required per month. No on hand.

6. SILK. War damage estimate at 5%. Industry 95% intact. Sufficient cocoons produced locally for full operation of industry. 1945 crop will produce approximately 4000 tons dry cocoons subject to immediate supply of coal for drying cocoons. All processing materials available locally. 8000 tons of coal required per month for drying, spinning and twisting. Industry at standstil for want of coal.

7. SYNTHETIC FIBERS. War damage negligible. Machinery intact. No raw materials on hand or available locally. 15% of cellulose requirements can be produced locally 4 months after materials are made available for repair of cellulose industry. 33000 tons of coal are required per month. Not on hand.

174c

1030

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

(FX 78276 cont'd)

8. MANAGEMENT. Top echelon and all subordinate branches of management are generally available.

9. LABOR. Labor at present is being paid by management even while not working in order to retain their services.

10. Coal shortage extremely critical in NORTHERN ITALY. If it were available, lignite could be used for coal at a ratio of about 3 to 1.

11. The larger part of the industry is hydro-electrically powered. Power is available.

12. Transportation in general for all textile industries has been found to be in much better condition than anticipated. Rolling stocks of motor transportation are short, but management expects this situation to improve.

13. Above report is preliminary only and believed to be somewhat over optimistic as to volume and quick results obtainable. It has not been cleared with ALLIED COMMISSION or British. Survey and investigation continuing for purpose of completing report to you by 5 June. Urgent we have information requested para 1 our F 75061 this year.

DEST

INFO-ACTION: Econ Sec 2
INFO: A/President
Chief Commissioner
Executive Commissioner
Commerce S/C
Industry S/C 2
AFLIS
Tn S/C 2
File

CONFIDENTIAL

48

174a

SECRET & PERSONAL

Lt-Gen Sir Brid[illegible] H. Robertson Bt.,
CHIEF ADMINISTRATIVE OFFICER
ALLIED FORCE HEADQUARTERS
C. M. F.

CAC/117

16 May 1945.

My dear Admiral

I have had a discussion this afternoon on industrial rehabilitation with Hamblen, McKinley, Anderson and Spofford. Although Anderson and McKinley arrive here from ROME for a meeting which has been postponed, I think that the informal discussion which I have had with them was very illuminating.

I am now entirely confirmed in an impression which I have been forming for some time. This is that we need a change of outlook, both at this HQ and in WASHINGTON, if we are going to achieve any worth-while results. However we may work out the details, it seems to me to be established that the rehabilitation of Italian industry will only be achieved if we can effect two things. The first is a measure of centralized control. The second is a strengthening in the quantity and quality of the Staff of the Allied Commission, because the Italians will not solve their own troubles except by leaning heavily on the Allied Staff, which alone can assist them.

However much we may attempt to make the centralized control Italian in character, the fact will remain that the influence of the Allied Commission elements in it must be strong. This, in a sense, is contrary to the policy underlying FAN 407.

Strengthening the Economic Section of the Allied Commission, implying of necessity an increase in its Staff, may also be regarded as contrary to the principles of FAN 407, and will certainly be difficult to accomplish in the face of the strong desire to free personnel for redeployment.

We shall not get over these difficulties unless we can substitute sympathetic and convinced support for the cynical opposition with which we are today confronted.

[illegible] essential is that you, yourself, should

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

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(126) However much we may attempt to make the centralized control Italian in character, the fact will remain that the influence of the Allied Commission elements in it must be strong. This, in a sense, is contrary to the policy underlying FAN 487.

Strengthening the Economic Section of the Allied Commission, implying of necessity an increase in its staff, may also be regarded as contrary to the principles of FAN 487, and will certainly be difficult to accomplish in the face of the strong desire to free personnel for redeployment.

We shall not get over these difficulties unless we can substitute sympathetic and convinced support for the cynical opposition with which we are today confronted.

48

The first essential is that you, yourself, should lead the drive to obtain the support of others. If you would initiate this drive, I will see that it gets support here, but I cannot initiate it.

Briefly, the picture presented to me by McKinley and Anderson is that unless steps are taken in the directions which I have referred to above, the following evil consequences will result.

(a) The industries of Northern ITALY will not get into production, except in a very lame way. I am informed that the Germans had a very numerous staff which controlled these industries and kept them going. This staff has now disappeared. The factories have now been taken over for the most part by the workers, who are only interested in epuration and a new political order.

(174)

Cont'd/...Sheet 2...

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

(b) As a consequence of (a), and because intelligent planning will not take place, there will be widespread unemployment running into several millions.

(c) A further consequence of this chaos will be to precipitate the collapse of the currency.

(d) The failure in the revival of Italian industry will mean that ITALY will have to live on charity indefinitely, thus increasing and prolonging the burden on Allied resources.

(e) Industrial and economic chaos will certainly produce political chaos, which may even involve the Allies in military commitments of a very inconvenient nature, and for which they are certainly not prepared.

I have set out the story as I have been told it. When your party under Antolini returns from the North they will no doubt have much to say in confirmation or refutation of it, although, as I understand it, their journey was made with somewhat restricted terms of reference.

I now feel that the matter rests with you to decide whether there is or is not a case for recommending a change of outlook towards this question of Italian rehabilitation. If you think that there is a case and would put it forward to this HQ. I can see that it receives the attention of everyone of consequence. If you do not think that there is a case, then I do not think that we should waste our time discussing terms of reference of the Advisory Board, nor as to the number of officers which should be produced for the Economic Section.

Yours sincerely,

J. H. Johnston

1033

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

I have set out the story as I have been told it. When your party under Antolini returns from the North they will no doubt have much to say in confirmation or refutation of it, although, as I understand it, their journey was made with somewhat restricted terms of reference.

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Yours sincerely,

H. Jobson

87

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

BHR/emb

Copy to: File CAO/261/1

174

1034

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

1035

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

C. C. Files
CC 1436
MAY 21 1945

Translation

State Department

11/07564/21

Rome 18 May 1945

168

Dear Admiral,

I recieved your letter of the 8th, n. 544/59/EC, in which you forwarded me the text of the orders issued by the Allied Military Command to avoid, unless there were circumstances of an exceptional character, the occupation of the plants which are essential for civilian lifeg and the requisition and removal of the machinery and material which is to be found in these plants.

When I sent you my former letterthe North provinces were not yet liberated, and we didn't yet know in which conditions the Allied and Italian troops would find them.

Now that this part of Italy is also liberated, and that the hopes for the economic rehabilitation of the country seem to find a legitimate basis in the news that we get from the North, I trust that the Allied Military Authorities, whose duty will be made easier by the cessation of hostilities in Europe, will closely follow the instructions which you forwarded to me.

Thanking you for your kind interest and for whatever you will deem advisable to do in future, I remain, my dear Admiral,

Yours very truly,

S. R. Prunas

Admiral Allery W. Stone
Chief Commissioner
Allied Commission

173

e.c.

EC Dist - 21 May 45

ACTION: Ex Comm
INFO: Chief Comm

Will come up [illegible]

1036

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

W 18 RECD

CC

Ref: 4040/10/30. 6 May 1945.

MEMORANDUM

TO : Acting President.

In reply to your memo of 3rd May on the subject of cement, the following information has been prepared by the Economic Section:

1. Apart from the recently liberated territory cement is in production at ten plants, one in Sicily and nine on the mainland.

2. Of those on the mainland, four are controlled by this Headquarters, three by D.E.P. & S. and two by C.C.P.B.S. The one in Sicily is controlled by the Italian High Commissioner for Sicily, its total production being necessary for the needs of the Island.

3. On the mainland, due to demands by the Services being heavy in proportion to the production, the allocation of cement was placed under the control of the Allied Forces Local Resources (Italian) Board for three months as from 1 April 1945.

4. For April, the first month of the operation of this control, it was estimated that the total production from all the nine plants in operation would amount to 42,000 tons, out of which AC was to receive an allocation of 5,447 tons.

5. The actual production for that month, however, proved to be 31,500 tons, of which AC received an amended allocation of 5,147 tons. This was distributed as follows:

Public Works & Utilities Sub-Commission.....	750 tons
Transportation Sub-Commission.....	760 "
AAG, 8th Army.....	200 "
Industry Sub-Commission.....	37 "
Ministry of I.C. & L.....	700 "
Ministry of Public Works.....	1000 "

6. The production for May is estimated at 45,900 tons of which AC have been allotted 11,200 tons and this will be distributed as follows: (Source of production shown at head of table).

4

172

A

	Colle-ferro	Guido-nia	Civita-vecchia	Napo-li	Modu-gno	Tar-anto	Total
(Balance due from April requirements).	1800	3800	1000	2000	1800	800	11200
Public Works Sub-Com (Electrical Div).	250	-	-	-	-	-	250
Transportation Sub-Com.	200	900	-	250	-	-	1350
Umbria-Marche Region.	-	-	-	500	-	-	500
Miscellaneous	600	-	-	-	-	-	600
<u>May Allocations:</u>							
8th Army AMG	200	-	-	-	-	-	200
Public Works Sub-Com (Electrical Div).	-	750	-	250	-	-	1000
Transportation Sub-Com	-	1845	-	500	355	-	2700
Tuscan Region and Port Construction Office	-	-	1000	-	-	-	1000
Umbria-Marche Region	-	-	-	200	-	800	1000
Ministry of Public Works	350	-	-	300	150	-	1000
Ministry of I.C.L.	-	305	-	-	1295	-	1600
	1800	3800	1000	2000	1800	800	11200

7. The production for June is estimated at 43,500 tons and the allocation will be made at the forthcoming meeting of the Engineering Materials Committee of the AFLR(I) Board on 16th May.

8. The demands made each month by AC which include those made by the Ministry of Industry, Commerce and Labour and the Ministry of Public Works, average 100,000 tons.

9. In liberated Italy, up to Florence, the current prices charged for cement vary from 300 lire to 330 lire per quintal, ex-factory, less bags. These prices are fixed by the various Chambers of Commerce. In this connection it is interesting to note that the prices fixed by the AC Price Committee are as follows:

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

Public Works Sub-Com (Electrical Div).	-	750	-	250	-	-	1000
Transportation Sub-Com	-	1345	-	500	355	-	2700
Toscana Region and Port Construction Office	-	-	1000	-	-	-	1000
Umbria-Marche Region	-	-	-	200	-	800	1000
Ministry of Public Works	550	-	-	300	150	-	1000
Ministry of I.C.L.	-	305	-	-	1295	-	1600
	1800	3800	1000	2000	1800	800	11200

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Cement packed in paper bags, bulk price - 62.50 lire Ql.
Cement packed in cloth bags, bulk price - 70 lire Ql.

4

10. The present cement situation in the recently liberated N.Italy is not yet known. Prior to the war this territory was responsible for the greater part of the country's production, the 57 plants in this area having an annual output of 4,300,000 tons. It is understood that in 1944 the price of cement in N.Italy was 34 lire per quintal.

M S. LUSH,
Brigadier.
for HENRY W. STOKES
Rear Admiral, USNR
Chief Commissioner

177

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

1039

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

Ref: 12.03/ES.

14 May 1945.

My dear General Magruder:

I am obliged to you for your letter of 16 April 1945.

Tests were made at the Solvay Plant on 27 April under the supervision of Major Harris and Dr.Opatowski. It was found that a mixture of 70-75 per cent of Ribolla lignite together with 25-30 per cent of Sardinian coal was moderately suitable. Lignite by itself, or lignite mixed with a smaller proportion of Sardinian coal, did not generate sufficient heat. The managers of the Solvay Company agreed with these conclusions.

Arrangements have now been made at these Headquarters for a supply of the required lignite and the Sardinian coal so that the difficulties in getting this essential Plant going at an early date will soon be overcome.

Very truly yours,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Major General Carter B. Magruder, GSC,
Assistant Chief of Staff, G-4,
HQ. MEDBA,
APO 512, USA.

4045/5

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

AC17
MAY 122055B

E/522
MAY 130930B
IMPORTANT

15 A GP LIAISON
PILFOT, ALCOM FOR ECON QUH

IN CLEAR.

Gen WOOLF as GOC ITALY behind Army areas was responsible for economic mobilisation of ITALY. Had departments 1 development manufacture munitions 2 management of labour 3 production of food. First was concerned with production not only for ordnance but also boots clothing etc had complete records of AGT-MVT-TIA- LITES equipment and work for which factories suitable of all principal businesses. Had also record of machines removed for use elsewhere and where now located. Several caches of machines already located this area. 20 road tunnels this area. Officer I/C was Gen LEYERS who it is understood is already prisoner he should be able supply information. Useful for rehabilitation. His records stated to be mainly MILAN his HQ was CCMO. Also recommend dispatch Industry officer here to investigate caches machines and to redirect them to where required.

DIST

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

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170

1041

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

TO : AFHQ for G-5 (ACTION), British Resadin and US Polad (INFO)

7188 8 May PRIORITY

SECRET PD

PRELIMINARY REPORTS FROM NORTH ITALY INDICATE THAT THE ECONOMIC SITUATION IS SUCH THAT THE INDUSTRIES OF NORTHERN ITALY MIGHT WELL BE UTILISED AT ONCE FOR ALLIED WAR EFFORT PROVIDED SUFFICIENT QUANTITIES OF COAL WERE MADE PAREN TO AFHQ FOR GEORGE DASH FIVE SECTION FOR ACTION AND FOR BRITISH RESMIN AND US POLAD FOR INFO FROM HQ ALLIED CTTE ACKKO PAREN AVAILABLE PD THE MAXIMUM UTILISATION OF INDUSTRY OF COURSE WOULD HAVE A MOST BENEFICIAL EFFECT ON ITALIAN LABOUR AND WOULD GO FAR TO ASSIST IN THE ECONOMIC AND POLITICAL CRISIS WHICH LOOMS AHEAD PD SIR ROY FEDDON AND GENERAL MILNES REPORTS WERE BASED ON SITUATION FOUND IN CENTRAL ITALY PAREN WHICH IS RAPIDLY IMPROVING PAREN AND ON PERCEIVE THAT NORTHERN ITALY WOULD SUFFER SIMILAR DAMAGE PD SUGGEST THAT SUPPLEMENTARY MISSIONS BE DISPATCHED WITHOUT DELAY TO REVIEW SITUATION PD I SHALL HAVE FURTHER DETAILED INFORMATION BY MAY ONE NINE BUT IF POSSIBLE MISSIONS SHOULD ARRIVE BEFORE THAT DATE IN ORDER THAT PLANS MAY BE MADE IMMEDIATELY

Copy to: US Ambassador
Br Ambassador
A/President
C.Commissioner
Pol Adv (A)
Pol Adv (B)
Econ Sec (2)
File
Float

Executive Commissioner
343

M. S. LUSH
Brigadier,
Executive Commissioner

AC
INVITES
Missions

1042

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

Ref: 544/59/30.

8 May 1945

My dear Dr. Prunas:

I am in receipt of your letter 11/05997/16 dated 26 April 1945 and the two subjects dealt with therein have in the past been the subject of correspondence between this Commission and the Italian Government.

I fully appreciate the need for preserving intact buildings, industrial machinery, etc., in the interests of the Italian economy. Representations on the subject have been made to the highest military authorities and I am glad to inform you that these have resulted in the issue by AFHQ of an Administrative Memorandum on 7 March 1945 giving detailed instructions. For your interest the following is a quotation from this document:

> "Care must be taken by the responsible commander that, except in definite emergencies, he neither occupies a premise that is essential to the civil economy nor dismantles, nor removes by purchase or requisition, the equipment therein. Except to prevent enemy damage or destruction, or to meet the immediate operational needs, raw materials essential to civil economy will not be purchased, requisitioned or removed except by the procedures set forth in Section III, AFHQ Administrative Memorandum Number 45, 1944."

The responsibilities of the military formations in this respect were again emphasised in a further AFHQ Administrative Memorandum dated 8 April 1945 dealing with requisitioning procedures.

As regards the relations of Allied troops with the civil population, here also on various occasions I have drawn the attention of the Allied Command to certain incidents which have occurred and I think you will agree that there has been a marked improvement, judging by the absence of complaints recently.

The subject of relations with the civil population is one on which I receive regular reports from my Regional Commissioners and any unusual trend is immediately brought to the notice of higher authority.

Yours very truly,

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

H.E. don Renato Prunas,
Ministry of Foreign Affairs,
Italian Government, ROME.

cc: EX Sec
cc: FACC

1043

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

COPY

ALLIED FORCE LOCAL RESOURCES SECTION
A.F.H.Q.

Postal Address:
A.F.L.R.S.,
Rome Area Allied Command,
C. M. F.

Telephone: ROME 66276

LRS/219B1/10

6 May 1945.

SUBJECT: Timber Creosoting Works -
Soc. Italiana RUEPING, NAPLES.

TO : Chief Commissioner,
Allied Commission.

1. The application by Allied Commission for the de-requisitioning of the above factory has been the subject of investigation by a sub-committee appointed by the Industrial Co-ordination Committee in accordance with paragraph 4.c. of AFHQ Administrative Memorandum No.14 dated 7 March 1945.

2. At the meeting of the Industrial Co-ordination Committee held on 5 May 1945 the recommendations of the Investigating Sub-Committee were accepted. These were as follows:

a. that S.I. RUEPING should take steps to repair their plant immediately.

b. that 38 Veh Coy should give up the position marked Zone "C" on the attached plan.

c. that Engr (Br) AFHQ should release their portion of the premises.

3. a. Engr. (Br) AFHQ have agreed to de-requisitioning w.e.f. 31 May 1945, subject to certain reservations accepted by the Industrial Co-ordination Committee.

b. G-4(B) AFHQ has been asked by separate letter to ensure that the position marked Zone "C" is given up by 38 Veh Coy and alternative accommodation found for parking of AFV's.

4. It is requested that you will take the necessary steps to ensure that S.I. RUEPING effects without delay the required repairs to the plant.

/s/ W. B. S. SHELDON, Colonel,
Chief of Section (Br),
A.F.L.R.S.

WBSS/whr

Copy to: A/CAO, AFHQ
G-4(B) "
Industry Sub-Commission, A.C.

167

1044

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

Tel: 283.

Ref: 5008/150/SC.

7 May 1945.

SUBJECT: Derequisitioning of Timber Creosoting Works - Soc. Italiana HERTING, NAPLES.

TO : Economic Section (2).

The attached letter, 123/21931/10 dated 6 May 45, from the Allied Force Local Resources Section, AFHQ, subject as above, is passed to you for necessary action.

for Capt Andby
Chief Staff Officer,
To the Executive Commissioner,

Encl.

Copy to: SO to CC.

4/5/45

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167

1045

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

Tel: 289.

Ref: 5008/150/AD.

7 May 1945.

SUBJECT: Derequisitioning of Timber Creosoting Works - Soc. Italiana [illegible], NAPLES.

TO : Economic Section (2).

The attached letter, Z83/21931/10 dated 6 May 45, from the Allied Forces Local Resources Section, AFHQ, subject as above, is passed to you for necessary action.

for Capt Arnold
Chief Staff Officer,
To the Executive Commissioner.

Encl.

Copy to: SC to CC.

Q

40 4/57/CC

4'3

(167)

1046

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

(166a)

2 May 1945

Dear Admiral Stone.

I am attaching hereto a copy of my report on my mission to Switzerland. It clearly indicates that, if the need exists, we can get very considerable assistance from Switzerland. I hope you may find time to read it.

The question of the establishment of a credit in Switzerland for exports to Italy was perhaps the most important phase of my efforts there. Credit is needed before anything can be done in the way of exports. I was told it could not be done. The Italian Chargé d'Affaires tried it without success. — I obtained it — When I told Mr. Harrison, our Minister to Berne, he called it an "extraordinary achievement" and stated he was going to write to the State Dept. about it.

There is a certain confidential phase in connection with this credit, and which I can not put into any report, which I wish to discuss with you if you will please advise me when I can see you. It is something you should know.

Yours

R. J. Kenny
Col C.E.

1546

166a

Chief Commissioner

C O N F I D E N T I A L

ALLIED COMMISSION

PUBLIC WORKS AND UTILITIES SUB-COMMISSION

TO Vice President
Economic Section

REPORT ON MISSION TO SWITZERLAND

28 March to 22 April 1945

by

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

1047

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

1048

REPORT ON MISSION TO SWITZERLAND

28 March to 22 April 1945

by

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

1660

40 1.

40 1951/1

April 30, 1945

1660

CONFIDENTIAL

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

1049

C O N F I D E N T I A L

INDEX TO CONTENTS

		Page
A.	Credit from Switzerland	1
B.	Exportation of Electricity	8
C.	Exportation of Electrical Generating Plant.	10
D.	Fertilizer Production and Food Situation in No.Italy	12
	1. Export of Fertilizers Switzerland to Italy	12
	2. Transit of Fertilizers Italy - Germany	12
	3. Extent of Fertilization in No.Italy, recently	12
	4. Availability of Elec.Power to make Fertilizers (data of interest to other Sub-Commissions)	13
	5. Last years Crops and Present Reserves	14
	6. Removal of Crops to Germany	15
	7. Importation of Food from Germany	15
	8. Live Stock Census	15
E.	Textile Machinery (also Bulbs for Miners Lamps)	16
F.	Transit through Switzerland (also Material for Rolling Stock)	17
G.	Miscellaneous Data	18
	1. Trucks	18
	2. Medical Aid and Food	18
	3. Other Data collected	20
	a. Flour Mills	
	b. Telephones	
	c. Diesel & Gas Motors (Stat. & Marine)	
	d. Pumps	
	e. Medical apparatus	
	f. Agricultural Machinery	
	g. Heating Installations	
	h. Lathes	

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

5. Last years Crops and Present Reserves 14
6. Removal of Crops to Germany 15
7. Importation of Food from Germany 15
8. Live Stock Census 15

E. Textile Machinery
(Also Bulbs for Miners Lamps) 16

F. Transit through Switzerland
(Also Material for Rolling Stock) 17

G. Miscellaneous Data

1. Trucks 18
2. Medical Aid and Food 18
3. Other Data collected 19
a. Flour Mills 20
b. Telephones
c. Diesel & Gas Motors (Stat. & Marine)
d. Pumps
e. Medical Apparatus
f. Agricultural Machinery
g. Heating Installations
h. Lathes
i. Chemicals

H. Use of the Port of Genoa by the Swiss 20

I. Exports from Italy desired by the Swiss. 21

APPENDIX "A" List of Exports from Italy desired by Swiss

APPENDIX "B" Summary of available plant, machinery and equipment.

Separate Folders A to T inclusive with a large amount of detailed data, cost logs, etc.

166a

C O N F I D E N T I A L

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

105 II

C O N F I D E N T I A L

REPORT ON MISSION TO SWITZERLAND

28 March to 22 April, 1945

By.

L.A. JENNY, Col. C.E.

PURPOSE OF MISSION

The main purpose of the Mission to Switzerland was to endeavor to have electricity exported from Switzerland to North Italy upon its liberation and to find out what electrical generating equipment would be available in Switzerland, or could be had in a few months; also to see what credit Switzerland would be willing to grant Italy to pay for these exports.

The secondary purpose of the Mission was to try to obtain other information of value to the Allied Commission and to Italy.

A. SWISS CREDIT FOR ITALY

The question of how exports from Switzerland to Italy could be financed had been the subject of several discussions between the Public Works and Utilities and Finance Sub-Commissions of A.C. and the Ministers of Public Works and

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

to endeavor to have electricity exported from Switzerland to North Italy upon its liberation and to find out what electrical generating equipment would be available in Switzerland, or could be had in a few months; also to see what credit Switzerland would be willing to grant Italy to pay for these exports.

The secondary purpose of the Mission was to try to obtain other information of value to the Allied Commission and to Italy.

A. SWISS CREDIT FOR ITALY

The question of how exports from Switzerland to Italy could be financed had been the subject of several discussions between the Public Works and Utilities and Finance Sub-Commissions of A.C. and the Ministers of Public Works and Finance in the Italian Government. It was agreed that such exports could be made only if Switzerland would grant Italy a credit which would be repaid with exports from Italy. In order to allow as much consideration as possible of this question by the Swiss Authorities this was placed as the number 1. problem on my schedule.

Arriving in Berne contact was made immediately with the Swiss Authorities interested in the question of commerce between Switzerland and Italy and in the question of extending a long term credit to Italy so as to enable Italy to obtain

46

166a

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

10521

immediate relief upon the liberation of the North and to repay in merchandise or raw materials as soon as these are no longer needed by the Allied Armed Forces, or in the immediate civil rehabilitation program.

A conference was called on 5 April by Dr. J. Hotz, Director of the Commerce Department, which was attended by the following :-

Dr. Jean Hotz

Dr. H. Homburger, Director of the Manufacturers Assoc. (Vorort)

Dr. F. Keppeler, Legation Counsel, Foreign Dept.

Dr. Hüse, Foreign Dept.

Mr. J. Vollenweider, of the Commerce Dept.

Dr. Rob. Sulzer, of the Swiss Legation in Rome

Col. L.A. Jenny, of the A.C., Rome.

It was made plain at the outset that Swiss exports would not be financed by the Allies, but would have to be based upon a credit which Switzerland would have to extend to Italy. They stated that they had hoped that, at least in the beginning, the Allies would pay for these exports similar to the practice now followed where SHAEF pays for exports to France. My answer was that materials now needed by SHAEF were for military purposes, whereas the exports needed by Italy,

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

Dr. F. Kappeler, Legation Counsel,
Foreign Dept.

Dr. Hotz, Foreign Dept.

Mr. J. Vollenweider, of the Commerce Dept.

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After considerable discussion Director Hotz stated that they realized what the situation was and that he would take the matter up with proper authorities to see just what Switzerland could do in this respect.

The purpose of my visit was explained and it was agreed that my program be communicated to the Swiss Association of Manufacturers which would contact all interested plants and

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

arrange for a visit by me of such plants as my limited time would permit. Dr. Robert Sulzer, attaché of the Swiss Legation in Rome, who was on a visit to Switzerland, was permitted to remain in Switzerland to assist me and to make all contacts for me. This arrangement was of the utmost benefit to me.

After this conference Dr. [illegible].O. Stucki, [illegible]inister of the Foreign Dept., expressed a desire to see me and I had a conference with him lasting approximately one hour.

While in Berne I visited the American, British and Italian Ministers there and at Zurich and Geneva, I visited the American Consuls.

After having contacted many Swiss Officials, industrialists, financial institutions and talked with other interested parties, I can state that the opinion expressed, officially and privately, is that the Swiss always had good commercial relations with Italy and that they were anxious to renew these relations.

Financially the Swiss have always been very conservative and, they say that they have already given Italy a credit of nearly 400 million Swiss franks and do not like to extend an even greater credit unless there is some assurance that Italy

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

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40

My answer to such statements has been that since Switzerland had given Italy a credit of nearly 400 million franks for war purposes it would seem reasonable to assume that it could offer a similar credit for peace and for the reestablishment of essential facilities in northern Italy so as to permit Italy to rebuild its wrecked industries which were essential to the reactivation of commerce between the two

166

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

1036

countries. Furthermore, if such help were not furnished the industrial North might easily become a ripe field for uprisings and that Switzerland could not afford to have a sick neighbor in the South which might affect Switzerland itself and its industrial tranquility in particular.

A large number of conferences were held in the various cities I had visited. These conferences were with representatives of important industries, or of important finance institutions vitally interested in learning something about their investments in Italian Utilities and future possibilities. The largest of these conferences was held in Berne on 17 April 1945, which lasted from 6 P.M. till midnight. This was attended by the following :-

Officials: Minister P. Vieli, Dir.Gen.of the Swiss Credit Institute.
R. Kohli, Chief,Div. Legal & Financial Interests, Foreign Dept.
J. Hotz, Dir.of the Commerce Dept.
H. Hess, of the Foreign Dept.
H. Homberger, Dir.of the Manufacturers Assoc.
R. Sulzer, Swiss Legation in Rome.

Members of Associations:

Bank for Electric Enterprises: Director H. Kerrodi
" M. Villars
" A. Winiger

Motor Columbus (Elec.Financing) Director F. Funk

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

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	R. Sulzer,	Swiss Legation in Rome.

Members of Associations:

Bank for Electric Enterprises:	Director	H. Korrodi
	"	M. Villars
	"	A. Winiger
Motor Columbus (Elec.Financing)	Director	F. Funk
	"	H. Wiesz
Vice	"	W. Cottier
Finance Assoc. Italo-Suisse: (Controls the Meridionale at Naples)	Pres.	G. Bentsch
	Director	A. Caflish (°)
	Dr.	A. Steinmann
Societé Generale pour l'Industrie Electrique:	Director	L. d'Espine
Vice	"	F. Belens
Swiss Elect.& Commerce Assoc.	Director	W. Krasting
Vice	"	B. Jobin
Swiss Assoc.of Elect.Industries	Director	E. Payot
	"	A. Jobin

(°) Mr. Caflish is also Gen.Secretary of the Swiss Bankers Association.

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

1058

C O N F I D E N T I A L

I was asked to give an outline of the condition of the electrical plants in Italy and of the general condition, destruction, etc. After my outline, dinner was served and thereafter followed a general discussion leading inevitably to the question of financing and credits.

There had apparently been an expectation that all old investments would be honored as well as new ones to be made in the reconstruction and that rate charges to consumers would be sufficiently high to cover all investments. To a direct question on this subject I stated that in the United States, under similar conditions, all war losses would have to be written off as Utility rates are allowed only on the actual value of the property and not on the investments made, and that I felt that Italy would probably follow a similar procedure.

To a question on the desired terms of a credit from Switzerland I stated that it should be a long term credit of say 30 to 50 years and that the interest rate should be very low, preferably not over 3%. In that manner Italy would be given a good opportunity of sound recovery.

The question of a credit from Switzerland had, in the meantime, been discussed on several occasions with the interested officials, but without much success. I also discussed this with Mr. Berio, Chargé d'Affaires of the Italian Legation in

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

question on this subject I stated that in the United States, under similar conditions, all war losses would have to be written off as Utility rates are allowed only on the actual value of the property and not on the investments made, and that I felt that Italy would probably follow a similar procedure.

To a question on the desired terms of a credit from Switzerland I stated that it should be a long term credit of say 30 to 50 years and that the interest rate should be very low, preferably not over 3%. In that manner Italy would be given a good opportunity of sound recovery.

The question of a credit from Switzerland had, in the meantime, been discussed on several occasions with the interested officials, but without much success. I also discussed this with Mr. Berio, Chargé d'Affaires of the Italian Legation in Berne, so as to learn what had been done on the Italian side.

46

A final meeting was called by Mr. Hotz, Director of the Commerce Dept. on 18th April 1945 at his office. It was attended by the same persons who were there on 5th April, and who are listed above.

The problem of imports and exports was discussed in considerable detail. At my request the Swiss had prepared a

166a

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

statement showing what imports and what quantities they desired from Italy and that sta ement was furnished. (See Appendix "A").

There was considerable discussion on the question of a credit. Mr. Hotz stated that they realized that a long term credit was needed but that Switzerland could not possibly consider a rate of 3%, as I had suggested; that many questions of investment, insurance companies, etc., were involved and that they could not make any loan at a rate below that which they themselves would have to pay.

Regarding the establishment of any credit, Switzerland is desirous of obtaining certain safeguards and the amount of credit which may ultimately be given will depend upon these safeguards.

As these were matters which I could not discuss, I asked that they make available some kind of a credit now, so that if Italy needed exports from Switzerland as soon as North Italy is liberated, it would have no difficulty in obtaining these. Mr. Hotz then gave me the assurance that Switzerland would establish such a credit for Italy sufficient to cover its early rehabilitation needs from Switzerland after the liberation of North Italy.

He expressed the hope that such a fund would be used

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

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He expressed the hope that such a fund would be used as a revolving fund and that Italian exports to Switzerland would begin at an early date.

I then repeated his statement and asked if I had understood this correctly, so that I could make a report accordingly, and I was advised that my understanding was correct and that I could so report. Mr. Hotz added that there were certain details which would have to be approved first by the Swiss Federal Council, such as conditions, interest rate, etc., but that such a credit would be established.

1962

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

1063

CONFIDENTIAL

As I had discussed this matter with the American and British Ministers and the Italian Chargé d'Affairs in Berne, I advised them accordingly.

While the question of a credit was under consideration I proceeded to look into the question of obtaining electricity for exportation to Italy and electrical generating equipment.

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

1064

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

45

166a

1065

C O N F I D E N T I A L

B. EXPORTATION OF ELECTRICITY.

This matter was first discussed with Mr. F. Lusser, Director of the Swiss Federal Department of Electricity. Contacts were then made with the managements of the two companies which could export electricity to Italy, namely, 1. Kraftwerke Brusio, A.G. at Poschiavo, north of Tirano in Italy and, 2. Aare-Tessin A.G. at Olten, known as "ATEL", with plants in the vicinity of Lugano, north of Varese in Italy, as well as in other places in Switzerland.

At the present time electricity is actually exported into Italy from the Brusio plants and returned to Switzerland via the Aare-Tessin system for use in the center of the country. However, it has been agreed that, as near as can be determined at this time, we could have the following:

Brusio Plants

Summer :	40,000 K.W.	A.C.	600,000 KWH per day
Winter :	40,000 K.W.	A.C.	150,000 KWH per day

Summer period - April to September inclusive
Winter period - October to March inclusive

Within Switzerland the following lines are available:

1. Pole line, with 2 - 3 phase lines (6 wires) A.C. 140 KV. 50 cycles each.
1. Pole line, with 2 - 3 phase lines (6 wires) A.C. 50 KV. 50 cycles each
1. Pole line, with 1 - 3 phase line, A.C. 70 KV. 50 or 42 cycles.

40

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

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Drusio Plants

Summer :	40,000 K.W.	A.C.	600,000 KWH per day
Winter :	40,000 K.W.	A.C.	150,000 KWH per day

Summer period - April to September inclusive
Winter period - October to March inclusive

Within Switzerland the following lines are available:

1. Pole line, with 2 - 3 phase lines (6 wires) A.C. 140 KV. 50 cycles each.
1. Pole line, with 2 - 3 phase lines (6 wires) A.C. 50 KV. 50 cycles each
1. Pole line, with 1 - 3 phase line, A.C. 70 KV. 50 or 42 cycles.

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The receiving company in Italy would be the Società Lombarda per Distribuzione di Energie Elettrica, Milano.

Aare - Tessin Plants (ATEL)

Summer :	15,000 K.W.	A.C.	360,000 KWH (24 hr) per day
Winter :	12,000 K.W.	A.C.	100,000 KWH per day

Within Switzerland the following line is available:

1 - 3 phase line A.C. 80 KV. 50 or 42 cycles.

The receiving company in Italy would be the Società Idroelettrica Piemonte, Torino.

166a

1066

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

C O N F I D E N T I A L

City of Lugano

Summer only : 2 lines, 2000 KW each. 24 hrs per day.

Each of the 2 lines is 3 phase A.C. 25 KV. 50 cycles

The receiving companies in Italy would be:

1. Società Prealpina di Elettricità, Varese
2. Società Idroelettrica Comasina, Como.

Summarion

Available immediately:

Brusio, for Milano	40,000 KW	15 hrs per day
Acre-Tessin, for Milano or Torino	10,000 KW	24 " " "
Total	50,000 KW.	

The Acre-Tessin (ATEL) group could furnish 40,000 KW during the summer if the 50 KV. line were rebuilt to permit the transmission of that energy. It would take about 4 months to rebuild the line and the company would require aluminum cable from us. The line is about 50 KM. long. A small quantity of the cable may be had in Switzerland.

When this question was raised in Switzerland I stated that, not knowing what the situation would be in North Italy, we could not make any agreement to help improve that line; that if the company wished to take a chance and rebuild what it can before we need the line, there could not possibly be any objection on our part. Until we know what kind of lines would be available to us in Italy, or could be

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

Total 57,000 KW.

The Aare-Tessin (ATEL) group could furnish 40,000 KW during the summer if the 50 KV. line were rebuilt to permit the transmission of that energy. It would take about 4 months to rebuild the line and the company would require aluminum cable from us. The line is about 50 KM. long. A small quantity of the cable may be had in Switzerland.

When this question was raised in Switzerland I stated that, not knowing what the situation would be in North Italy, we could not make any agreement to help improve that line; that if the company wished to take a chance and rebuild what it can before we need the line, there could not possibly be any objection on our part. Until we knew what kind of lines would be available to us in Italy, or could be rebuilt by us, it would seem useless to try to furnish more energy through Switzerland than we could transmit in Italy. We would, therefore, have to take what their present line could offer and no work could be done on the line after we have tapped it, as we would no doubt need all of the energy we could get 24 hours of the day and probably could not afford to have the line closed for certain periods for reconstruction.

CONFIDENTIAL

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

1069

C O N F I D E N T I A L

C. EXPORTATION OF ELECTRICAL GENERATING PLANTS.

As a preliminary to the study of this problem the following plants were visited:

Zurich	:	Escher Wyss & Co.
Oerlikon	:	Maschinenfabrik Oerlikon
Baden	:	Brown Boveri
Winterthur	:	Sulzer Bros.
Geneva	:	Chenilles
		Sodeco
		Escheron
		Gardy

The Swiss Association of Manufacturers was contacted and it sent copies of my list of requirements to many other firms which, it was thought, might be helpful to us.

At the visits to these plants, the President, Director or Manager was contacted and a trip arranged through the plant. In addition to knowing what these plants can produce and how extensive their operations are, I was also interested in seeing their reserve stocks of raw materials and their warehouses holding finished products. While I saw finished products for many countries in Europe and So. America, I saw none for Germany.

Many of these plants still possess a fair amount of raw materials.

There is a serious shortage of Dinamo Plates and aluminum. Their coal reserves are also very low. If we

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

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Many of these plants still possess a fair amount of raw materials.

<u>There is a serious shortage of Dinamo Plates and Aluminum. Their coal reserves are also very low.</u> If we should need Generators, Motors or Transformers, outside of those in stock, it would be necessary to furnish the plates. Or if we need aluminum equipment we would have to furnish the aluminum. If we need equipment requiring coal in the manufacture we would, in most instances, have to furnish coal. Some small plants, making meters and such things, still have some reserve material, but their requirements are relatively small.

46

CONFIDENTIAL

166a

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

Speaking German, French and Swiss, I was able to converse freely with foremen of sections of plants visited and thus obtain a better picture than would otherwise have been possible. It also enabled me to overhear their conversations and gather useful bits of information here and there.

After a visit through a plant our requirements were discussed and lists of what they either have in stock or can furnish shortly with materials on hand were asked for. Some of these lists are very voluminous with a large amount of necessary detail technical data. A summary of all lists received is attached hereto as Appendix "B". For details it will be necessary to review the original lists which were furnished in English and Italian and placed in separate folders, but which are referenced in the list in Appendix "B".

It can be said that there is a very considerable amount of equipment available in Switzerland, or which can be had in from 4 to 6 months; that delivery time is very much better than we could possibly hope to get from the U.S. or U.K. and, consequently, we may have to obtain considerable assistance from Switzerland in the early period after the liberation of North Italy, if the need for such equipment is urgent.

Other assistance from Switzerland.

Before leaving Rome I asked several Sub-Commissions

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

1071

it will be necessary to review the original lists [illegible] furnished in English and Italian and placed in separate folders, but which are referenced in the list in Appendix "B".

It can be said that there is a very considerable amount of equipment available in Switzerland, or which can be had in from 1 to 6 months; that delivery time is very much better than we could possibly hope to get from the U.S. or U.K. and, consequently, we may have to obtain considerable assistance from Switzerland in the early period after the liberation of North Italy, if the need for such equipment is urgent.

Other Assistance from Switzerland.

Before leaving Rome I asked several Sub-Commissions if they desired any data from Switzerland and I received the following:

Agriculture: Any information on fertilizer production and food situation in North Italy in recent period.

Industry: Any information on textile machinery 1 spec. request re production of small bulbs for Miners Lamps.

Transportation: Any information on possibility of transports through Switzerland from France to No. Italy.

C O N F I D E N T I A L

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

0 7 3

C O N F I D E N T I A L

D. FERTILIZER PRODUCTION AND FOOD SITUATION NORTH ITALY

In my first discussion with Mr. D.J. Reagan, Counselor of the American Legation at Berne, he stated that he thought his office could assist me in connection with this problem and dig up whatever information might be available. I submitted a series of questions which I wished answered. A 19 page report was prepared by the Amer. Legation answering these questions in as much detail as was possible. While the report is not encouraging, it is well prepared and took considerable labor to compile. (This report is in Folder "S")

The following are some of the highlights of this report:-

1. Exports of Fertilizers from Switzerland to Italy :

1938	-	5,952 tons
1939	-	4,589 "
1940	-	5,025 "
1941	-	2,468 "
1942	-	0 "
1943	-	50 "
1944	-	0 "

2. Transit of Fertilizers Germany to Italy : 1944 - 860 tons

Transit of Fertilizers Italy to Germany : 1944 - 9,333 T.(Ital.source)
775 T.(Swiss ")

3. Extent of Fertilization in N.Italy since Allied Invasion.

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

these questions in as much detail as was possible. While the report is not encouraging, it is well prepared and took considerable labor to compile. (This report is in Folder "5")

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1939 - 4,589 "
1940 - 5,025 "
1941 - 2,468 "
1942 - 0 "
1943 - 50 "
1944 - 0 "

2. Transit of Fertilizers Germany to Italy : 1944 - 360 tons

Transit of Fertilizers Italy to Germany : 1944 - 9,333 T.(Itl.source)
775 T.(Swiss ")

3. Extent of Fertilization in N.Italy since Allied Invasion.

401 Fertilizer production in 1942 greater than in previous years and practically all demands for winter 1942-43 were met.

In January 1944 Italian Government in N.Italy prohibited the production of artificial fertilizers.

1944 Nitrogen fertilizer production appeared sufficient but was hindred by lack of transportation.

1943-44 less phosphate fertilizers available, but nitrogen fertilizer position was same as in 1942.

166

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

1075

C O N F I D E N T I A L

In July 1944 it was reported that there was a shortage of mineral fertilizers.

A report of March 21, 1945 states that "The unsatisfactory condition of the bread grain crop in Upper Italy is due to the shortage of fertilizers".

A report of March 9, 1945 states "Despite the present difficulties, probably 93% of the intended area has been sown with grain, but the shortage of phosphate and nitrogenous fertilizers will entail a considerable decrease in the next harvest".

Montecatini plant was obliged to reduce production of nitrogenous fertilizers due to shortage of raw materials.

1945 grain crop will be very much smaller.

4. Availability of Electric Power in No.Italy to permit the Manufacture of Fertilizers.

(The answers given to this and other questions are important and of interest, not only to the Agriculture Sub-Commission, but to the Industry and the P.W. & U. and the Food Sub-Commission as well.)

Briefly the report states that, while many companies had increased their production of electricity in 1943, war demands made it necessary to curtail the use of electricity to all other users and various systems of rationing were

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

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Briefly the report states that, while many companies had increased their production of electricity in 1943, war demands made it necessary to curtail the use of electricity to all other users and various systems of rationing were imposed.

Many war damage repairs could not be made to electrical plants because of shortage of magnetic plates.

Venice area suffered because of lack of rain.

1944 production of electricity was considerably less in many areas in No.Italy, because of lack of rain, lack of raw materials for repairs, and lack of transportation.

In 1944 even industrial consumers were obliged to close their plants for several days at various times because of lack of electricity, yet many of these firms were obliged to continue to pay wages to their workers.

C O N F I D E N T I A L

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

1077

C O N F I D E N T I A L

In June 1944 due to shortage of electricity, plants were able to work only 5 days a week instead of 6 in Piemonte, Lombardia, Venezia, Liguria, Emilia and Romagna.

Reports of destruction of power plants and transmission lines by partisans in 1944.

Reports of German intentions regarding removal of machinery to Germany, destruction of power plants to render these useless to Allies, Italian intervention, and consequent modification of German intentions, with final summation of German intentions attributed to Minister von Rahn that: 85% of Italian industry was to remain intact, 10% partially destroyed, 5% radically destroyed and the electrical industry to be practically entirely destroyed.

(This last statement does not agree with reports I had received in Switzerland that the Germans had made further concessions regarding elec. plant destruction: that many plants would be left practically intact, but that all transformers would be destroyed.)

5. Statement of last years crops and present reserves in No. Italy :

Statement requesting the planting of oil plants, sugar beets, vegetables, sunflowers, soybeans, etc.

Flax cultivation area in Milan district reduced 5000 to 6000 hectares.

46

Area of potato cultivation 20% greater in 1944 than

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

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Statement requesting the planting of oil plants, sugar beets, vegetables, sunflowers, soybeans, etc.

Flax cultivation area in Milan district reduced 5000 to 6000 hectares.

Area of potato cultivation 20% greater in 1944 than 1943; general reduction in cultivation of corn.

1944 grain crop satisfactory in some areas.

Hay crop better in 1944 than in 1943.

1944 crop of wheat, rice, corn and oats plentiful.

Pulse crop better in 1944 than previously.

1944 sugar beet crop satisfactory, no shortage expected.

Grape crop low but high quality.

1944 production of silk cocoons only 421,000 ounces and only 300,000 ounces sold.

C O N F I D E N T I A L

46

166a

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

Food reserves difficult to estimate, because considerable stocks are believed hidden.

Stocks held by producers, wholesalers, millers, etc. throughout No. Italy are very small and can only last until next harvest if quality of bread is considerably reduced.

Food situation in Upper Italy not believed to be serious within coming months, except for Milan, which is overpopulated.

6. Removal of Crops from Italy to Germany.
Movements through Switzerland

Oct. to Dec. 1943 18,282 tons - Jan. to Dec. 1944 34,833 tons
(See detail)

Movements direct, Italy to Germany

Various periods and products given, total for year 1944 probably 100,000 tons.

7. Importation of Food from Germany to No. Italy.

Various periods and products given, probably 110,000 tons in 1944.

Statement is made that hay stocks were removed by the Germans.

In October 1944 shipments of food to Germans delayed because of lack of transports. For some month it is stated that Germans removed daily 300 to 400 truck loads of Rice. Straw and wine being transported from Piedmont. Many carloads

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

Oct. to Dec.1943 18,232 tons - Jan. to Dec.1944 34,333 tons
(See detail)

Movements direct, Italy to Germany

Various periods and products given, total for year 1944 probably 100,000 tons.

7. Importation of Food from Germany to No.Italy.

Various periods and products given, probably 110,000 tons in 1944.

Statement is made that hay stocks were removed by the Germans.

In October 1944 shipments of feed to Germans delayed because of lack of transports. For same month it is stated that Germans removed daily 300 to 400 truck loads of Rice. Straw and wine being transported from Piedmont. Many carloads of rice going to Germany daily in spite of railroad transportation difficulties.

Feb. 1945 500 tons of flour from Ferrara was requisitioned by the Germans.

8. Live Stock Census of Northern Italy.

1943. 2.5. to 3.1. million hogs raised in Fascist Italy

6 to 7 " cattle " " " Italy

June 1944 number of sheep in No.Italy 9.5 million

Nov. 1944 exports to Germany from Veneto and Emilia included 5,000 cows

CONFIDENTIAL

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

10811

Dec. 1944. Requisitioning of Cattle in Piedmont reported carried out on large scale.

Jan. 1945 large scale requisitioning of cattle in Emilia and Venetia. Estimated 35,000 head of cattle already driven to collecting center for trip over Brenner Pass.

Feb. 1945 Raising of live stock reported declined 25%.

80 to 100 head sold daily at Turin for occupying army.

March 1945 Census taken of horses, mules and donkeys for requisitioning by Germans.

Under present conditions very difficult to give an accurate picture of present live stock situation.

E. TEXTILE MACHINERY

Interviews were had with representatives of two Textile Manufacturing concerns, Maschinenfabrik Ruti, Ruti in Zurich, probably one of the largest manufacturers of textile machinery on the continent, and Joh. Jacob Rieter & Co., Winterthur.

They have no stocks of completed machinery on hand but are prepared to furnish parts or whole plants in a relatively short period of time.

As an indication of the capacity and time, I had received a request, through the Ministry of Public Works, from a firm in Palermo, addressed to the Ruti plant, wanting a tentative proposal for a complete textile manufacturing plant

45

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

recur to picture of present live stock situation.

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(See Folder "L" for data)

CONFIDENTIAL

(166a)

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

C O N F I D E N T I A L

Bulbs for Miners Lamps

Sample given is a special bulb, not manufactured in Switzerland, therefore not now obtainable.

F. TRANSIT THROUGH SWITZERLAND

This question was discussed with Mr. R. Hohl in charge of such matters for the Swiss Government and with Mr. Schneider, his assistant.

The information received is that Switzerland could handle from 15 to 20 trains, of 800 tons, daily.

On the question of whether Switzerland could furnish railroad cars for this purpose I was advised that they were suffering themselves because of a car shortage for the reason that they were unable to obtain materials to repair many of their own cars.

Material for Rolling Stock

While at Geneva I learned that the Chermilles plant at that city could furnish the following:

1. Tripple Air Valves
2. Automatic Brake Adjusters
3. Adjusting Devices for braking
4. Miscellaneous compressed air Brakes.

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

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

C O N F I D E N T I A L

G. MISCELLANEOUS DATA

While in Switzerland I tried in my limited time to obtain any information or data in the way of plant, equipment or machinery that might be useful to any of our Sub-Commissions, or other data that might be in the mutual interest of Italy and Switzerland.

1. Trucks.

On various occasions I had seen Saurer Trucks used in Italy, so, while in Switzerland, I went to the Saurer plant at Arbon, near Romanshorn. I was disappointed as this is only a relatively small plant, manufacturing only a few hundred trucks a year. These are almost tailor made jobs and much perfect fitting is done by hand. Their full production is booked for nearly a year, much of it for the Swiss Army. They make mostly 6 to 8 ton trucks.

They could possibly furnish 20 trucks in December and about 80 in 1 year.

Their licensee in Italy, Officine Meccaniche in Brescia and Milano, has a higher productive capacity.

(See Folder " Q ")

2. Medical Aid and Food

I had seen signs all over in Switzerland asking the Swiss to make contributions to the "DON SUISSE", a

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a relatively small plant, manufacturing only a few hundred trucks a year. These are almost tailor made jobs and much perfect fitting is done by hand. Their full production is booked for nearly a year, much of it for the Swiss Army. They make mostly 6 to 8 ton trucks.

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(See Folder " Q ")

2. Medical Aid and Food

I had seen signs all over in Switzerland asking the Swiss to make contributions to the "DON SUISSE", a philantropic enterprise to give assistance in medical supplies or special foods to devastated countries. I had also heard that the Swiss Red Cross was doing considerably along these lines. I asked the Italian Chargé d'Affairs if he had any information regarding contributions to Italy and was advised that the Don Suisse had given 1 million Swiss franks for supplies for Italy and that there were several committees working on these problems. He stated that the supplies would be shipped by the Swiss to Chiasso, but from there it would

166a

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

be necessary to use Allied or Italian transportation. I asked him to try to get me a statement of approximate kinds of supplies and quantities and weights that might be expected and for which we would have to furnish transportation. I received the following information :-

a) Centrale Italiana di Assistenza Sanitaria.

This organization is collecting medicines and sanitary articles purchased out of the 1 million francs Don Suisse donation. Was unable to obtain any data on quantities or weights.

b) Comitato Svizzero di Soccorso Operaio.

This committee is also collecting at Lugano various kinds of articles, primarily foods, also paid for by the above named Don Suisse fund. Was unable to obtain details except that the total is expected to amount to about 900 tons.

c) Comitato Svizzero per l'Aiuto ai Bambini Italiani.

Was unable to obtain any details, except that they were in course of preparing supplies needed by children and that the total was estimated to amount to about 400 tons.

d) Swiss Red Cross.

This organization has at the frontier ready for

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

1087

weights.

b) Comitato Svizzero di Soccorso Operaio.

This committee is also collecting at Lugano various kinds of articles, primarily foods, also paid for by the above named Don Suisse fund. Was unable to obtain details except that the total is expected to amount to about 900 tons.

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Was unable to obtain any details, except that they were in course of preparing supplies needed by children and that the total was estimated to amount to about 400 tons.

d) Swiss Red Cross.

This organization has at the frontier ready for shipment into No. Italy as soon as it is liberated, 1,000 cases of canned milk and 5 tons of flour.

It is suggested that the Food Sub-Commission follow up this matter and arrange for possible transportation in Italy. The Italian Chargé d'Affairs will try to obtain more specific information.

1088

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

10891

3. Other Data Collected.

a) Flour Mills (See Appendix "E" and Folder "F")
b) Telephones (See " "F" " "G" & "K")
c) Diesel or Gas Motors, for Stationary and Marine purposes (See appendix "E" and Folder "H")
d) Pumps (" " " " " "I")
e) Medical Apparatus (" " " " " "J")
f) Agricultural Machinery (" do " " "L")
g) Heating Installations (" do " " "M")
h) Lathes (" do " " "O")
i) Chemicals (" do " " "P")
j) Electric Drills (" Misc. Mach. " " "Q")
k) Tooling Machines (" " " " "G")
l) Locomotives (" Masch.Fabr.Oerlikon" "T")

It has not been possible in the limited time available to do any more than scratch the surface and obtain a general picture of the availability of plant, machinery and equipment in Switzerland, other than electrical equipment. However, the data collected clearly indicates that there is a considereble quantity of material available and that Sub-Commissions in need of such material might advantageously contact Swiss sources of supply.

E. USE OF PORT FACILITIES BY THE SWISS

Some time ago, while discussing the reconstruction of Italian ports with Minister Quini, I recommended that, because of the need of practically complete reconstruction of some of their ports and adjacent upland facilities, the Italians might advantageously consider the question of creating Free Ports at [illegible] port. This question

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

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B. USE OF PORT FACILITIES BY THE S ISS

Some time ago, while discussing the reconstruction of Italian ports with .inister Bonini, I recommended that, because of the need of practically complete reconstruction of some of their ports and adjacent upland facilities, the Italians might advantageously consider the question of creating Free Ports at Naples and Genoa, particularly the latter port. This question received favorable consideration. When the question of Swiss Credits was discussed I asked the .inister if Italy would be prepared to give Switzerland some special privileges in the port of Genoa and in the overland transportation from Genoa to the Swiss border and which might be used by the Italians as export credit in Switzerland. The .inister advised me that this matter was also receiving favorable consideration. When I went to Switzerland he stated that it would be of interest to them if I could sound out Swiss auth rities on this subject.

C O N F I D _ N T I A L

166a

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

Consequently, at the first meeting I had with Mr.Hotz, Director of the Commerce Department, I raised this question and was advised they would give me a reply later.

In the meantime practically every major manufacturer with whom I talked asked when I thought it would be possible for them to use the port of Genoa, that they were very much interested in the reestablishment of this port and the railroad leading to Switzerland.

At the meeting held in the office of Mr. Hotz on 18 April 1945, I was advised that, while Switzerland had a deep interest in the port of Genoa and its short rail line to the Swiss border, the Swiss could not concentrate all of their transport activities in one port and had to make use of Rotterdam and Antwerp, from which ports cheap transportation over the Rhine is possible, and also the port of Marseilles. That was particularly so because some of these other ports had also offered special privileges and that the Swiss were always trying to be on good terms with all.

In view of the special advantages which the port of Genoa can offer to the Swiss, and in the interest of Italy, it would seem advisable to concentrate on the reconstruction of that port, after its liberation, and the railroad leading to the industrial heart of No. Italy and Switzerland, so as to be in a position to take early advantage of this vital port and an early resumption of traffic through that gateway.

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

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I. EXPORTS FROM ITALY DESIRED BY THE SWISS.

When I left Rome I received a statement, prepared by the Italians, indicating exports previously sent to Switzerland and giving quantities which it was believed could now be exported as soon as the war is over. I presented that statement to Mr. Hotz, Director of the Commerce Dept. and asked him to review this and to prepare a statement showing what the Swiss would like to have, as soon as the war is over, in the way of imports from Italy. Such a list was prepared and given me on

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

C O N F I D E N T I A L

18th of April. The Swiss show many more items on their list than was shown on the Italian list and they have changed several of the Italian quantities, mostly upwards. That list is attached hereto as Appendix "A".

The Swiss are very anxious that every possible effort be made in Italy to begin making these exports, first because they are in need of these products and second so as to establish Italian credits in Switzerland to be used to offset Swiss credits advanced to Italy and to permit that Swiss Credit to be used as a sort of revolving fund.

It would seem advisable that an early study be made jointly by Allied, Italian and Swiss representatives here with a view to establishing monthly quotes of the desired exports which might be available for exportation, so that both the Italian and Swiss authorities may know at an early date what the possibilities are along these lines and be guided accordingly.

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

45

Distribution :

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

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Distribution :

Chief Commissioner
Executive Commissioner
Vice Pres. Civil Affairs Sect.
Agriculture S/C.
Commerce S/C
Communications S/C
Finance S/C
Food S/C
Industry S/C
Navy S/C
Public Health S/C
Public Works & Utilities S/C
Transportation S/C

166a

CONFIDENTIAL

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

C O N F I D E N T I A L

Appendix "A"

17.4.1945

LIST OF PRODUCTS WHICH SWITZERLAND DESIRES TO OBTAIN FROM ITALY

(As prepared by the Swiss Department of Commerce)

I

List of Products available for Export into Switzerland according to the Italian "notes on the import & export program with Switzerland", of February, 26th 1945, but giving quantities desired by Switzerland.

Products	Quantity (metric quintals)
Wines and Must	500'000
Lemons	80'000
Oranges	200'000
Citrus Fruit juices and bark	10'000
Lemon Pectins	1'000
Fruit pulp (only if sugared)	25'000
Preserved green vegetables (in barrels)	2'000
Seeds	see enclosed list
Mustard seeds	1'000
Essential oils	300
Cream of tarter	1'000
Sumach	1'000
Liquorice Juice	1'200
Manna	50
Broom corn	1'000

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

Lemons	80'000
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Lemon Pectina	1'000
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Preserved green vegetables (in barrels)	2'000
Seeds	see enclosed list
Mustard seeds	1'000
Essential oils	300
Cream of tarter	1'000
Sumach	1'000
Liquorice Juice	1'200
Manna	50
Broom corn	1'000
Raw Tobacco	20'000
Cork (raw)	10'000
Silk (raw)	2'000
Sulphur raw and refined	100'000
Pyrites	600'000
Salt (?)	10'000
Bentonite	70'000
Mercury	2'000
Earthen coloring matters	300
Citric acid and tartric acid	4'000
Alumina (calcined)	300'000

43

166a

CONFIDENTIAL

1068

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

C O N F I D E N T I A L

LIST OF PRODUCTS WHICH SWITZERLAND DESIRES TO OBTAIN FROM ITALY

II

Other Italian products which Switzerland would desire to obtain from Italy

Products	Quantity (metric quintals)
Rice	150'000
Macaronies	20'000
Fresh Fruit other than citric fruit	pro memoria
Chestnuts	60'000
Figs	pro memoria
Almonds	pro memoria
Nuts and hazel-nuts	pro memoria
Fresh vegetables (including tomatoes)	pro memoria
Onions (Parma type)	50'000
Tomatoe paste	30'000
Olive oils	pro memoria
Salami, Mortadella etc.	20'000
Cheese	5'000
Wormwood-wine	5'000
Hay	100'000
Straw	50'000
Chestnutwood for the manufacture of tanning extract	60'000
Bark for tanneries	5'000
Alderwood	1'000

1071

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

Figs	pro memoria
Almonds	pro memoria
Nuts and hazel-nuts	pro memoria
Fresh vegetables (including tomatoes)	pro memoria
Onions (Parma type)	50'000
Tomatoe paste	30'000
Olive oils	pro memoria
Salami, Mortadella etc.	20'000
Cheese	5'000
Wormwood-wine	5'000
Hay	100'000
Straw	50'000
Chestnutwood for the manufacture of tanning extract	60'000
Bark for tanneries	5'000
Plywood	1'000
Rice-straw	2'000
Rice-roots	50
Reeds 900'000 m^2	
Talcum (first class)	pro memoria
Asbestos	pro memoria
Hemp (raw)	25'000
Hempyarns	5'000
Staple fibre	20'000
Rayon yarns and twists	10'000
Hat shapes	500

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

10661

C O N F I D E N T I A L

Hats	60
Carpets	pro memoria
Hides and skins (raw)	6'000
Rubber tires, threads etc.	pro memoria
Steel sheets, tubes (steel tubes), tin plates, steel strips, constructural steel, rolled wire, iron beams	pro memoria
Extract of chestnutwood	2'000
Borax	12'250
Boric acid	3'200
Bromine and bromine salts	500
Medicinal herbs berries, excl. juniper-berries	3'000
Juniper-berries	2'000
Almondoil	100
Lithopon-white	5'000

List of Required Seeds

species:	required quantity: Qls.
1) Field seeds	
alfalfa	1'000
crimson	700
lotius villosus	500
white clover	200
sugar beets Cesena	100
2) Vegetable seeds	

45

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

Medicinal herbs berries, excl. juniper-berries	3'000
Juniper-berries	2'000
Almondoil	100
Lithopon-white	5'000

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species:	required quantity: Qls.
1) Field seeds	
alfalfa	1'000
crimson	700
lotius villosus	500
white clover	200
45 sugar beets Cesena	100
2) Vegetable seeds	
peas	300
cauliflower	10
head salad	10
lettuce	10
endives	5
chicory	20
chicory of Bruxelles	10
fennel	10
white onions	50
tomatoes	1
cucumbers	4
166a squash	10

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

C O N F I D E N T I A L

SUMMARY OF

Appendix "B"

LIST OF MACHINERY, PLANT OR EQUIPMENT

OBTAINABLE IN SWITZERLAND

Note. Folders referred to contain detail technical data, and/or catalogs of the companies listed.

Folders are in possession of Electrical Division, P.W.& U. Sup-Com.

TURBINES

Escher Wyss, Zurich (Available, ordered by others, but unable to deliver

			Number Available
Water	: 135 M. head,	22,500 H.P.	3.
Steam	: 28 atm.	6,250 KW.	2.

Charmilles, Geneva (Available 3-4 months, ordered by others but unable to deliver)

Water	: 610 M. head,	18,000 H.P.	1.

(could be made to operate between 600 & 800 M. head)

(For details see Folder "A")

45

GENERATORS & MOTORS

See : Maschinenfabrik Oerlikon (Page 9)

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

TURBINES

Escher Wyss, Zurich (Available, ordered by others, but unable to deliver

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(could be made to operate between 600 & 800 M. head)

(For details see Folder "A")

45

GENERATORS & MOTORS

See : Maschinenfabrik Oerlikon (Page 9) & (Folder "T")

Brown Boveri (Page 7) & (Folder "B") (Folder "T")

Fabrique de Moteurs Electriques

TRANSFORMERS

See : Maschinenfabrik Oerlikon (Page 9) & (Folder "T")

Brown Boveri, Baden (Page 7) & (Folder "B") (Folder "T")

Emile Haefely & Co. Basel
(This firm lists what it can do but gives no delivery data.)

1662

C O N F I D E N T I A L

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

C O N F I D E N T I A L

Transformer Bushings

Micafil, Zurich

	Number Available
Ordered by SAN GIORGIO, Genova available in 3 to 4 months (See Folder C)	14

Insulating Material

Micafil, Zurich

Ordered by Terni plant (about 80% complete) Cylinders & rings (sets) (See Folder C)	49

Micafil is prepared to manufacture insulating material.

CABLES

S.A. Cableries & Trefileries, Cossonay (Folder "C")

Can make cables of all kinds but needs raw materials.

SWITCHGEAR AND ALLIED APPARATUS

Note : Where 2 figures are given, the first figure usually represents the quantity deliverable within 6 months and the second figure within 1 year.

Sprecher & Schuh Co., Aarau

Low Tension Switchgear
(Delivery 1 to 2 months)
Various types of apparatus, as listed (Folder "D") 210 - 260

High Tension Switchgear

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

CABLES

S.A. Cableries & Trefileries, Cossonay (Folder "C")

Can make cables of all kinds but needs raw materials.

SWITCHGEAR AND ALLIED APPARATUS

Note : Where 2 figures are given, the first figure usually represents the quantity deliverable within 6 months and the second figure within 1 year.

Sprecher & Schuh Co., Aarau

Low Tension Switchgear
(Delivery 1 to 2 months)
Various types of apparatus, as listed (Folder "D") 210 - 260

High Tension Switchgear
(Delivery 3 to 6 months)
Various types of apparatus, as listed. (Folder "D") 415

Gardy, Geneva
(Delivery on short notice)

Low Tension Switchgear

Various types of apparatus, as listed (Folder "D") 1,000 -11.000

C O N F I D E N T I A L

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

I 105

C O N F I D E N T I A L

		Number Available
High Tension Switchgear		
Various types of apparatus, as listed	(Folder "D")	
(Indoor fitting)		140 - 1,900
(Outdoor fitting)		50 - 700
Fr. Sauter, Basle		
Time Switches		
(Delivery within 3 months) as listed	(See Folder "D")	900

See Also:

Maschinenfabrik Oerlikon (Page 9) & (Folder "I")
Brown Boveri (Page 7) & (Folder "B")
Chr. Gfeller, Berne
(gives no delivery data) (Folder "D")
Ch. Maier & Co., Schaffhouse (" "D")

RECTIFIERS

See : Maschinenfabrik Oerlikon (pg.7)
also, Ferrier, Gudel & Co, Luzern (no definite offer) (Folder "E")

ELECTRIC METERS

Landis & Gyr, Zug.

Delivery about 3 months	3,000 -	4,000

45 1

Trub, Tauber & Co. Zurich

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

See also:

Maschinenfabrik Oerlikon (Page 9) & (Folder "T")
Brown Boveri (Page 7) & (Folder "B")
Chr. Gfeller, Berne
(gives no delivery data) (Folder "D")
Ch. Maier & Co., Schaffhouse (" "D")

RECTIFIERS

See : Maschinenfabrik Oerlikon (pg.7)

also, Ferrier, Gudel & Co,
Luzern (no definite offer) (Folder "E")

ELECTRIC METERS

Landis & Gyr, Zug.

Delivery about 3 months 3,000 - 4,000

47 1/

Trub, Tauber & Co. Zurich

Manufacture all kinds of meters and other electrical apparatus, no definite proposals submitted (See Folder "F")

FLOUR MILLS

Buhler Bross. Uzwil

Furnishes a large list of Orders received from South Central and North Italy, (List A) which could be had in a few weeks, (See Folder "G").

Furnishes also a list of parts which could be taken from stock on hand (See Folder "G") (List B).

This firm also makes Silos, Brewery & Malting Plants, Paste Goods, Installations, Machinery for the Manufacture of Chocolate, Soap, Paint, Brick and Tile, Cement, Hyd. Presses, Powder, Gas Works, Newsprint, Cast Articles.

1660

C O N F I D E N T I A L

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

C O N F I D E N T I A L

	Number Available
TELEPHONE RECORDING METERS	
IMPULSE COUNTERS FOR PRODUCTION CONTROL	
Sodeco, Geneva (See data in Folder "G")	
DIESEL OR GAS MOTORS	
Sulzer Bros. Winterthur	
Stationary Diesel Engines (Delivery 1 to 5 months)	
See various capacities listed (Folder "H" and "U")	13
Marine Diesel Engines (Delivery 1 to 5 months)	
See various capacities listed (Folder "H" and "U")	37
Stationary or Marine Purposes (Delivery 1 to 5 months)	
See various capacities listed (Folder "H" and "U")	77
Motosacche, Geneva	
No details furnished, gives catalog, can furnish in short time (Folder "H")	
PUMPS	
Sulzer Bros., Winterthur	
Highlift Multi-Stage Pumps (In Stock)	
3 types listed (see Folder "I" and "U")	860

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

(Delivery 1 to 5 months)
See various capacities listed (Folder "H" and "U") 37

Stationary or Marine Purposes
(Delivery 1 to 5 months)
See various capacities listed (Folder "H" and "U") 77

Motessecche, Geneva

No details furnished, gives catalog, can furnish in short time (Folder "H")

PUMPS

Sulzer Bros., Winterthur

Highlift Multi-Stage Pumps (In Stock)
3 types listed (see Folder "I" and "U") 860

Air Pumps (In stock)
8 types listed (see Folder "I" and "U") 135

House Water Pumps (In stock)
Multi-Stage
3 types listed (see Folder "I" and "U") 590

Sewerage Pumps (In stock)
1 type (see Folder "I" and "U") 10

Single and Two Stage-
Medium Lift Pumps (In stock)
8 types listed (see Folder "I" and "U") 43

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

(Sulzer Bros., Winterthur -continued)

	Number Available
Two Stage Medium Lift Pumps (In Stock)	
4 types listed (see Folder "I" and "U")	12
Single Stage Low Lift Pumps (In stock)	
22 types listed (see Folder "I" and "U")	1002
Limax Pumps (In stock)	
6 types listed (See Folder "I" and "U")	39
Hot Water Circulating Pumps (In stock)	
3 types listed (See Folder "I" and "U")	47

MEDICAL APPARATUS

Fedeco, Geneva (Folder "G")

Massage Apparatus "Vibrosan"

Handpieces for Dentists
(see data in Folder "G")
(can furnish quickly)

Solis Manufacturing Co., Zurich (Folder "J")

Electrical Heating Pads
(can furnish quickly)

45

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

MEDICAL APPARATUS

Sofbel, Geneva (Folder "G")

Massage apparatus "Vibrosan"

Handpieces for Dentists
(see data in Folder "G")

(can furnish quickly)

Solis Manufacturing Co., Zurich (Folder "J")

Electrical Heating Pads
(can furnish quickly)

45

TELEPHONES

Autophon, S.A., Soleure

(Delivery in 1 month) (See Folder "K")

Table sets	450
Bells	50
Exchange type sets, 10 conn.	10

(Delivery in 3 months)

Microtelephones	1000-2000
Complete telephone sets	1000
Bells	100

166a

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

(Autophon, S.A. Soleure, continued)

	Number available
Exchange type sets, 28 conn.	7
Exchange type sets, 56 conn.	10
Signal horns	100

Swiss Cable and Rubber Works, Altorf

(Immediate delivery) (See Folder "K")

Complete telephone system for 100 house connections 1

Also Chr.Gfeller, Berne (Folder "C")
(gives no delivery date)

TEXTILE MACHINES

Maschinenfabrik Ruti, Ruti Zurich (Folder "L")

Contact was made too late with this firm to obtain any data. However, it is one of the largest textile machinery manufacturing concerns on the continent.

Rieter, Winterthur (See Folder "L")

Colorants for Textile Industry Gesellschaft für Chemische Industrie, Basel.

(See Brown Boveri for Loom Motors & Switches, Drives, etc.)

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

Also Chr.Gfeller, Berne (Folder "C")
(gives no delivery data)

TEXTILE MACHINES

Maschinenfabrik Rüti, Rüti Zurich (Folder "L")

Contact was made too late with this firm to obtain any data. However, it is one of the largest textile machinery manufacturing concerns on the continent.

Rieter, Winterthur (See Folder "L")

Colorants for Textile Industry Gesellschaft für Chemische Industrie, Basel.

(See Brown Boveri for Loom Motors & Switches, Drives, etc.)

AGRICULTURAL MACHINERY

Simar, Geneva. (Folder "M")

Rotary Tillers

(can make quick delivery)

HEATING INSTALLATIONS

Oberrilles, Geneva (Folder "N")

(can make quick delivery)

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

C O N F I D E N T I A L

LATHES

(Folder "O")

Charmilles, Geneva
(can make quick delivery)

TRIPPLE VALVES, BRAKES, ETC. FOR RAILROAD CARS

(Folder "P")

Charmilles, Geneva
(can make quick delivery)

AUTOMOBILES, TRUCKS

(Folder "Q")

Saurer, Arbon
(See Section G of this report)

CHEMICALS

(Folder "R")

Gesellschaft für Chemische Industrie, Basel.

Contacted too late to be able to get any data from this firm, but a statement will be forwarded me through the American Legation in Berne.

FERTILIZERS

(Folder "S"

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

AUTOMOBILES, TRUCKS

(Folder "Q")

Saurer, Arbon

(See Section G of this report)

CHEMICALS

Gesellschaft für Chemische Industrie, Basel. (Folder "R")

Contacted too late to be able to get any data from this firm, but a statement will be forwarded me through the American Legation in Berne.

FERTILIZERS

45 (See Section E of this report). Data in Folder "S". This data is of interest to Agriculture, Industry, P.W.& U. and Food Sub-Commissions.

BROWN BOVERI & CO. (Folder "B")

		Number available
1.	3 Pole Circuit Breakers (time 1 to 3 months, various capacities listed)	
	Number listed in detail	149
2.	Air Blast High Speed Circuit Breakers (time 1½ to 3 months)	
	Number listed in detail	21
3.	On-Load Disconnecting Switches (time 1½ to 3 months)	
	Number listed in detail	30

166a

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

(Brown, Boveri & Co. continued)

	Number Available
4. Disconnecting Switches	
Single Pole (In stock, as listed)	120
Three Pole (In stock, as listed)	57
Three Pole (1 to 3 mo. delivery, as listed)	159
5. Current Transformers	
various capacities, as listed (In stock)	12
6. Over Voltage Protecting Gear	
(In stock)	17
7. Voltage Transformers	
(In stock)	1
(1 to 6 months del.)	21
Power transformer (In stock)	1
8. Alternators	
(In stock)	3
4 to 5 mos.	1
7 to 8 "	1
9. Automatic Voltage Regulators	
(no quantities given. Time of Delivery from 1 to 3 months.)	
10. Motors (A.C.)	
(2 weeks to 3½ mos. delivery)	35
11. 3 Phase Squirrel-Cage Motors	
various capacities listed, time of delivery required 2 weeks to 3 months	(no quantity given)
12. 3 Phase Shunt-Commutator Motor	
(In stock - delivery 2 weeks)	1

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

8. Alternators

(In stock)	3
4 to 5 nos.	1
7 to 8 "	1

9. Automatic Voltage Regulators

(no quantities given. Time of Delivery from 1 to 3 months.)

10. Motors (A.C.)

(2 weeks to 3½ mos. delivery) 35

11. 3 Phase Squirrel-Cage Motors

various capacities listed, time of delivery required 2 weeks to 3 months (no quantity given)

12. 3 Phase Shunt-Commutator Motor

(In stock - delivery 2 weeks) 1

13. Loom Motors (In stock) 50 - 100

14. Loom Switches (In stock) 50 - 100

15. Spinning Machinery Drives

No details.

16. D.C. Motors (time required 3 mos.) (no quantity given)

17. D.C. Welding Sets 25

18. Spot Welding Machines (In stock) 47

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

(Brown, Boveri & Co. continued)

		Number Available
19.	Steam Turbines	
	Various capacities listed	50
	(del. 6 weeks to 6 mos.)	8
	(del. 6 to 10 months)	
20.	High Speed Alternators	
	(delivery 4 to 10 months depending upon type and capacity)	17
21.	Turbo Alternator Set	
	with steam turbine, reduction gear, 3 phase alternator and one condensing plant (delivery 7 months)	1
22.	Turbo-Blowers	
	(delivery 1 to 7 months depending upon type)	6
23.	Turbo Compressors	
	(delivery 8 months)	1

MASCHINENFABRIK OERLIKON (Folder "T")

Ready for delivery to orig. purchaser but unable to deliver.

1.	Transformers (air or oil	24
2.	Synchronous Motors	69
3.	Motors	10
4.	Synchronous generators	8
5.	Generators	1

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

	(delivery 1 to 7 months depending upon type)	6
23.	Turbo Compressors	
	(delivery 8 months)	1

MASCHINENFABRIK OERLIKON (Folder "T")

Ready for delivery to orig. purchaser but unable to deliver.

1.	Transformers (air or oil	24
2.	Synchronous Motors	69
3.	Motors	10
4.	Synchronous generators	8
5.	Generators	1
6.	Rectifiers	2
7.	Misc. Apparatus: such as circuit breakers, air switches, disconnecting switches, transformers, and regulators.	89
8.	Magnets	2
9.	Converter Set	1
10.	Oil circuit breakers	14
11.	Compr. Air Blast Breaker	1
12.	Quick Acting Switch	1

166a

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

(Maschinenfabrik Oerlikon continued)

Plus a statement of time required to make:

a. transformers
b. circuit breakers
c. generators
d. steam turbines
e. switchboards.

SULZER BROS.

			Number available
1.	Stationary Diesel Engines	(Short Del.)	13
2.	Marine Diesel Engines	"	37
3.	Stationary or Marine Engines	"	77
4.	High Lift Multi-Stage Pumps	(In Stock)	860
5.	Air Pumps	"	135
6.	House Water Pumps	"	590
7.	Sewage Pumps	"	10
8.	Single & 2 Stage Medium Lift Pumps	"	43
9.	Two Stage Medium Lift Pumps	"	12
10.	Single Stage Low Lift Pumps	"	1002
11.	Limax Pumps	"	39
12.	Hot Water Circulating Pumps	"	47

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

SULZER BROS.

			Number available
1.	Stationary Diesel Engines	(Short Del.)	13
2.	Marine Diesel Engines	"	37
3.	Stationary or Marine Engines	"	77
4.	High Lift Multi-Stage Pumps	(In Stock)	860
5.	Air Pumps	"	135
6.	House Water Pumps	"	590
7.	Sewage Pumps	"	10
8.	Single & 2 Stage Medium Lift Pumps	"	43
9.	Two Stage Medium Lift Pumps	"	12
10.	Single Stage Low Lift Pumps	"	1002
11.	Limax Pumps	"	39
12.	Hot Water Circulating Pumps	"	47

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

Chief Commissioner

MAY 1 RECD

HEADQUARTERS ALLIED COMMISSION
APO 394
INDUSTRY SUB-COMMISSION NRLM/hh

Tel.237 30 April 1945

Ref.AC/5587/IND.

SUBJECT : Security in relation to procedure for Requisitioning and De-requisitioning of Industrial Plants.

TO : Distribution Below.

163

1. This Headquarters' circular to Regional and Provincial AC/AMG Industry Officers AC/5587/IND of 26th April 1945 is subject.

2. The designation of units making use of or intending to make use of industrial facilities, and the purpose of the actual or intended use which is being, or will be made of such facilities will NOT be communicated to the officers of the U.P.I.C. nor by such offices to the Ministry of Industry, Commerce and Labour.

3. This information will, therefore, be deleted from all correspondence between AC/AMG offices and the civil authorities.

N.J. MASKREY
Lt. Colonel,

Distribution : -
All Regional Commissioners

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

1. This Headquarters' circular to Regional and Provincial AC/AMG Industry Officers AC/5587/IND of 26th April 1945 is subject.

2. The designation of units making use of or intending to make use of industrial facilities, and the purpose of the actual or intended use which is being, or will be made of such facilities will NOT be communicated to the offices of the U.P.I.C. nor by such offices to the Ministry of Industry, Commerce and Labour.

3. This information will, therefore, be deleted from all correspondence between AC/AMG offices and the civil authorities.

W.J. HASKEY
Lt. Colonel,
Deputy Director,
Industry Sub-Commission.

Distribution :-
All Regional Commissioners
(Attn.: Industry Division)
All Provincial Industry Officers
All Sub-Commissions HQ,AC.

and for information TO :
AFHQ G-5 Section
AFHQ G-4 American
AFHQ G-4 British
AFLRS, RAAC
HQ AMG 15 Army Group
SCAO, AMG 5th Army
SCAO, AMG 8th Army
File 5615

166

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

1123

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

CONFIDENTIAL

FX 66627
AFR 2715558

D/8922
AFR 280930B
PRIORITY

AFHQ SIGNED ALEXANDER CITE FMCBG

INFO ALCOM ROME

CONFIDENTIAL.

This is LAC 1128.

Maintenance materials for Italian power plants.

1. Important work in connection with electrical rehabilitation is almost at standstill, due lack of insulating material.

2. Request early action be taken to expedite approval and delivery following items in amounts listed under CENTRAL ITALY, LAC airgram 98: 1 thru 5, 14 thru 19, 22 thru 25, 31, 32, 56, 57, 65 thru 72 and 76 thru 79. Requirement so urgentALLIED COMMISSION has requested partial shipment by air.

DIST

INFO-ACTION: Requisition Div
INFO: A/President
Chief Commissioner
Econ Sec
PW & U S/C
File 2
Flost

451

165

CONFIDENTIAL

COPY.

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

DLA:lrw

27 April 1945.

Ref: ES/12.03

SUBJECT: Rehabilitation of Italian Industries.

TO : Chief Administrative Officer, AFHQ.

1536

I refer to your letter of 4 April 1945 and to our meeting on the 7th.

1. It is agreed that there is a need in industry for an over-all plan and for some competent body with the authority necessary to carry it out. It is also agreed that there should be a central authority for each industry or group of industries to secure a pooling of resources of both men and materials for the purpose of furthering the war effort and making the maximum contribution to Italian economic reconstruction.

2. In considering this plan, it seems that the following factors are involved:

a. The Italian Government will hold a minor part of industrial Italy when the proposed central authorities are formed.

b. Military authority must actively participate in any governing body created so long as the military

(1) Contr ls import shipping,

(2) Dominates internal movement, and

(3) Holds territory under AMG authority.

(This is particularly important in view of the instruction which has been issued as to the division of Italian economy into two parts, North and South).

c. Effective operations within an industry must be nation-wide and not sectional.

d. At the outset, the military will have the predominant interest and responsibility, but the governing mechanism must be so constituted as to permit adjustment so that in course of time civilian control can eventually completely relieve the military of their responsibility

124

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

involved:

a. The Italian Government will hold a minor part of industrial Italy when the proposed central authorities are formed.

b. Military authority must actively participate in any governing body created so long as the military

(1) Contrls import shipping,

(2) Dominates internal movement, and

(3) Holds territory under Allied authority.

(This is particularly important in view of the instruction which has been issued as to the division of Italian economy into two parts, North and South).

c. Effective operations within an industry must be nation-wide and not sectional.

d. At the outset, the military will have the predominant interest and responsibility, but the governing mechanism must be so constituted as to permit adjustment so that in course of time civilian control can eventually completely relieve the military of their responsibility in the matter.

e. The steel, cement, timber and brick industries are important and should be brought under the proposed coordinated control. However, the textile, food processing and other consumers' goods industries are equally important to the Italian economy and are likewise in need of coordinated centralised control. The maximum development of output in the consumers' goods industries is necessary to reduce the relief burden of the United Nations.

3. Attached as Appendix "A" is a proposed redraft of the plan for central authorities. If you are in agreement with the redraft, discussions on the subject matter with the Italian Government will commence forthwith.

For the Chief Commissioner.

(Sgd) A. G. ANTOLINI,
Acting Vice President,
Economic Section.

Encl.
Appendix "A".

Declassified E.O. 12356 Section 3.3/NND No. 735015

APPENDIX "A"

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

FORMATION OF INDUSTRIAL PRODUCTION AND ADVISORY BOARDS.

1. It is proposed that there be created by SACMED an Industrial Production Board in which the Italian Government is invited to participate. Italian Government participation is, in fact, essential so that :

a. The Board can exercise within the territory turned back to the Italian Government under the policy enunciated in FAN 437, the same powers as can be exercised in AMG territory under the authority of the Supreme Allied Commander.

b. The Board can continue operations for the whole of Italy when the military authority is finally withdrawn.

2. The scope of the Board's activities should not be limited to any one industry or group of industries. It should embrace all basic industries in which coordination and control are essential if maximum production for the military effort or for the rehabilitation of Italy and its economy are to be obtained. The Board will, however, confine itself to coordination and control at the highest level. Individual industries or groups of closely related industries will be coordinated and controlled by subordinate advisory boards activated and organized by the Industrial Production Board to carry out its policies and directives within the industries or groups of industries specified in their respective terms of reference.

3. The composition of the Industrial Production Board would be :

Chairman - appointed by Allied Commission;
Executive Vice-Chairman - appointed by Italian industry;
Executive Vice-Chairman - appointed by Italian Government;
2 members - nominated by Italian industry; and 3 military members - 2 from the Allied Commission and 1 from Allied Force Local Resources (Italian) Board.

4. The Advisory Boards created by the Production Board would each have an organization and membership similar to that of the central authority. The industrial representation would be drawn from the industry with which the Advisory Board was connected.

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

2. The scope of the Board's activities should not be limited to any industry or group of industries. It should embrace all basic industries in which coordination and control are essential if maximum production for the military effort or for the rehabilitation of Italy and its economy are to be obtained. The Board will, however, confine itself to coordination and control at the highest level. Individual industries or groups of closely related industries will be coordinated and controlled by subordinate advisory boards activated and organized by the Industrial Production Board to carry out its policies and directives within the industries or groups of industries specified in their respective terms of reference.

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Chairman - appointed by Allied Commission;
Executive Vice-Chairman - appointed by Italian industry;
Executive Vice-Chairman - appointed by Italian Government;
2 members - nominated by Italian industry; and 3 military members - 2 from the Allied Commission and 1 from Allied Force Local Resources (Italian) Board.

4. The Advisory Boards created by the Production Board would each have an organization and membership similar to that of the central authority. The industrial representation would be drawn from the industry with which the Advisory Board was connected.

5. The responsibilities of the Production Board would be :

a. To determine which basic industry or industries appropriately should be coordinated and controlled for fulfillment of the purposes stated in paragraph 2;

b. To organize, supervise and coordinate the operations of the Advisory Boards created for the objectives set forth under a;

c. To establish the broad policies governing the operations of the Advisory Boards.

d. To render final decision on all matters referred to it by the Advisory Boards;

e. To continuously review Italy's plans for economic rehabilitation and coordinate its activities therewith

6. The responsibilities of each Advisory Board would be:

a. To organize itself within its terms of reference received from the Board;

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

b. To survey the existing productive units remaining within its industry and formulate a plan for the maximum utilization of surviving plant capacity;

c. To specify and control on bahalf of SACMED and the Italian Government the nature of the products to be produced and the level of production to be performed by the several plants within the industry;

d. To direct the closing of unproductive and uneconomical plants or parts of plants and where necessary, transfer equipment between plants to effect maximum economic production within the industry;

e. To provide, by importation or from local resources, the raw materials, equipment, tools and operating supplies necessary to carry out the scheduled production;

f. To control the flow of raw material and semi-fabricated materials to and between plants within the industry;

g. To specify, if desired, the disposition to be made of the finished products of the Industry;

h. To formulate plans for the reconstruction of the industry;

7. Matters of finance would be handled as follows :

a. Production units would be operated, as far as possible, under private ownership. Government authority, exercised through the Board and its sub boards should step in only where private ownership is inadequate to carry out the over-all plan of production. An example of appropriate exercise of such government authority would be the equalization of price in the case of materials flowing from one plant to another plant within an industry across the artificial economic boundary now established between the North and South of Italy.

b. AC/AMG would finance the provision of offices and staffs for the Board as a normal part of their expenditure. The Chairman and Vice-Chairman and all members of the Boards would be paid whilst so serving and would be considered as servants of AC/AMG. Their salaries would be at a rate sufficiently high to assure dignity and honesty of action. Supplies and equipment ordered to be transferred from one production unit to another under the provisions of § d. would, wherever possible, be paid for by owners of the unit receiving them.

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

f. To control the flow of raw materials [illegible] to and between plants within the industry;

g. To specify, if desired, the disposition to be made of the finished products of the Industry;

h. To formulate plans for the reconstruction of the industry;

7. Matters of finance would be handled as follows :

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4

DLA: lrw
25/4/45

APPROVED : _____
HAROLD A. MACMILLAN
Acting President
Allied Commission

APPROVED : _____
ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner
Allied Commission

1646

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

1130

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

Chief Commissioners

APR 28 RECD

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref. AC/S587/IND 27 April 1945

SUBJECT : Use of Industrial Facilities for Civil Requirements.

TO : Regional and Provincial Commissioners and Directors of Sub-Commissions.

132a

1. This letter is written with reference to Administrative Memorandum No. 14 dated 7 March 1945 issued on the above subject by Allied Force Headquarters, a copy of which has previously been forwarded to you.

2. Attention is directed to the provisions of paragraph 4 of Administrative Memorandum No.14. It will be noted that cases presented under paragraph 4a to the responsible Area, District, Base Section or Army Commander, or other responsible military authority, whether presented by this Section, a Sub-Commission, a Regional or Provincial Commissioner, must be accompanied with a complete and factual justification. Likewise under paragraph 4c cases submitted by this Section to an investigating sub-committee appointed by the Industrial Co-ordination Committee of the Allied Force Local Resources (Italian) Board, through AFLRS must be accompanied with a complete and factual justification.

163

3. There is attached hereto a form prepared for use by this Section in submitting cases under paragraph 4c. The form will serve to indicate the type of information which constitutes a complete and factual justification whether the case is to be submitted under paragraph 4c or 4c. Sub-Commissions, Regional and Provincial Commissioners will furnish all such information whether presenting a case directly to the responsible Area, District, Base

4th Ind

4/13

164

1131

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

Section or Army Commander or other responsible military authority under paragraph 4a or transmitting information to this Section with a request that a case be presented under paragraph 4a or 4c.

4. A detailed technical instruction is being issued by the Director of the Industry Sub-Commission to AC/AMG Industry Officers for their guidance on this subject.

1 Encl.
Questionnaire

A. G. ANTOLINI
Acting Vice President
Economic Section

Copy to:
File 5615

1132

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

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

April 1945

CASE SUBMITTED PURSUANT TO ADMINISTRATIVE MEMORANDUM NUMBER 14, DATED 7 MARCH 1945, ISSUED BY ALLIED FORCE HEADQUARTERS.

TO : Industrial Co-ordination Committee, A.M.G.(I) Board through AFLRS

1. Name of Firm.
2. Name of Executives.
3. Location of Plant.
4. Exact designation of military authority responsible for military occupancy.
5. Exact determination of military unit occupying or about to occupy premises.
6. Period of military occupancy.
7. Description of facility.
   a. Number of buildings.
   b. Dimension of each building.
   c. Use which has normally been made of each building.
   d. Diagram of building.
8. Statement as to the nature of the normal production
9. General statement as to the importance to the Italian economy of the products manufactured.
10. Statement as to the requirements of the output.
    a. By the Allied armed forces.

448

164

1133

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

b. By the Italian armed forces.

c. By the civilian population.

11. Statement as to the availability in Italy of the product indicating the quantity now being imported from Allied sources.

12. Statement as to the present condition of premises and of the machinery and equipment.

13. Statement as to whether repairs, if necessary, can be effected and as to whether the machinery can be operated.

14. Statement as to quantities of materials required for re-building and quantities available locally.

15. Statement as to stocks of raw materials on hand.

16. Statement as to requirements of raw materials in addition to those available.

17. Statement as to availability of raw materials.

18. Statement as to requirements of power.

19. Statement as to availability of power.

20. Statement as to requirements of transports.

21. Statement as to availability of transport, proximity to rail transport, etc.

22. Statement as to present productive capacity of entire facility (giving due regard to feasibility of making repairs, availability of raw materials, power, transport and labor.

23. Statement as to productive capacity of the portion of facility and equipment which has been, or is about to be occupied by the military.

24. Statement as to availability of substitutes for products manufactured by the facility.

25. Statement as to the nature of the military occupancy

a. Number of men occupying premises.

1134

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

b. Use to which facility is being put by military authorities.

c. Statement as to portion of plant occupied or to be occupied and machinery and equipment being used, or to be used by the military.

d. Extent to which permanent damage is being done to the facility by the occupation.

26. Statement of particulars of previous cases submitted and results, together with copies of all papers.

27. General statement as to justification for submission of case.

447

164

1135

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

MAY 1 READ

Ref: 5006/IC. 30 April 1945.

Subject: Re-questioning and Dorequisitioning of Industrial Facilities in AG/AMG Territory.

To: Acting VP,
Economic Section.

Your attention is drawn to Industry Sub Commission's memorandum AG/5587/IND of 26 April 1945, subject as above.

I am directed to inform you that this memorandum should have been signed by yourself as Acting Vice President and not by the Deputy Director of Industry Sub Commission. If you will refer to Office Memorandum No.17 dated 13 October 1944, you will see that correspondence in this HQ is divided into three groups. This memorandum of Industry Sub Commission comes under Group B, and is therefore handled by the Vice President.

MAY 1 READ

Chief Staff Officer,
to Executive Commissioner.

D/Staff

163

Chief Commissioner
APR 27
1647

HEADQUARTERS ALLIED COMMISSION
APO 394
INDUSTRY SUB-COMMISSION

NRLM/ag

Tel. 237

26 April 1945

Ref. AC/5587/IND.

SUBJECT : Requisitioning and De-requisitioning of Industrial Facilities in AC/AMG Territory.

TO : Distribution Below. 1326

1. Requisitioning : Under Administrative Memorandum No. 14 of 7th March 1945 (copy attached), policy on requisitioning and procedure for the de-requisitioning of industrial premises occupied by the Armed Forces is laid down.

To enable this procedure to be put into effect the responsibilities of the Italian Government, Allied Commission and the Armed Forces must be understood.

2. In the first place, no industrial facilities should be requisitioned by any Allied unit in AC/AMG territory without reference to the local AC/AMG representative.

3. It will be the responsibility of all AC/AMG Industry officers to make contact with all Town Majors within their respective areas in order to ensure that no misunderstanding exists as to this procedure.

4. The guiding principle of Allied Commission's policy with relation to Italian industry is that every facility which can be made use of towards the successful prosecution of the war and the restoration of economic stability shall be so employed.

5. In consequence, when applications are received by AC/AMG regional or provincial officers from Allied unit commanders who desire to requisition industrial facilities, the Industry officers affected must consider each case in the

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

Requisitioning : Under Administrative Memorandum No. 14 of 7th March 1945 (copy attached), policy on requisitioning and procedure for the de-requisitioning of industrial premises occupied by the Armed Forces is laid down.

To enable this procedure to be put into effect the responsibilities of the Italian Government, Allied Commission and the Armed Forces must be understood.

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4. The guiding principle of Allied Commission's policy with relation to Italian industry is that every facility which can be made use of towards the successful prosecution of the war and the restoration of economic stability shall be so employed.

5. In consequence, when applications are received by AC/AMG regional or provincial officers from Allied unit commanders who desire to requisition industrial facilities, the Industry officers affected must consider each case in the light of this over-riding principle and the degree of importance of the facility to the local or national economy.

6. At the same time it must be borne in mind that for one or a variety of reasons, it will often prove to be impossible to restore industrial facilities to even partial activity, under existing conditions, in which case there can be no objection to the projected requisition.

7. Among the factors which might prevent an industrial facility from being utilized for its original purpose may be listed the following :

a) Damage to buildings or plant of a nature which cannot be made good under immediate or reasonably immediately foreseeable conditions.

b) Inability to procure electric power or fuel.

45

163

See 164 See 166

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

c) The lack of even one essential machine or raw material which cannot be procured during the conduct of the war, either from local civilian or military or from overseas Allied sources.

d) A shortage of labour of the type required to operate the facility.

e) Inability to procure the transportation necessary for reactivation, either for bringing in raw materials to the plant, or for despatching the finished goods.

8. To prevent loss of time which might result from the misinformed representations of industrialists to AC/AMG Regional and Provincial Headquarters in matters concerning the requisitioning of industrial facilities, the closest contact should be maintained with the local officials of the U.P.I.C., where such exist. All such cases should be examined in collaboration with these officials, and no case submitted to AC/AMG Industry officers until such an examination has been made.

9. Thus where U.P.I.C. offices are functioning no representation should be made to AC/AMG Industry officers by industrialists until the case has been examined and carefully screened by the local U.P.I.C. office.

10. When, after having considered all the circumstances, it is decided by the AC/AMG Regional H.Q. concerned that the facility ought not to be requisitioned, and if, having so informed the Allied requisitioning authority, the reply is to the effect that the requisitioning is essential, the requisitioning authority's attention should be drawn to the terms of the above-quoted Administrative Memorandum (para 4, sub-para (a) and Para 5, sub-para (a)) and the matter at once referred, with all the relevant facts, to this Headquarters for examination, by the AC/AMG Headquarters affected. The requisitioning authority should be notified, in writing, at the same time, of the action taken, and parallel action should be taken by the local U.P.I.C. office with the Ministry of Industry, Commerce and Labour. This will enable a joint examination of the circumstances to be made between this Headquarters and the Ministry.

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

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11. If the circumstances warrant it, the case will be submitted by this Headquarters to the responsible Area, District Base Section or Army Commander, and thence, if necessary to the Industrial Coordination Committee, AFLR(I)3 for adjudication. If examination shows that the circumstances do not warrant opposition to the projected requisition, this Headquarters will be obliged to instruct the AC/AMG Headquarters concerned not to oppose the requisitioning, and similar instructions will be issued by the Ministry to the local U.P.I.C.

12. It is desired to emphasize that the strongest support will be given to all cases submitted to this Headquarters where such cases are completely supported. However as each case will be subjected to examination at High Staff levels it is essential that the circumstances, as presented, be capable of supporting the most careful scrutiny.

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

13. It is hoped that the above procedure will prevent the requisitioning of industrial facilities necessary to the war effort and to the civil economy except where adequate military reasons exist.

14. De-requisitioning. Where applications are made for the de-requisitioning of industrial facilities, these applications should first be examined and screened by the local U.P.I.C. office before approach is made to the AC/AMG authority affected.

15. If, having considered all the circumstances, it is decided to take action for de-requisitioning, and if the matter is one which cannot be arranged by the local Town Major, application for de-requisitioning should be made to the Area or equivalent commander, and this Headquarters informed accordingly. At the same time the local U.P.I.C. office should inform the Ministry.

16. Should the application be denied by the military authority, and should the circumstances warrant it, the matter will then be referred to this Headquarters with all the relevant details. Parallel action will be taken between the U.P.I.C. office and the Ministry.

17. Similar action will then be taken by this Headquarters as outlined in paras 10/12 above.

18. Should the situation be such as to warrant reference to this Headquarters, the most accurate information on all the relevant details must be furnished by both AC/AMG and the U.P.I.C. office. As a guide in the preparation of the case, there is attached hereto a list of heads which is indicative of the type of information which should be included whenever practicable.

19. This Headquarters may be able to obtain a satisfactory settlement by application at the appropriate Staff level. If this is refused, the case will be submitted to the Industrial Coordination Committee of the Allied Force Local Resources (Italian) Board.

20. The award made by the I.C.C. will be binding upon all parties unless an objection is lodged within 48 hours.

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

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W. J. MASKREY
Lt. Colonel,
Deputy Director,
Industry Sub-Commission.

45

Distribution :
All Regional Commissioners (Attn.: Industry Division)
All Provincial Industry Officers.
All Sub-Commissions HQ, A.C.

and for information TO :
AFHQ G-5 Section
AFHQ G-4 American
AFHQ G-4 British
AFLRS, RAAC.
HQ AMG 15 Army Group.
SCAO, AMG 5th Army
SCAO, AMG 8th Army
File 5615

163

Enclosures :
Questionnaire as per para 18.
Administrative Memorandum No. 14, dtd. 7 March 1945.

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

1. Name of Firm
2. Name of Executive
3. Location
4. Date of requisitioning
5. Exact designation of military authority responsible for requisitioning
6. Exact designation of occupying unit
7. Description of facility
    a. Number of building
    b. Dimension of each building
    c. Use which has normally been made of each building
    d. Diagram of building
8. Statement as to the nature of the normal production
9. General Statement as to the importance to the Italian economy of the products manufactured.
10. Statement as to the requirements of the output
    a. By the Allied armed forces
    b. By the Italian armed forces
    c. By the civilian population
11. Statement as to the availability in Italy of the product indicating the quantity now being imported from Allied sources
12. Statement as to the present condition of premises and of the machinery and equipment
13. Statement as to whether repairs, if necessary, can be effected and as to whether the machinery can be operated
14. Quantities of materials required for rebuilding and quantities available locally.
15. Statement as to stocks of raw materials on hand
16. Statement as to requirements of raw materials in addition to those available.
17. Statement as to availability of raw materials.

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

9. General Statement as to the importance to the Italian economy of the products manufactured.

10. Statement as to the requirements of the output

a. By the Allied armed forces
b. By the Italian armed forces
c. By the civilian population

11. Statement as to the availability in Italy of the product indicating the quantity now being imported from Allied sources

12. Statement as to the present condition of premises and of the machinery and equipment

13. Statement as to whether repairs, if necessary, can be effected and as to whether the machinery can be operated

14. Quantities of materials required for rebuilding and quantities available locally.

15. Statement as to stocks of raw materials on hand

16. Statement as to requirements of raw materials in addition to those available.

17. Statement as to availability of raw materials.

18. Statement as to requirements of power

19. Statement as to availability of power

20. Statement as to requirements of transport

21. Statement as to availability of transport, proximity to rail transport, etc.

22. Statement as to present productive capacity of entire facility giving due regard to feasibility of making repairs, availability of raw materials, power, transport & Labour.

23. Statement as to productive capacity of the portion of facility and equipment which it is proposed to de-requisition.

163

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

24. Statement as to availability of substitutes for products manufactured by the facility

25. Statement as to the nature of the military occupancy

a. Number of men occupying premises
b. Use to which facility is being put by military authorities
c. Statement as to portion of plant requisitioned and machinery and equipment requisitioned.
d. Extent to which permanent damage is being done to the facility by the occupation

26. Justification for de-requisitioning.

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

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ALLIED FORCE HEADQUARTERS DCK/ag
AFO 512

ADMINISTRATIVE MEMORANDUM)
:
NUMBER 14) 7 March 1945

USE OF COMMERCIAL FACILITIES FOR CIVIL REQUIREMENTS

1. It is the responsibility of the Supreme Allied Commander to provide for the civil population of liberated territory that which is necessary to prevent disease and unrest. It is his policy to make the maximum use of local resources in providing for the essential civilian requirements.

2. The duty of all ranks of the Armed Forces in the discharge of the Supreme Allied Commander's responsibility to the civil population should be constantly present in their minds. All ranks must, even in the stress of active operations, remind themselves that whenever it is possible to achieve a military object by a choice of means otherwise equal, the method which damages least the essential needs of the civil economy is the method to be preferred and adopted. Care must be taken by the responsible commander that, except in definite emergencies he neither occupies a premise that is essential to the civil economy nor dismantles, nor removes by purchase or requisition, the equipment therein. Except to prevent combat damage or destruction, or to meet the immediate operational needs, raw materials essential to civil economy will not be purchased, requisitioned or removed except by the procedures set forth in Section III, AFHQ Administrative Memorandum No. 46, 1944.

3. a. In the detailed planning for the occupation of an area, the military authority responsible for such planning and the Allied Commission, will consult as to the anticipated military and civil requirements in that area affecting local resources. The military authority will elaborate his plan so far as practicable to include any proposals agreed as the result of such consultation. Any such agreement must of necessity be tentative and adjustments made dependent upon the physical condition of the area when occupied and upon the military situation. So far as practicable the agreement should include definite facilities preserved by the military and definite facilities reserved for essential civil requirements. Facilities not so defined will not initially be

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

2. The duty of all ranks of the Armed Forces in the discharge of the Supreme Allied Commander's responsibility to the civil population should be constantly present in their minds. All ranks must, even in the stress of active operations, remind themselves that whenever it is possible to achieve a military object by a choice of means otherwise equal, the method which damages least the essential needs of the civil economy is the method to be preferred and adopted. Care must be taken by the responsible commander that, except in definite emergencies he neither occupies a premise that is essential to the civil economy nor dismantles, nor removes by purchase or requisition, the equipment therein. Except to prevent combat damage or destruction, or to meet the immediate operational needs, raw materials essential to civil economy will not be purchased, requisitioned or removed except by the procedures set forth in Section III, AFHQ Administrative Memorandum No. 46, 1944.

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b. In sections of the country for which no definite military operational plan is considered necessary, instructions defining military requirements and those civil commitments for which the military assume responsibility will be issued by the military authority responsible for planning for the area as a whole, if so desired by Allied Commission.

c. In the case of property to be used by the military which Allied Commission has stated to be essential to the civil economy, the

163

I-A-61

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

probable degree of development by the military and the estimated period of occupancy will be stated in the plan .

3. In the immediate execution of operational plans the decision of the Army or equivalent commander in operational command will govern. However, when Allied Commission is of the opinion that the use of the facility during military tenancy will cause undue harm to the civil economy, and local agreement cannot be reached, Allied Commission may, without interrupting the operational plan or its immediate execution, inform the Army or equivalent commander that an appeal will be made, and submit such an appeal as indicated in paragraph 4 below.

a. In the further execution of a plan in Army or equivalent areas, or in routine functioning within or without Army areas, in the event there is a conflict between military interests and interest which Allied Commission considers essential to the civil economy with respect to:

(1) The equitable allocations of factories, warehouses, and other commercial and industrial facilities including mines and space, and

(2) The control of their use and operation the procedures set forth in paragraph 4 will be followed.

4. a. The Allied Commission may present its case and recommend action to the responsible Area District, Base Section or Army Commander, or other responsible military authority whether urgent operational need has been advanced by the military authority or not. Allied Commission will accompany their case with a complete and factual justification.

b. The responsible military authority to which the case is referred will consider the case and every effort will be made to reach a solution satisfactory to Allied Commission and the military commander. In the event a satisfactory solution cannot be found, the military commander will return the request to Allied Commission with a written statement as to the extent to which he can meet Allied Commission's desires and as to the conditions which he cannot accept.

c. Allied Commission then may submit the matter to an investigating subcommittee appointed by the Industrial Co-ordination Committee of the Allied Force Local Resources (Italian) Board, through AFLRS. The investigating sub-committee will investigate the

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

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c. Allied Commission then may submit the matter to an investigating subcommittee appointed by the Industrial Co-ordination Committee of the Allied Force Local Resources (Italian) Board, through AFLRS. The investigating sub-committee will investigate the case in detail and attempt to find some solution agreeable to the parties concerned.

d. If no such solution can be found, the sub-committee will submit the case to the ICC (Industrial Co-ordination Committee) with recommendations.

e. The ICC will then adjudicate and make its award. If no protest is received by AFLRS from an interested party within 48 hours after the award, such award will become effective. In the event of a protest, the matter will be referred to the AFLR(I)Board, the decisions of which will be binding upon all parties.

5. a. Except in the immediate execution of operation plans as stated in paragraph 3d above, the military will not exercise initial control of a facility concerning which Allied Commission has initiated a request for adjudications, until definite action has been taken in

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I - A 8

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

accordance with these instructions.

b. When a plant, mine or other commercial facility has been de-requisitioned to permit of its producing materials or services essential to civil economy, all machinery, fixtures, equipment and plant essential to such production, except that which may have been installed by the using Service, shall be exempt from sub-sequent requisition unless the facility itself is again requisitioned. Surplus materials, as declared under the provision of Section III, AFHQ Administrative Memorandum Number 46, 1944 are subject to allocation as set forth in that memorandum.

c. Plants, mines or other commercial facilities which may be declared not subject to requisition or which have been de-requisitioned under the provisions of this memorandum will be adequately posted by the local district base section, or army commander or other responsible military commander, to prevent unauthorized entry or removal of protected equipment, fixtures, machinery and materials.

d. When considering matters of requisitioning and de-requisitioning, military authorities will show special leniency with respect to facilities of the monopoly industries of the Italian Government such as those engaged in the manufacture of matches, the processing of tobacco and the extraction of salt. These are of special importance in providing essential revenue to the Italian Government.

By COMMAND OF FIELD MARSHAL ALEXANDER :

/s/ C.W. Christenberry
/t/ C.W. CHRISTENBERRY
Colonel, AGD
Adjutant General

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BY COMMAND OF FIELD MARSHAL ALEXANDER :

/s/ C.W. Christenberry
/t/ C.W. CHRISTENBERRY
Colonel, AGD
Adjutant General

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1151

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CC 0916
APR 21 1945

Tel: 366 HEADQUARTERS ALLIED COMMISSION PRG/emg
APO 394
ECONOMIC SECTION

Ref: RS/ 506 19 April 1945

My dear Minister Gronchi:

With further reference to my letter of 9 April 1945, with which I sent you a copy of the minutes of the meeting of the Industrial Coordination Committee of 7 April, and in regard to your communication of 12 April addressed to Rear Admiral Stone.

I am now sending you a copy of General Routine Order No. 123, which deals with the occupation by the military of land and buildings, and Order No. 124, which deals with the requisitioning of Stores, Supplies and Services.

Will you let me know to what extent you would like publicity given to either or both of these orders and also to Administrative Memorandum No. 14. My suggestion would be that copies be made available to your Ministry and its dependant organizations down to the level of the Uffici Provinciali dell'Industria e Commercio. Perhaps you may not consider itnecessary to issue the full text of these documents, but only a resume.

Whatever your wishes on the subject may be, I will endeavor to arrange accordingly.

Very truly yours,

(Sgd) A. C. Antolini

A. C. ANTOLINI
Acting Vice-President
Economic Section

H.E. Dott. Giovanni Gronchi
Minister of Industry, Commerce and Labor
Italian Government
Rome

Attachments (2)

Copy to: Chief Commissioner's Office
" " Executive Commissioner

1152

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

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86149 CA130
APRIL 17/1530B

D/8080
APRIL 19/1010B
ROUTINE

TROOPERS

ACTION: FREEDOM INFO: WASHINGTON, ALCOM ROME

155

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This is GEN 543.

Reference MSC 470 11 April 1945. Subject. PIRELLI tyre plant TIVOLI.

1. Understand whole question of material for this plant held up, by raw material difficulties which we hope temporary.

2. After these difficulties cleared consider most useful step will be visit of BARKER of PIRELLI BURTON on TRENT as arranged your F51871 30 March.

3. Answers your 4(A) and 4(C) must await solution of difficulties mentioned my first and submission requirements to CCAC.

4. Your 4(B) lists of ALS requirements for CA(?) purposes should be submitted in ZAC series but recommend you await BARKERS visit before submission.

DIST

INFO-ACTION : INDUSTRY SC (2)

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

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161

1153

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

Ref: 5008/EC.

17 April 1945.

My dear General,

I owe you a very sincere apology for not having answered your letter of 5 February. The deplorable delay is the result of extremely bad staff work in this Commission, for which there is no excuse.

I am most grateful to you for the interest you are taking in our affairs, and thanks to your efforts we are hopeful of obtaining the complete release of the tanning extract factory at Avellino. I am also most grateful to you for your assistance in obtaining release of the Montecatini fertiliser plant at Porto Recanati to which you refer in your letter.

I much appreciate your assistence in these matters.

Yours sincerely,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Brigadier General Carter B. Magruder, G.S.C.,
Assistant Chief of Staff,
G-4, A.F.H.Q.

43

160

1154

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

ALLIED FORCE HEADQUARTERS
APO 512

5 February 1945

Rear Admiral Ellery W. Stone, U.S.N.,
Chief Commissioner, Allied Commission,
APO 394, U.S. Army.

My dear Admiral Stone,

I have just read with considerable interest the monthly report for December 1944 of the Economic Section, Industry Sub-Commission, Allied Commission.

I noted particularly the remarks in Section I, (4) (a) that "hundreds of tons of valuable hides are rotting for want of tanning extract" because a tanning factory is used as a detention camp. Also in the same section (4) (c) that "thousands of tons of food must be imported annually" because the military forces are occupying a fertilizer plant as a storehouse.

Leather is in very short supply both here and at home. The U.S. Forces have some new projects in Italy that will require increased quantities of leather. You are familiar with the food position and the discontent among the military because of the small amounts now being allocated.

I would appreciate having additional information about these two plants, particularly as to their present status and whether there is any action with regard to them that I could initiate here.

Sincerely,

CARTER B. MAGRUDER,
Brig. Gen., G.S.C.
A.C. of S., G-4.

2/15/47

431

160 ARP

1155

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

EWS/dfe

CC 4045

16 April 1945

Dear Alexander:

Thank you for your letter of 14 April, which enclosed a telegram received from Colonel G. A. Green presenting the current status of Italian tiremaking requirements.

Sincerely,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

The Honorable Alexander Kirk
American Ambassador
119 Via Vittorio Veneto
Rome

4045

159

1156

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

CONFIDENTIAL

CC 1750
APR 20

HEADQUARTERS
MEDITERRANEAN THEATER OF OPERATIONS
UNITED STATES ARMY
APO 512
Office of the Assistant Chief of Staff, G-4

16 April 1945

Rear Admiral Ellery W. Stone, U.S.N.
Chief Commissioner, Allied Commission
APO 394, U. S. Army

My dear Admiral Stone:

As suggested in your letter of 6 April 1945, arrangements have been made by the Chief Quartermaster, MTOUSA, for Major Harris of this headquarters, who is temporarily in Rome with your Coal Division, to visit the Solvay Works with Dr. Opatowski during the week of 16 April 1945.

Coal, coke, and transportation continue to be critical and it is essential that in the operation of the Solvay Works they be utilized with the utmost economy. Your Coal Division has been informed of the quantity of coal available from overseas sources for AC projects during April and May. In addition, they have been advised of the military requirements for Sardinian Coal. Your headquarters is therefore in a position to gauge the availability of coal for the Solvay Works. It may be that, due to the sharp reduction in Sardinian output, you will decide to delay the commencement of operations.

It is evident that the use of Ribolla lignite is more important than ever in view of the critical position in Sardinia.

I assure you of my continued interest and cooperation in your efforts to open this plant.

Sincerely yours,

CARTER B. MAGRUDER,
Major General, GSC,
Asst. Chief of Staff, G-4.

cc. Exec Comm

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1157

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

JAQ/dfe

CC 4045

16 April 1945

157

Economic Section:

Reference is made to previous correspondence with respect to the reactivation of the Italian synthetic rubber industry.

The attached telegram of 11 April, which presents the current status of Italian tiremaking requirements, was received by the American Ambassador from Colonel G. A. Green in London.

/s/ J. A. Quayle

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

cc: Executive Commissioner
Chief Commissioner Files

See 159

42?

158

1158

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

CC 1000
APR 15 RECD

Rome, Italy.
April 14, 1945.

Dear Ellery:

With reference to previous correspondence with respect to the reactivation of the synthetic rubber industry, I enclose herewith a copy of a further telegram received from Colonel G. A. Green on the subject.

Sincerely yours,

R. Kelly.

Enclosure:
As stated.

Admiral Ellery W. Stone,
Chief Commissioner,
Allied Commission,
R o m e.

1159

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

TELEGRAM RECEIVED FROM

COL. G. A. GREEN.

dated April 11, 1945.

Current status of Italian tiremaking requirements is as follows:

1) LAC airgram 114 dated April 4th formally requests items covered by cables addressed to you with exception of motor for 4/1/2 inch extruder, 8 inch extruder and certain chemicals, moulds, curing bags and/or drawings for same.

2) Total requirements reference drawings and machinery for Tivoli per your cable 83 dated March 28th not received by War Office. However it is unlikely that any of these items are available in Spain. Even if they were it is unlikely that Spaniards could be induced to part with them.

3) In discussing Italian tire situation with Ministry of Supply, it developed that major part of information on synthetic rubber usage is of American origin and is conveyed to rubber industry here only under certain conditions specified by American Rubber Reserve Company and when passing this information to other third parties, e.g. France, Holland, etc., it is necessary to have rubber reserve agreement. This is equally necessary with Italy.

4) In view of paragraph 3 above, Ministry of Supply cable BRMM Washington for necessary clearance per their cable TAMAR 2007 dated April 5th. We also cabled SECSTATE urging that request be promptly granted per Winant's cable 3543 dated April 7th. Ministry of Supply have now been advised per BRMM Washington's cable RAMAT 2079 dated April 9th that textile bureau have refused to allocate tire cord for Pirelli Rome factory and that in accordance with policy of not shipping rubber until other component materials are available, Combined Rubber Committee has withdrawn approval for shipment of rubber.

5)

1160

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

5) Until decision per paragraph 4 above is modified, nothing can be done to advance Italian tire production program. See our cable SUMOC 228 dated April 11th addressed to Batt, Vice Chairman War Production Board Washington urging that decision be reconsidered. This cable has been repeated to you.

6) Reference cable from AFHQ to War Office F51871 dated March 29th requesting Barker's services. At a meeting with Ministries of Supply and Production yesterday it was agreed that Barker would leave for Italy this week, but due to action taken by Combined Rubber Committee his visit must be temporarily cancelled.

* * * * * * * * * * * *

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(101)

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

CC/1800
APR 16 REC'D

COPY

Roma 12 April 1945.

MINISTERO DELL'INDUSTRIA
DEL COMMERCIO E DEL LAVORO

Admiral Ellery W. STONE
Chief Commissioner
HQ., A.C.

Dear Admiral,

I wish to express my satisfaction and appreciation for the cooperation and assistance you have given to the Italian Government with Memo n. 14 which is a great step toward the solution of the many difficult problems arising in connection with the rehabilitation of the industrial plants.

Your sympathetic attitude in this regard and your understanding on this important matter are deeply appreciated, and they will become even more valuable upon liberation of the North.

I have confidence that the disposition contained in Memorandum n. 14 and the facilities which were agreed during the discussions held at the meeting of the 7th inst. will be brought to the knowledge of all the bodies and units which are to adopt them.

Sir, I am,

yours sincerely

GIOVANNI GRONCHI

ED. DISTRIBUTION - 16 April

Action Economic Sect (2)
Info Chief Commr
Exec Commr.

CC/1540

1162

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

CONFIDENTIAL

APR 12 1950

FX 58409
AFR 111500B

D/7407
AFR 112020B
ROUTINE

AFHQ SIGNED ALEXANDER CITE FBOMG
TWOUTINE REPEATED FOR INFORMATION TO AGWAR FOR CCS FOR CCAC. ALCOM

CONFIDENTIAL.

This is MAG 470.

1. ALCOM are reactivating PIRELLI Tyre Manufacturing Company at TIVOLI ITALY to produce tyres for civilian use.

2. Plant is at present equipped to produce limited range of tyres, inner tubes and curing bags. ALCOM wish extend production to cover all principal sizes tyres and tubes required in ITALY. For this they require either;

a. Equipment (drums, moulds, templates, instructions) to produce the necessary tyres, tubes and curing bags, or

b. Drawings to enable them to produce the equipment at subpara a locally, or

c. Both a and b above.

3. The PIRELLI Company has tyre factories at BURTON-on TRENT and BARCELONA (SPAIN), which could possibly supply the items needed.

4. Could you please make enquiries and inform us:

a. Whether possibility exists that items in para 2 sub paras a, b, and c. can be supplied from BURTON. Full details of requirements can be sent if wanted.

b. What procedure should be adopted for obtaining release and to whom full list of requirements should be submitted.

c. Whether equipment can be obtained from BARCELONA and if so through whom.

CONFIDENTIAL

1163

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

(YX 58409 cont'd)

5. Tyre sizes involved are: 4.00-15, 5.25-18, 12.75 x 20, 1050-20, 38 x 9, 4.25-17, 600-18, 9.50-19, 10.50 x 20, 30 x 5, 5.00-15, 650-16, 5.50-17, 36 x 8, 6.00-20, 6.00-16, 550-16, 7.00-18, 7.00-20, 5.50-15, 6.00-18, 500-16, 825-20, 42 x 9.

DIST

ACTION: Industry 2
INFO: A/President
Chief Commissioner
Econ
Commerce
Trans 2
File 2
Fleet

CONFIDENTIAL

1164

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

ADMIRAL STONE.

Saturday was such a busy day that I forget to mention a point to you which has caused me some anxiety.

2. It arose, as do so many problems, from our dual policy of carrying out honourably our new Directive and diminishing our control of Italian affairs in transferred territory and at the same time maintaining effective production of various commodities.

3. The question that worries me is hemp. As you know hemp is still of the highest priority. We have recently received telegrams from London pressing us to maximise the Southern Italian hemp programme by every possible means.

4. Last year, owing to the non-arrival of Turkish seed, there was no export. All the raw material was used for local cord and rope production for the British and United States Navies. This year seed has arrived and the fertilizer and if the drought breaks, there is hope of a decent crop.

5. Mr. Backhouse, the Hemp Controller, has been summoned to London by the Ministry of Supply Hemp Control to discuss the situation. He came to see me on Friday night in Rome. He tells me that, while entirely recognising the necessity of carrying out our de-control policy, it would be of immense help to him if three concessions could be made.

SEC 565/CC

6. That Captain Rae, of the Hemp Control Office, should remain in Naples. According to Backhouse, and I have no reason to doubt his word for he is a Yorkshireman, Rae is an extremely efficient and knowledgable man in this business. He has, perhaps if anything, erred on the side of over-enthusiasm and possibly incurred some Italian criticism. Nevertheless, says Backhouse, without Rae he gravely fears this year's results.

CC/SHAEF

7. The second request is somewhat similar. Lieutenant Commander Schlee of the South African Navy, sits at the office of the Hemp Consortia in Rome (a few yards from the Commission); he is now instructed to move in to the Allied Commission office and form part of the normal Industry Sub-Commission. Backhouse feels that this move, although politically no doubt correct, will have a bad psychological effect upon production. Sitting with the Consortia he can keep an eye on things better. I do not know how to value this contention but there is something in it.

L'L

8. His third point is as follows: Captain Bradbury, a most expert man, is, largely to Backhouse's pressure, to go forward to the North on liberation to see to hemp affairs. He hopes that it may be possible to use him solely for this purpose and not to give him other tasks in view of the great need for hemp.

9. I would be grateful if you could look into these matters.

10. Hemp and its production is a Navy need so you will be sympathetic and

if,/

154a

1165

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

if, to get what we want we may have to stray a little from the narrow path of the Directive, remember Nelson and his application at the right moment of his telescope to his blind eye.

H.M.

H.M.

8th. April, 1945.

if, to get what we want we may have to stray a little from the narrow path of the Directive, remember Nelson and his application at the right moment of his telescope to his blind eye.

H.M.

8th. April, 1945.

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

1167

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

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 394

AC/5605/IKD

6 April 1945

My dear General Hagrader:

I acknowledge your letter dated 11 March 1945.

Your co-operation and help in bringing the Solvay plant back into operation is much appreciated by the Allied Commission.

The strain imposed on the Services by accepting the allocation of extremely critical items like metallurgical coke and coal as well as by assigning the corresponding shipping space is fully realized. However it is my firm belief that the products of the Solvay plant as well as those of other vital industries depending on the reactivation of this plant (i.e.: soap, disinfectants, glass, pharmaceuticals etc.), will be of great help to the war effort, besides satisfying essential civilian needs.

Reference para 5b of your letter I was informed that a bid for a monthly allocation of 1500 tons of coke to the Solvay works has been submitted by Industry Sub-Commission this Headquarters on 6 November 1944 and that it is understood from AFHQ - Coal Section (see attached copies of correspondence) that delivery of this coke will commence in May. This is in accordance with the schedule of the Allied Commission to start operation at the Solvay works in early May.

It is confirmed that the first supply of imported coke will be consumed during July, while the old stock available at the plant will be used during May and June. Plans have been laid down on the basis that the first delivery of coke will take place in May. In this way, a sufficient reserve would be available at the plant, during its operation, for emergency purposes, i.e.: in case delay arises in delivery of future supplies when the plant is operating regularly; for compensating any higher consumption rate of coke than the usual during the first weeks of operation: to eliminate disadvantages arising in the thermal balance, if changes in coke quality occur, etc. In this respect it is pointed out that once operation at the plant has been started, interruption of its activity would have extremely dangerous consequences to the equipment and particularly to the kilns, the distillation towers, etc. In such a case, before resuming production, new repairs lasting for months would be necessary, apart from the considerable economic damage.

With regard to para 5a of your letter concerning the quality of fuel to be used, it appears that some difficulties exist in attaining the temperature of 430 degrees at 38 atm. (as required according to the flow-diagram of the Solvay process) when using Ribella lignite only, without

CONFIDENTIAL

1168

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

CONFIDENTIAL

any addition of coal of higher calorific value. In the meantime, the Solvay Company has been informed by Industry Sub-Commission, this Headquarters, of the opinion of your combustion engineer and has been instructed to reconsider the question of utilization of 100% Ribolla and possibly to resume experiments in this respect.

With reference to the enclosed copy letter AFHQ, G-5 Section, G-54, dated 24 March 1945, reporting comments from the Chief Quartermaster, AFHQ, on the type of coal to be used, it is highly appreciated that the Quartermaster is willing to furnish the services of a combustion engineer to advise during the combustion trials on Ribolla lignite. This would be a useful and practical step. It is suggested that this engineer visit Rosignano in the company of Dr. Opatowski, of Industry Sub-Commission, this H.Q., under whose control the Solvay plant is being reactivated. It is suggested that this visit take place early in April.

Yours very truly.

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

TO: Carter B. Magruder,
Brigadier General, U.S.A.
A.C. of S., G-4
HQ MTOUSA
APO 512

Enc. copy letter G-54 dated 24 March 45, from G-5 AFHQ to HQ AC, Econ. Sec.
Copy letter AC/5605/IND dated 21 March 45, from Ind. S/C to Coal Div.
Copy letter AC/IND CD/2 dated 21 March 45, to Allied Force Coal Section Unit "K"
Copy letter from Coal Section dated 21 March 45, to Ind. S/C,
Ref. AC/IND/CA/

41 Enclosures are in Industry Sub-Commission files.

154

CONFIDENTIAL

ALLIED FORCE HEADQUARTERS

Office of the Chief Administrative Officer

4 April 45

SUBJECT: Rehabilitation of Italian Industries

TO : The Acting Vice-President,
Allied Commission.

1. I promised when I spoke to you on the telephone on the 31st ultimo to let you have a summary of my proposals regarding Italian industry. They are set out below.

2. It would appear that two of the principal factors vitiating against the recovery of Italian industry are lack of an overall plan and lack of competent authorities vested with the powers necessary to prepare it and carry it out. It is therefore suggested that some central body should be created in each industry or group of industries and that there should be a pooling of resources both of men and materials.

3. There are the following additional reasons for making this proposal

(a) It has been found that almost every unit of every industry with which the Army has been connected is deficient of some elements, either human or material, required to put it into operation. Most of these deficient elements have been found in other plants of the same industry which had an excess of them or which could not be put into operation on account of severity of destruction, lack of power, or some other chronic ailment.

(b) The degree to which each works in any industry should be rehabilitated and the priority which should be accorded to the various units of each industry can only be determined when the overall picture of the resources in ITALY is seen. Similarly, the degree of assistance required from the Allies cannot be assessed until the sum of Italian resources is known.

(c) Items will always before the essential industries of [illegible]

40

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

2. It would appear that two of the principal factors vitiating against the recovery of Italian industry are lack of an overall plan and lack of competent authorities vested with the powers necessary to prepare it and carry it out. It is therefore suggested that some central body should be created in each industry or group of industries and that there should be a pooling of resources both of men and materials.

3. There are the following additional reasons for making this proposal

(a) It has been found that almost every unit of every industry with which the Army has been connected is deficient of some elements, either human or material, required to put it into operation. Most of these deficient elements have been found in other plants of the same industry which had an excess of them or which could not be put into operation on account of necessity of destruction, lack of power, or some other circumstance.

(b) The degree to which each unit in any industry should be rehabilitated and the priority which should be accorded to the various units of each industry can only be determined when the overall picture of the resources in Italy is seen. Similarly, the degree of assistance required from the Allies cannot be assessed until the sum of Italian resources is known.

(c) Years will elapse before the essential industries of Italy produce her needs if the national ability to recover is dissipated on a widespread system of individual patching without relation to any overall plan and with similar requirements competing for the materials of reconstruction which are not in short supply.

(d) The available raw materials, indigenous and imported, should be employed in works which will make the most out of them in the shortest period of time and it is on the rehabilitation of those works that the national and Allied resources and ability should be concentrated.

4. The design of these central bodies is one of some difficulty. They may vary in form in different industries but they must, I agree, be formed under the aegis of the Allied Commission and the Italian Government on whom they will have to rely for considerable support for some time to come. They must also contain men who have adequate commercial and technical knowledge of the industry with which they are concerned. These men may well have been in competition and rivalry with each other but they must be willing to serve together in the national interest during the period of

(153) See (164)

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

the industry's malaise. The Italian membership of these control bodies should be continuously developed and strengthened so that the degree of the Allied assistance and intervention may be progressively decreased. Whether the Government participation in these industries should continue longer than may be necessary is a matter of politics but unless the Government assists her industries in the early stages of their re-development nothing but chaos can result. It is preferable, therefore, if not essential, that politics be put in the background during the early stages of rehabilitation and that those best qualified technically in these matters be given control.

5. If the principles expressed in the foregoing paragraphs are accepted the methods of applying them now fall to be considered.

6. There is at the moment in occupied Italy a shortage of experienced and competent men capable of dealing with the reorganisation of all Italian industries simultaneously. This shortage, together with shortages of material, transport and shipping, dictates the need to deal with industries individually, in the order of their importance to national economy and, until the war ends, in the order of their importance to the war effort.

7. No steps have already been taken by the Army to regiment certain basic industries in support of the war effort and as the products of these industries are also essential to the rehabilitation of other industries it would appear expedient that a start should first be made in attempting to expand their output.

8. The industries concerned are the steel, cement, timber and brick industries and there are the following advantages in dealing with them first:

(a) We have fairly complete knowledge of their resources in occupied Italy.

(b) We have already achieved a certain amount of success in imposing central control on them so that the advantages of this can be demonstrated to the Italians.

(c) Collapse or partial collapse of these industries will cause [illegible] control in existence - which may be at no distant

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

and competent men capable of dealing with the reorganisation of all Italian industries simultaneously. This shortage, together with shortages of material, transport and shipping, dictates the need to deal with industries individually, in the order of their importance to national economy and, until the war ends, in the order of their importance to the war effort.

7. As steps have already been taken by the Army to regiment certain basic industries in support of the war effort and as the products of these industries are also essential to the rehabilitation of other industries it would appear expedient that a start should first be made in attempting to expand their output.

8. The industries concerned are the steel, cement, timber and brick industries and there are the following advantages in dealing with these first:

(a) We have fairly complete knowledge of their resources in occupied Italy.

(b) We have already achieved a certain amount of success in imposing central control on them so that the advantages of this can be demonstrated to the Italians.

(c) Collapse or partial collapse of these industries will occur when military control is withdrawn - which may be at no distant date - if there is not some central civilian organisation to take its place. We have already had an illustration of this.

(d) The industries in question provide the basic materials for the re-housing of the people and for the rebuilding of the factories etc of other industries.

9. Final control of an industry cannot be consistent with efficiency so that the problem is to create an efficient civilian authority to which the Army can hand over these industries without fear as to its essential supplies. It is for the Allied Commission to form these authorities but time is getting short and I therefore propose to accelerate their formation by transferring to the Commission a number of the officers who have been responsible for provisioning the Armies from local resources. These officers would still continue to be responsible for provisioning the Armies and initially they would have the same assistance from the Army as heretofore. They would however be members of the Allied Commission staff and would have the additional responsibility of assisting the Commission in setting up the central control bodies which I propose above.

153a

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

10. I would propose that the steel industry be tackled first and that the Italian Government be asked to set up an Italian Steel Control Board on the lines of the attached Draft constitution at Appendix "A". The industry would initially have the same military assistance and support as at present but gradually as the Steel Control Board found its feet its responsibilities would be increased and the military support withdrawn.

11. If this method showed initial signs of success other industries would be similarly dealt with. The matter is urgent however and the experiment of control civil control should be commenced at an early date so that all the advantages and experiences of control military control can accrue to it before those responsible for the latter have left the country.

B.H. ROBERTSON,
Lieut. General,
Chief Administrative Officer.

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

B.B. Robertson,
Lieut. General,
Chief Administrative Officer.

415

153a

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

Appendix "C"

1st April 1943

Rehabilitation of Italian Industry

Formation of Central Control Boards

1. Taking the steel industry as an example the proposals for its control which are set out below might, if the Allied Commission agree, form the basis for a discussion on the subject with the Italian Government.

2. Constitution of Steel Control Board

(a) It is proposed that the Board be set up by statute and that the works of which it is to be given control be specified in a Schedule of the Act incorporating the Board. The responsible minister would then be capable of adding to or subtracting from the Schedule as circumstances dictated. It is assumed that Italian law is as capable of this as English law is.

(b) The Board would consist of a Chairman and Managing Director, both appointed by the Italian Government, and seven other members, these being
two members nominated by the Allied Commission,
two members nominated by the owners of the works specified in the Schedule,
one member representing the professional engineering employees of the works concerned,
and two members representing the rank and file of the employees, mainly artisan and unskilled.

(c) The question of whether the members nominated by the Allied Commission should be voting members or not is worthy of consideration. It might be better that they should simply attend all meetings of the Board and represent the views of the Allies (who will be supplying much of the raw materials) rather than cast a vote on any of the many matters which will arise concerning Italian matters of a purely domestic/internal political nature. There may be considerable disagreement on such

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

Board. The responsible minister would then be capable of adding to or subtracting from the Schedule as circumstances dictated. It is assumed that Italian law is as capable of this as English law is.

(b) The Board would consist of a Chairman and Managing Director, both appointed by the Italian Government, and seven other members, these being
two members nominated by the Allied Commission,
two members nominated by the owners of the works specified in the Schedule,
one member representing the professional engineering employees of the works concerned,
and two members representing the remainder of the employees, mainly artisan and unskilled.

(c) The question of whether the members nominated by the Allied Commission should be voting members or not is worthy of consideration. It might be better that they should simply attend all meetings of the Board and represent the views of the Allies (who will be supplying much of the raw materials) rather than cast a vote on any of the many matters which will arise concerning Italian matters of a purely domestic/internal political nature. There may be considerable disagreement on such matters between employers' and employees' representatives. The proposed Board has been designed so that the two Government nominees can hold the balance without Allied intervention. The Allied representatives would be there to advise them and it is thought that it would be better that way as well as being more in consonance with the recent declarations on the Allied attitude to ITALY. It might be added, in parenthesis, that the Allied members would also be able to watch any steps ITALY might be taking towards re-armament.

(d) The opinion is advanced that the only paid members of the Board should be the Chairman and Managing Director. They would of course have an adequate paid staff reinforced, in the early days at least, with some Allied officers who would have direct access to the Allied Commission members of the Board.

41

153

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

(c) Generally speaking it is thought that the present firms in the steel industry should be allowed to retain their identity and that the period of central control should not extend longer than necessary. This view has governed the limited responsibilities and powers which it is suggested the Board should have. If the setting up of a permanent monopoly were considered preferable the proposed Act would, of course, simply have vested in the Board powers to acquire the assets of the firms listed in the Schedule and prohibited anyone else from making their products. This course is considered unnecessary, highly controversial and consequently undesirable.
The following is therefore a general expression of what it is suggested the responsibilities and powers of the Board should be.

3. Responsibilities of the Board

The responsibilities of the Board would be -

(a) the control on behalf of the Italian Government of all steel-making plants and rolling mills in ITALY for a period of ___ years,

(b) the provision of the raw materials, equipment, tools etc necessary for the operation of these plants during the period of control, and

(c) the continuous review of ITALY's civil needs in steel and steel products and the planning of the reconstruction of such steelworks as are necessary for their production.

4. Powers of the Board

In order to carry out its responsibilities the Board would be given powers to -

(a) fix the prices of steel and steel products,

(b) issue orders from time to time as to the quantities and types of steel and steel products each works would produce,

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

3. Responsibilities of the Board

The responsibilities of the Board would be -

(a) the control on behalf of the Italian Government of all steel making plants and rolling mills in ITALY for a period of ___ years,

(b) the provision of the raw materials, equipment, tools etc necessary for the operation of these plants during the period of control, and

(c) the continuous review of ITALY's civil needs in steel and steel products and the planning of the reconstruction of such steelworks as are necessary for their production.

4. Powers of the Board

In order to carry out its responsibilities the Board would be given powers to -

(a) fix the prices of steel and steel products,

(b) issue orders from time to time as to the quantities and types of steel and steel products each works would produce,

(c) prohibit the carrying out of any works of reconstruction without its prior consent and determine the order in which these works would be carried out, and

(d) close down unproductive and uneconomical plants or parts of plants and, if expedient, transfer them to and incorporate them in more productive and more economical units.

5. Finance of the Board.

The finance of the Board is one of some complexity and must obviously depend on the policy governing the finance of the country as a whole. Decision must be taken for example as to whether the cost of the Board is to be recovered from the industry in whole or only in part. However, the Board's powers must not be restricted unduly by finance or it will fail. It is therefore suggested that the Italian Government makes funds available to

(a) provide for the Board's officers, staff, etc.,

153a

.....43

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

(b) finance the procurement of the raw materials etc. mentioned in 5(b) above. (This item should obviously be recovered from the industry),

(c) reconstruct damaged plants if the projects are approved by the Board, and

(d) purchase such parts of unproductive and uneconomical units as the Board might close down, or wish to transfer, in the action under para 4(d) above.

6. All possible steps must be taken to ensure that these central control boards are respected. The probity of their members and staffs is of high importance. All are servants of the Government and those who are paid by the Government should be well paid so that they can maintain honesty of action and hold their heads as high as those in similar positions whose income come from other sources. Observance of this point is considered essential if the boards are to succeed.

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1180

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

1181

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

JAQ/hjp

29 March 1945

Dear Mr. Livengood:

In connection with a series of signals from Colonel Green which the Ambassador has kindly been forwarding to Admiral Stone, I am directed to forward to you for your information this copy of a memorandum addressed to the Chief Commissioner by the Fire Division of the Industry Sub-Commission.

149a

Yours very truly,

s/J. A. Quayle

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

Encl.

Mr. C. A. Livengood
The American Embassy
119 Via Vittorio Veneto
Rome

Encl: Ltr, Fire Div Industry S/C
AC/5603/IND, 26 Mar 45

cc: Economic Section
Industry Sub-Commission
EXEC. COMM'R.
CC FILES

41

153

154

Sub

1182

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

AFHQ 0-5

4332 28 MARCH 1945 ROUTINE

RESTRICTED FD

SUBJECT IS SERVICES OF RUBBER TECHNICIAN FD

PARTS TO AFHQ 0-5 FROM ALCOA CITE ACDY PARSN

PARA ONE FD IN ACCORDANCE WITH ARRANGEMENTS MADE BY COLONEL GEORGE APLN CHIEF CWA FOR EASY ABLE REPRESENTATIVE TO THE UNCLE KING CWA IT IS REQUESTED THAT THE SERVICES OF A RUBBER TECHNICIAN MISTER PARKER OF THE PIRELLI HOLDINGS AT BURTON ON TRENT CWA ENGLAND CWA BE MADE AVAILABLE TO THE PIRELLY COMPANY ITALY FOR A TEST PRODUCTION PERIOD USING AMERICAN SYNTHETIC RUBBER FD

PARA TWO FD FULL PARTICULARS REFERENCE MISTER PARKER CAN BE OBTAINED FROM COLONEL GREEN

Copy to:
Economic Section
File 5603

INDUSTRY

599

Capt. R.D. BULLOCK

NICHOLAS PICCIANO
CWO USA
ASST ADJUTANT

1183

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

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 4045 28 March 1945

MEMORANDUM

TO: Economic Section, Hq Allied Commission
~~(Attention: Mr. H. Cleveland)~~

Following is paraphrase of telegram received at American Embassy from Colonel G. A. Green in London:

"Dated 23 March 1945.

"1. With certain exceptions Pirelli here possesses drawings for all tire sizes listed in paragraphs 9 and 10 of LAC airgram 93. Exceptions are as follows:

4. - 17

140 x 4012.75-20

15 x 45

165 x 400

"2. It is stated by Pirelli that when they know AC's exact requirements for moulds and curing bags it may be possible for them to provide certain sizes from their stock and they will make enquiries from their usual suppliers for remaining sizes. "

- - - - - - - - - - - -

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

cc: Executive Commissioner
CC Files

1184

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

JAQ/dfe

CC 4045

28 March 1945

My dear Mr. Ambassador:

I am directed by the Chief Commissioner to thank you for your letter of 27 March enclosing an additional telegram from Colonel Green in connection with the activation of Italian rubber plants.

Sincerely yours,

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

The Honorable Alexander Kirk
American Ambassador
119 Via Vittorio Veneto
Rome

1185

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

Rome, Italy.
March 27, 1945.

147

Dear Ellery:

With reference to my letter of March 23, 1945, I am enclosing a copy of an additional telegram received from Colonel G. A. Green on the subject of the activation of Italian rubber plants.

Sincerely yours,

A. Kuhn

Enclosure:
As stated.

Admiral Ellery W. Stone,
Chief Commissioner,
Allied Commission,
R o m e.

S.A. 151

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1186

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

PARAPHRASE OF TELEGRAM RECEIVED FROM

COL. G.A. GREEN

DATED MARCH 23, 1945.

1. With certain exceptions Pirelli here possesses drawings for all tire sizes listed in paragraphs 9 and 10 of LAC airgram 93. Exceptions are as follows:

4. - 17

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15 x 45

165 x 400

2. It is stated by Pirelli that when they know AC's exact requirements for moulds and curing bags it may be possible for them to provide certain sizes from their stock and they will make enquiries from their usual suppliers for remaining sizes.

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150

1187

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

MAR 27 RECD

Tel. 599 RBB/fl.

Ref. AC/5603/IND 26 March 1945

SUBJECT : Rubber Industry (Pirelli).-

TO : Chief Commissioner HQ., AC.
(Attn.: Maj. Quayle).

FROM : Industry Sub-Commission,
Tire Division

1. Ref. memo, 24 March 45, same subject.

2. All efforts of the Allied Commission have been toward rapid reconstruction of the rubber industry. The status of the Pirelli Tire Co. at Tivoli is as follows:

a).- Reconstruction began in November 44, at which time raw material was requisitioned.

b).- Arrangements were made with REME for the release of certain items of machinery (including 2 extruders) requisitioned and removed from the Tire Factory. Tire production from material stocks on hand could have begun 15 January 45, had REME fulfilled their agreement. It was then necessary to have drawings made of the extruder heads to facilitate local construction or supply in kind from England or America. With the latter Col. Green has offered assistance and has located the necessary machines in England.

c).- Having in mind his experience in France with a similar situation, Col. Green advised a test production using American Synthetic Rubber. This was agreed to and a requisition (AC-ORD-146-45, 10 March 1945) was submitted for the material and the machinery. AFHQ, G-5 Section, advises that the requisition has been forwarded to England. Col. Green also suggested securing the services of a technician from the Pirelli Co. in England to supervise the test production. This was also agreed to by AC and Pirelli (Italy and England). It is the opinion of this Sub-Commission that the services of

1188

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

this technician (Barker) are required only for the period of compounding raw materials, therefore, he should not arrive until a few days after the machinery and raw material. However the Sub-Commission will conceed to the wishes of Col. Green by requesting Barker's services immediately. The Pirelli (Italy) Staff know Barker and are confident that his services are necessary only for advice in compounding with American Synthetic Rubber.

d).- Raw material to supplement stocks on hand for full production has not arrived although it was due the 1st of March.

e).- The Pirelli (Italy) Factory capacity will be 200 tires and tubes of limited sizes per day. Construction is under way to increase this to 600 per day. The latter program will require the securing of machinery from the main Pirelli Factory at Milano upon its liberation.

f).- Complete reconstruction of the Pirelli Factory in Tivoli will be finished in May, 1945.

Richard B. Bugbee
Capt., Inf.
for W.S. VAUGHAN
Director,
Industry Sub-Commission

403

149a

1189

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

JAQ/hjp

24 March 1945

(147) (148)

TO: Economic Section, Hq A.C.
(Attention: Mr. H. Cleveland)

1. I forward herewith copy of a telegram received at the American Embassy from Colonel Green.

2. I am directed by the Chief Commissioner to request that you forward to this office by Monday the 26th a brief statement showing how far this rubber proposal has gone and what exactly is the position which the Allied Commisaion has taken that is holding matters up.

/s/ J. A. Quayle

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

cc: Exec. Comm'r.
CC files

See 149a
See 150

40

B/U Mandamus

149

Q

1190

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

JAQ/hjp

CC #045

24 March 1945

My dear Mr. Ambassador:

I am directed by the Chief Commissioner to thank you for your letter of 23 March enclosing a telegram from Colonel Green in connection with the activation of Italian rubber plants.

Sincerely yours,

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

The Honorable Alexander Kirk
American Ambassador
119 Via Vittorio Veneto
Rome

1911

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

MAR 24 1945

Rome, Italy
March 23, 1945.

Dear Ellery:

With reference to my letter of March 17, 1945, I am enclosing a copy of an additional telegram received from Colonel G. A. Green on the subject of the activation of Italian rubber plants.

Sincerely yours,

Allen K.

Enclosure:
As stated.

(44)
(148)

Admiral Ellery W. Stone,
Chief Commissioner,
Allied Commission,
R o m e.

40

cc: Economic Sec.
Exec. Commr.
CC files

(147)

1 1 9 2

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

TELEGRAM RECEIVED FROM COL. G.A. GREEN

DATED March 20, 1945.

Have seen cable FX44544 dated March 16 from AFHQ to War Office. Position taken by AFHQ is that Barker's presence is unnecessary until equipment which has been requisitioned has arrived. Am convinced Barker's services are needed now, otherwise there will be long and unnecessary delays. Pirelli here are in a position to give valuable aid to AC and immediately Barker can state in specific terms what is needed. AC will automatically acquire backing of both Ministry of Production and War Office. This will minimize red tape if AC adhere to position outlined in their cable.

There is nothing further that I can do and matters will have to take their course.

467

* * * * * * * * * * * *

147

1193

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

ADQUARTERS ALLIED COMMISS
APO 394
Economic Section

TEL : Ext.

WHB/rmw

REF : ASC/9.0

21 March 1945

SUBJECT: Italian Joint Advisory Regional Committees on Industrial and Economic Questions.

TO : [illegible] Executive Commissioner

1. It is recommended that Joint Advisory Committees on Industrial and Economic Questions, comprising representatives of the Italian Government, Italian industry and Italian workers, be attached to each Regional Commissioner in AMG territory for the purpose of advising on industrial and economic questions.

2. It is understood that the Italian Government, the Italian Confederation of Industry, representing employers, and the CGIL, representing Italian workers, will be prepared to nominate representatives and will be anxious to cooperate in an advisory and consultative capacity. It is recognized that such Committees should at the earliest possible moment, or in due course, include adequate representation of Northern interests.

3. The functions proposed for the Joint Advisory Regional Committees would be:

(a) To identify, at the earliest possible moment, industrial establishment which should be safeguarded from requisition or deterioration;

(b) Similarly, to identify industrial establishments which should be reactivated at the earliest possible moment in the general interests and to prevent unemployment;

(c) To advise upon proposed wage changes reaching the Regional Commissioners from negotiating bodies forwarded through Ufficio del Lavoro with the comments and recommendations of the latter.

(d) To consider and advise upon matters leading to industrial unrest and, where necessary, to take a personal part in the negotiations upon such matters.

4

146a

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1194

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

(e) Generally to advise on questions that may be referred regarding the establishment, staffing and operation of Government offices dealing with labor, such as the Ufficio del Lavoro.

4. The ultimate responsibility of Regional Commissioners in their respective Regions, and of AMG/AC at Headquarters level would not be minimized by the appointments of these Committees, whose functions would be purely advisory and consultative. At the same time the nominating interests would be expected to abide by the advice given by the representatives, since the observance of such advice by Regional Commissioners would imply some degree of responsibility of the parties concerned for the resultant action.

5. If this proposal is accepted detailed instructions will be prepared and the necessary approaches made to the suggested nominating bodies.

A. G. ANTOLINI
Acting Vice President
Economic Section

391

14 Iea

1195

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

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

CC 746
MAR 21 RECD

AC/4183/L.

20 March 1945

SUBJECT: Appointment of Receivers in AMG Territory.

TO: Chief Commissioner.

145

1. As directed by the Executive Commissioner at his Staff Meeting this morning there is submitted for your perusal a letter, reference AC/4183/L. dated 17 Mar 45, which has been addressed to the Regional Commissioners of the Northern Regions.

2. I understand that you propose to discuss this at your next meeting on 22 Mar 45.

R. R. Cripps

R. R. CRIPPS, Col.
CSO CA SECTION.

for V.P. CMS.

AC/4183/L

394

146

556

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

AC/4183/L.

17 March 1945. /pe.

SUBJECT : Appointment of Receivers in AMG Territory.

TO : Regional Commissioners, Piemonte, Liguria, Lombardia and Venezia Regions.

1. On reaching Northern Italy situations may be found which necessitate the appointment of Receivers (Commissari) to manage and carry on the business of important industrial concerns. For example, it may be found that :

a. The managers or owners of the concern are absent so that the concern can no longer be operated with reasonable efficiency ;

b. The concern has ceased to carry on important work, which it is considered should be continued;

c. The management of the concern is untrustworthy on political grounds.

These examples are not intended to be exhaustive.

It is pointed out, however, that a Receiver should only be appointed where absolutely necessary and that no appointment should be made where sufficient reliable and efficient personnel of adequate calibre remain and are willing to carry on the operation of the concern.

2. Where it is necessary, however, to appoint a Receiver it is important to ensure uniformity in the method of appointment in order to avoid discrepancies in the tenures and authorities conferred upon different Receivers and to facilitate the subsequent transfer of control either to a Receiver appointed by the Italian Government or to the old or new owners or managers. The attached form of Regional Order appointing a Receiver and no other will therefore be used. The Order is a Regional Order but control and supervision thereunder may be delegated to Provincial Commissioners. In the case of concerns extending over more than one province, it is suggested that control and supervision be vested in the Provincial Commissioner in whose province the head office of the concern is situated.

39

3. The order is, and is expressed to be, a temporary appointment; the authority of the Receiver thereunder will, at latest, expire on the termination of military

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

c. The management of the concern is untrustworthy on political grounds.

These examples are not intended to be exhaustive.

It is pointed out, however, that a Receiver should only be appointed where absolutely necessary and that no appointment should be made where sufficient reliable and efficient personnel of adequate calibre remain and are willing to carry on the operation of the concern.

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3. The order is, and is expressed to be, a temporary appointment; the authority of the Receiver thereunder will, at latest, expire on the termination of military government and may expire earlier, either (a) because it has proved possible to restore the concern to its own control under a new or strengthened management, or (b) by the appointment of a Receiver in accordance with Italian Law, this appointment being made by the Italian Government and implemented by AMG. Such appointment may either confirm the person appointed by the original order or may nominate some other person selected by the Italian Government in agreement with this Headquarters and the Regional Commissioner concerned.

4. In order that this Headquarters may maintain the necessary liaison with the Italian Government in the appointment of Receivers, Regional Commissioners will submit monthly on the 1st of each month a list of all concerns to which Receivers have been appointed in their Region, together with the names of the Receivers appointed.

By command of Rear Admiral STONE :

G. R. UPJOHN, Brig.
VP CA Sec, HQ AC.

Scale: 4 for Regional Hq and
2 for Provinces.

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

REGIONAL ORDER

WHEREAS it is necessary that a Receiver should be appointed for the ..... whose head office is situated at ..... in the Province of .....

NOW THEREFORE I, ... Regional Commissioner ..... Region , hereby order as follows :

ARTICLE 1

..... (name of Receiver) ..... is hereby temporarily appointed Receiver of ..... (name of Company) whose head office id situated at ..... in the Province of .....

ARTICLE 2

The powers of the Receiver shall be as follows :-

a. The Receiver shall have full power to act for and manage the business and shall have power to exercise all normal administrative functions :

b. The acts of the Receiver shall be subject to the supervision of the Provincial Commissioner;

c. The Receiver shall not, except with the written consent of the Provincial Commissioner on his being satisfied as to the necessity therefor, do any act outside the normal scope of management.

d. The provisions of Art. 2636 et seq. of the Italian Civil Code shall apply to the Receiver.

ARTICLE 3

The Receiver shall take possession of the assets of the business and an inventory thereof shall be made in the presence of the owner or owners of the business or his or their representatives.

If the owner or owners of the business or his or their representatives shall not attend for that purpose, the inventory shall be made by a notary in the presence of two witnesses.

ARTICLE 4

... shall comply with all written instructions issued to him by or ... His salary shall be fixed by the

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

The powers of the Receiver shall be as follows :-

a. The Receiver shall have full power to act for and manage the business and shall have power to exercise all normal administrative functions ;

b. The acts of the Receiver shall be subject to the supervision of the Provincial Commissioner;

c. The Receiver shall not, except with the written consent of the Provincial Commissioner on his being satisfied as to the necessity therefor, do any act outside the normal scope of management.

d. The provisions of Art. 2636 et seq. of the Italian Civil Code shall apply to the Receiver.

ARTICLE 3

The Receiver shall take possession of the assets of the business and an inventory thereof shall be made in the presence of the owner or owners of the business or his or their representatives.

If the owner or owners of the business or his or their representatives shall not attend for that purpose, the inventory shall be made by a notary in the presence of two witnesses.

ARTICLE 4

The Receiver shall comply with all written instructions issued to him by or on behalf of the Allied Military Government. His salary shall be fixed by the Allied Military Government.

ARTICLE 5

The Receiver shall remain in office until further AMG order or until another Receiver is lawfully appointed.

ARTICLE 6

Any person in control or possession of any property of the concern or of any information relating to the affairs thereof shall :

a. forthwith make written disclosure to the Receiver of such control or possession or of such information and

b. not part with, destroy, or otherwise deal with the said property or disclose the said information without the prior consent of the Receiver.

ARTICLE 7

Any person who violates any of the provisions of this Order shall, upon conviction by an Allied Military Court, be liable to imprisonment or fine, or both , with or without other lawful punishment, as the Court may determine.

ARTICLE 8

This Order shall be effective on, from and after .....
.....

(signed)

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

1200

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

JAQ/dfe

CC 4045 17 March 1945

My dear Mr. Ambassador:

I am directed by the Chief Commissioner to thank you for your letter of 16 March enclosing two additional telegrams from Colonel Green in connection with the activation of Italian rubber plants.

Sincerely yours,

/s/ J. A. Quayle

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

The Honorable Alexander Kirk
American Ambassador
119 Via Vittorio Veneto
Rome

39

1201

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

CC

Ref: 5009/30/20.

17 March 1945

My dear Mr. Prime Minister:

(131)

I have to acknowledge receipt of your letter n. 193 of 6 March 1945 enclosing a memorandum on the alleged impending Allied air attack on the industrial centres of the North of Italy.

I think if you will review the message sent by the Commanding General of the 15th Army Group you will appreciate that the object of the air attacks anticipated are to destroy German troops in Italy and hasten the day of liberation of the rest of the country. There is no intention in the prosecution of this military objective of causing more damage to industrial centres than is absolutely necessary and the fact that the Commanding General has issued a message to the population gives proof of his regard for the lives and morale of the people themselves.

Yours very truly,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner.

His Excellency Ivanoe Bonomi,
President of the Council of Ministers,
Italian Government,
ROME

35

Copy to : DCCAO, G-5 Sec, 15th Army Group.
EX. COMM'R
CC FILES

(143)

4045/1

1202

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

JAQ/dfe

CC 4045 17 March 1945

Subject: Activation of Italian Rubber Plants

To: Mr. Antolini, A/Vice President, Economic Section

133 137

Reference my two memoranda, file CC 4045, of 8 and 9 March addressed to General McKinley and enclosing telegrams from Colonel G. A. Green to the American Ambassador, I am directed by the Chief Commissioner to send you the attached additional communications on the same subject.

/s/ J. A. Quayle
J. A. QUAYLE
Major, R. A.
Staff Officer to CC

1 Incl - Ltr of 16 Mar 45
from Ambassador Kirk with
paraphrases of telegrams from
Colonel G. A. Green.

cc: Executive Commissioner
CC Files

Sec 144

39

142

1203

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

MAR 17 RECD

Rome, Italy.
March 16, 1945.

Dear Ellery:

With reference to my letters of March 6 and March 8, 1945, transmitting paraphrases of telegrams from Colonel G. A. Green in connection with the activation of Italian rubber plants, I have now received two additional telegrams on the subject, paraphrases of which are herewith enclosed.

Sincerely yours,

A. Kirk.

Enclosures:
As stated.

Admiral Ellery W. Stone,
Chief Commissioner,
Allied Commission,
R o m e.

1204

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

MAR 17 RECD

PARAPHRASE OF TELEGRAM RECEIVED

FROM COL. G. A. GREEN.

With reference to our previous telegrams:

1) In case Allied Commission are interested Pirelli four and one half inch extruder can be shipped less motor which is a 10-15 HP variable speed unit. Can a motor be obtained by AC locelly? If not, please cable particulars concerning current so that we can investigate possibility of obtaining a motor either here or in U.S. No die plates will be sent with our and one half inch extruder, since is primarily for tube manufacture.

2) With minor changes Pirelli six inch die head attached to extruder now at Tivoli. It can be shipped with twelve die plates. Additional die plates can be made by Pirelli.

Message received just this way by the Embassy!

3) No request has been received from AC to dete by War Office for services of a technician, consequently nothing further can be done from this end. However, War Office have cabled AC that they would be willing to send a technician if requested to do so.

4) The considered opinion of Ministry of Production is that Barker should visit Italy at earliest possible date and that no plant or raw materials should go forwerd until Barker has had an opportunity to do this. On Barker's arrival, details can be developed enabling requisitions to be written for materials and machinery.

5) There is nothing as yet to report concerning possibility of obtaining four inch and eight inch extruders from United States.

39

March 13, 1945.

141 NCL

1205

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

MAR 17 1945

PARAPHRASE OF TELEGRAM RECEIVED

FROM COL. G. A. GREEN.

1) There is currently no four-inch extruder production in either U.S. or U.K. and while it would not be impossible to have a four-inch extruder made, it would seem better to accept Tivoli's offer of their four and one-half inch extruder.

2) The indications are at present that U.K. would require eight months to produce an eight-inch extruder. WPB have advised that, provided high priority is justified, they can produce an eight-inch extruder in five or six months after order is placed and that earlier delivery would require diversion from current orders.

3) It is my suggestion that AC either immediately requisition an eight-inch extruder from the U.S. complete with electric motor drive or await Barker's arrival for a full discussion of their facilities, program etc.

March 13, 1945.

* * * * * * * * * * * * * * *

3[illegible]

141

INCL

1206

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

Tel. [illegible]

Ref. 5008/36/SC

12 March 1945

SUBJECT: Solway Works at Rosignano.

TO : A/N.P., Economic Section.

1. A letter dated 11 Mar 45 from the Assistant Chief of Staff, G-4, MAFBUSA to the Chief Commissioner is attached herewith.

2. It summarizes the present situation regarding the reactivation of this plant and points out that the re-opening of this plant represents a major experiment in the combination of military and civilian interests and requirements.

3. Your attention is drawn to para 5 b. for appropriate action at the earliest possible date.

A Chief Staff Officer,
To Executive Commissioner.

Incl.

38

140

1207

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

Chief Commissioner

HEADQUARTERS ALLIED COMMISSION
APO 394
INDUSTRY SUB-COMMISSION

WJL/ggp

Tel.323

13 March 1945

Ref. AC/5550/IND

SUBJECT : De-requisitioning of Industrial Plants - Prevention of Requisitioning

TO : All Regional Commissioners
Directors of all Sub-Commissions
Industrial Co-ordination Committee, A.F.H.Q.,
R.A.A.C., C.M.F.

137a

1. Attached is copy in duplicate of Administrative Memorandum No.14, dated 7 March 1945, by A.F.H.Q. on authority of the Supreme Commander, Mediterranean Theatre of Operations.

2. This Memorandum is of the utmost importance to Allied Commission in its efforts to preserve as large a part of the approved industrial potential of Italy as is possible. Careful study of the Memorandum is therefore requested. Appropriate action should be taken on the lines of the Memorandum wherever judged necessary.

By command of Rear Admiral STONE:

W.S. Vaughan.
W.S. VAUGHAN,
Director,
Industry Sub-Commission.

Copy to:-
File 5615

1 Incl.:-
Copy Adm.Memo.No.14,
in duplicate.

38

139

Q

1/5/47

1208

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

RESTRICTED.

MAR 12 RECD

D/4314
MAR 120940A
IMPORTANT

PAT 37
MAR 111200A

75523 (CA 16) FROM TROOPERS
ACTION: HQ ECOM INFO: FREEDOM WASHINGTON FOR OCAC

RESTRICTED

Col GREEN USAF now in LONDON has raised question of visit of technical expert to investigate PIRELLI plant at TIVOLI ROME Province and to advise on materials for restarting production. Expert is Mister BAKER of PIRELLI Lt. Request confirmation you agree he makes short visit and allot air priority for passage if required.

Dist

Action - Econ Sec (5)
Info - A/President
Chief Commissioner
File

3817

138

RESTRICTED

1209

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

JAQ/dfe

CC 4045

9 March 1945

(134) (35)

General McKinley:

Further to my CC 4045 of 8 March 45, I attach an additional communication from Colonel Green received through the American Ambassador.

/s/ J. A. Quayle

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

Incl: Ltr 8 Mar 45 from Mr. Kirk, with attached paraphrase of telegram from Col. Green

cc: Executive Commissioner
Chief Commissioner Files

(134)
See (141)

3E

(137)

1210

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

JAQ/dfe

CC 4045

9 March 1945

My dear Mr. Ambassador:

In Admiral Stone's absence, I wish to thank you for your letter of 8 March 1945 enclosing an additional telegram from Colonel Green on the subject of reactivation of Italian rubber plants.

Yours very truly,

/s/ J. A. Quayle

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

The Hon. Alexander Kirk
American Ambassador
119 Via Vittorio Veneto
Rome

cc: Executive Commissioner
CC Files

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

MAR 9 RECD

Rome, Italy.
March 8, 1945.

Dear Ellery:

With reference to my letter of March 6, 1945 transmitting a paraphrase of a telegram from Col. G. A. Green in connection with the activation of Italian rubber plants, I now enclose an additional telegram which I have just received from him on the same subject.

Yours sincerely,

Alw. K.

Enclosure:
As stated.

Admiral Ellery W. Stone,
Chief Commissioner,
Allied Commission,
R o m e.

1212

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

MAR 9 RECD

PARAPHRASE OF TELEGRAM RECEIVED

FROM COL. G.A. GREEN.

Today the following points were developed as a result of second conference with Ministry of Production over which Mr. Harden presided:

1) For a limited period Pirelli are prepared to loan to AC, Mr. Barker, their departmental manager in charge of processing who appears to be thoroughly qualified to advise on all technical issues and who has had 16 years experience with Pirelli.

2) For extrusion of both synthetic and natural rubber, similar tread die plates are not suitable. For every width of tread a different design is required.

3) It is believed by Pirelli that a six inch die head which they have can be attached to extruder now at Tivoli plant. They are checking this against AC's drawings. If its adaptation is feasible they are prepared to ship the head with a number of tread die plates suitable for extruding synthetic rubber.

4) Pirelli are prepared to ship a four and a half inch extruder which they have complete less motor, with a number of tread die plates suitable for synthetic rubber.

It will be difficult to obtain certain material shown on AC's list. Other specifications may be equally satisfactory.

Most practical approach, in our opinion, is for AC to ask for Barker's services in line with paragraph two, our previous cable. Evidence indicates that War Office will agree this. There are a number of detailed points on which determinations must be reached and sooner Barker is available the better.

Barker could advise on material specifications, assist in preliminary arrangements for manufacture of sample tires, assist in manufacture or procurement of necessary die tread plates, etc.

March 6, 1945.

(35) INCL

1213

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

JAQ/dfe

CC 4045

8 March 1945

132

My dear Mr. Ambassador:

I am directed by Admiral Stone to thank you for your letter of March 6 with its inclosure concerning the production of synthetic tires in Italy.

Yours very truly,

/s/ J. A. Quayle

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

133

See

The Hon. Alexander Kirk
American Ambassador
119 Via Vittorio Veneto
Rome

cc: Executive Commissioner
Chief Commissioner Files

38

134

1214

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

JAQ/dfe

CC 4045

8 March 1945

General McKinley:

I am directed to pass to you for action the attached paraphrase of a telegram received from Colonel Green in London. It has been forwarded to the Admiral by the American Ambassador.

/s/ J. A. Quayle

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

Incl.

cc: Executive Commissioner
Chief Commissioner Files

38

(132) (134) (133)

1215

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

MAR 9 RECD
DCK/er

SO To CHIEF COMMISSIONER

RESTRICTED

ALLIED FORCE HEADQUARTERS
APO 512

ADMINISTRATIVE MEMORANDUM)
:
NUMBER 14) 7 March 1945

USE OF COMMERCIAL FACILITIES FOR CIVIL REQUIREMENTS

1. It is the responsibility of the Supreme Allied Commander to provide for the civil population of liberated territory that which is necessary to prevent disease and unrest. It is his policy to make the maximum use of local resources in providing for the essential civilian requirements.

2. The duty of all ranks of the Armed Forces in the discharge of the Supreme Allied Commander's responsibility to the civil population should be constantly present in their minds. All ranks must, even in the stress of active operations, remind themselves that wherever it is possible to achieve a military object by a choice of means otherwise equal, the method which damages least the essential needs of the civil economy is the method to be preferred and adopted. Care must be taken by the responsible commander that, except in definite emergencies, he neither occupies a premise that is essential to the civil economy nor dismantles, nor removes by purchase or requisition, the equipment therein. Except to prevent combat damage or destruction, or to meet the immediate operational needs, raw materials essential to civil economy will not be purchased, requisitioned or removed except by the procedures set forth in Section III, AFHQ Administrative Memorandum Number 22, 1944.

3. a. In the detailed planning for the occupation of an area, the military authority responsible for such planning, and the Allied Commission, will consult as to the anticipated military and civil requirements in that area affecting local resources. The military authority will elaborate his plan so far as practicable to include any proposals agreed as the result of such consultation. Any such agreement must of necessity be tentative and adjustments made dependent upon the physical condition of the area when occupied and upon the military situation. So far as practicable the agreement should include definite facilities reserved by the military and definite facilities reserved for essential civil requirements. Facilities not so defined will not initially be reserved for either military or civil exploitation but are subject to further agreement as the need is recognized.

b. In sections of the country for which no definite military operational plan is considered necessary, instructions defining military requirements and those civil commitments for which the military assume responsibility will be issued by the military authority responsible for planning for the area as a whole, if so desired by Allied Commission.

c. In the case of property to be so used by the military which Allied Commission has stated to be essential to the civil economy, the probable course of development in the military and the estimated period of occupancy will be stated in the plan.

d. In the immediate execution of operational plans the decision of the Army or equivalent commander in operational command will govern. However, when

RESTRICTED

1216

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

AFHQ Adm Memo # 14 (cont'd)

Allied Commission is of the opinion that the use of the facility during military tenancy will cause undue harm to the civil economy, and local agreement cannot be reached, Allied Commission may, without interrupting the operational plan or its immediate execution, inform the Army or equivalent commander that an appeal will be made, and submit such an appeal as indicated in paragraph 4 below.

c. In the further execution of a plan in Army or equivalent areas, or in routine functioning within or without Army areas, in the event there is a conflict between military interests and an interest which Allied Commission considers essential to the civil economy with respect to:

(1) The equitable allocation of factories, warehouses, and other commercial and industrial facilities including mines and space, and

(2) The control of their use and operation, the procedures set forth in paragraph 4 will be followed.

4. a. The Allied Commission may present its case and recommend action to the responsible Area, District, Base Section or Army Commander, or other responsible military authority, whether urgent operational need has been advanced by the military authority or not. Allied Commission will accompany their case with a complete and factual justification.

b. The responsible military authority to which the case is referred will examine the case and every effort will be made to reach a solution satisfactory to Allied Commission and the military commander. In the event a satisfactory solution cannot be found, the military commander will return the request to Allied Commission with a written statement as to the extent to which he can meet Allied Commission's desires and as to the conditions which he cannot accept.

c. Allied Commission then may submit the matter to an investigating sub-committee appointed by the Industrial Co-ordination Committee of the Allied Force Local Resources (Italian) Board, through AFLRB. The investigating sub-committee will investigate the case in detail and attempt to find some solution agreeable to the parties concerned.

d. If no such solution can be found, the sub-committee will submit the case to the ICC (Industrial Co-ordination Committee) with recommendations.

e. The ICC will then adjudicate and make its award. If no protest is received by AFLRB from an interested party within 48 hours after the award, such award will become effective. In the event of a protest, the matter will be referred to the AFLR(I) Board, the decisions of which will be binding upon all parties.

5. a. Except in the immediate execution of operational plans as stated in paragraph 3d above, the military will not exercise initial control of a facility concerning which Allied Commission has initiated a request for adjudication, until definite action has been taken in accordance with these instructions.

1217

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

AFHQ Adm Memo #14 (cont'd)

b. When a plant, mine or other commercial facility has been de-requisitioned to permit of its producing materials or services essential to civil economy, all machinery, fixtures, equipment and plant essential to such production, except that which may have been installed by the using Service, shall be exempt from subsequent requisition unless the facility itself is again requisitioned. Surplus materials, as declared under the provisions of Section III, AFHQ Administrative Memorandum Number 16, 1944, are subject to allocation as set forth in that memorandum.

c. Plants, mines or other commercial facilities which may be declared not subject to requisition or which have been de-requisitioned under the provisions of this memorandum will be adequately posted by the local district, base section, or army commander, or other responsible military commander, to prevent unauthorized entry or removal of protected equipment, fixtures, machinery and materials.

d. When considering matters of requisitioning and de-requisitioning, military authorities will show special leniency with respect to facilities of the monopoly industries of the Italian Government such as those engaged in the manufacture of matches, the processing of tobacco and the extraction of salt. These are of special importance in providing essential revenue to the Italian Government.

BY COMMAND OF FIELD MARSHAL ALEXANDER:

C. W. CHRISTENBERRY
Colonel, AGD
Adjutant General

DISTRIBUTION:
C

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1218

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

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, March 6, 1945.

PERSONAL

1280

Dear Ellery,

In continuation of my letter of February 25th regarding the development of the synthetic rubber industry in Italy, I hasten to send you herewith for such action as you may consider appropriate a copy of a paraphrase of a message on the matter which I have received from Colonel Green in London.

Yours sincerely,

Alexander Kirk.

Enclosure as stated.

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

Major Q — Please
Send to Embassy for action
5 —

132

1219

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

PARAPHRASE OF TELEGRAM RECEIVED

FROM COL. G.A. GREEN.

With regard to Italian tire production:

1. There are indications that all materials required for experimental tires can be obtained from U.K. but further specification information may be necessary. Am investigating this.

2. United Kingdom technicians are available. Expect to interview a highly recommended Pirelli technician among others. Meanwhile suggest that AC contact AFHQ Caserta and that they cable Troopers GEM-MEG series requesting that a competent technician be immediately despatched from U.K. to assist in production of tires in Italy using U.S. synthetic etc.

3. There is no specific information yet concerning manufacture of Extruder head in U.K. Am advised that Extruder plate design while suitable for natural rubber may be unsuitable for U.S. synthetic. Am investigating this.

4. Have cabled U.S. concerning Extruder Wilds date. U.K. possibilities not good.

March 6, 1945

377

* * * * * * * * *

(132) JMCH

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

C. C.

637
MAR 7 RECD

Translat

The President of the Council of Ministers

n. 198

Rome, 6 March 1945

Dear Admiral,

I communicate to you the enclosed memorandum concerning the allied air attack against the industrial centres of North Italy which is shortly to take place, and I ask you to communicate it to the Allied Command.

I remain,

Truly yours,

B. I. Bonomi

143

Adm

Admiral Ellery W. Stone
Chief of the Allied Commission
Rome

EC List - 7 MAR 45

ACTION : Ex Comm R
INFO : Chief Comm R
Econ Sec

D.C.

375

131

Translation

22 February 1945

SUBJECT: Impending allied air attack on the Industrial Centres of North Italy. -

Memorandum

The Roman daily papers have published the entire message sent by General M.W. Clark, Commander of the 15th Army Group to the populations of North Italy on the 16th.

In this message, the populations are requested to with draw from the communication lines and from al industrial objectives against which the whole might of the allied air force is going to be directed to oppose with the greatest energy any attempt at retreat on the part of the Germans.

The effects of the announced air attack against the 'industrial objectives' would have little military interest either against the Germans or in favour of the Allies; on the other hand, it would inevitably cause a great damage to the country in the economic and political field, for the following reasons;

- if the air attack really aims at opposing a possible German retreat, it is quite useless to bomb the industrial objectives which have nothing to do whatever with the communication lines, except for the production of material for bridges, and rails.

We must nevertheless point out that these materials are not manufactured in accordance with the military requirements; there are always stocks of them and they can easily be obtained among the ruins of industrial plants (metal rafters on which cranes run, etc.); this has been proved by the Allied troops in their advance in South and Central Italy.

The destruction of the industrial plants would therefore materially and morally help the Germans to get the materials which they might think necessary to rehabilitate the interruptions;

- the industrial centres are all in the immediate neighbourhood of large towns, and this would mean a very large number of victims among the civilian population, the majority of which, in spite of the warning, cannot possibly leave; it is easy to imagine the repercussion on the psychology of the mass, on the eve of the end of the conflict;

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

jectives' would have little military interest either against the Germans or in favour of the Allies; on the other hand, it would inevitably cause a great damage to the country in the economic and political field, for the following reasons:

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- the industrial centres are all in the immediate neighbourhood of large towns, and this would mean a very large number of victims among the civilian population, the majority of which, in spite of the warning, cannot possibly leave; it is easy to imagine the repercussion on the psychology of the mass, on the eve of the end of the conflict;

- the destruction of the industrial plants would deprive Italy of a possibility, however small, of productive continuity, on which her chief hopes for the material reconstruction of the country are being founded. At present, the output of the industries of the North is about 20% of what it was before the war, and this, not only because of the lack of raw material, the decentralization, the lack of transports, but also because of the passive resistence of the managers and of the mass of the workers; therefore, if the present level of the output is not favourable for the Germans, it might be improved at the time of the liberation with all the advantages that this will bring to the national reconstruction;

- considering the very limited number of the communication lines between Italy and Germany, it is evident that in case of retreat, the German troops will not be able to transport easily their heavy armament, and can therefore not consider removing industrial material from Italy; they will therefore try to make what destructions they can.

(131)

For this reason, an air bombardment of the industrial plants would mean helping the nazis, who would find, by analogy, a justification for their work of devastation in the collaboration which would have been indirectly given

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

to them in the work of destruction.

- besides the purely military, humanitarian and economic reasons, the social problem must also be taken in consideration, i.e., the problem of giving work to the important working masses whose only means of existence is their work in the plants.

If these masses which amount to about 2,, million men, are forced to remain unemployed because of the destructionof the industrial plants (it is easy to foresee that for the majority of them, unemployment would last for a very long time, even if works of reconstruction were being made), they will fatally suffer from a progressive moral and physical degradation which will bring about serious trouble in the public order.

Such a situation would also have logical repercussions in the social and industrial situation of Central and South Italy;

- as in the past, German and fascist propaganda would make the most of the losses which the air bombardments would cause among the civilian population.

e.c.

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

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

regulation.

e.c.

31

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

CHIEF COMMISSIONER
COPY No 3

TOP SECRET

G-5/404
MAR 021530A

MAR 3 RECD
D/3966
MAR 030845A
ROUTINE

G-5 HQ 15 ARMY GROUP

ALCOM (PUBLIC WORKS AND UTILITIES S/C) ATTENTION LAUGHLIN

TOP SECRET.

Conversation STEWART-LAUGHLIN you agree submit by telegram today 7 or 8 hydro electric plants in NORTH ITALY for high priority preservation. To be submitted in order of priority. This to be first selection vital plants. Second selection later when called for.

DIST

Copy No 1 ACTION: P. Works
" " 2 INFO: A/President
" " 3 Chief Commissioner
" " 4 Executive Commissioner
" " 5 File
" " 6 Econ Sec

37

130a

Confidential

1226

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

JAQ/hjp

1 March 1945

SUBJECT: Report of Industrial Production in the Fifth Army Area, Italy.

TO : Brigadier General Edgar Erskine Hume, GSC, Hq AAG 5th Army, APO 464

I am instructed by the Chief Commissioner to thank you for your courtesy in forwarding to him the Report of Industrial Production in the Fifth Army Area, Italy.

1 Vol

/s/ J. A. Quayle

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

cc: Exec Comm (with report)

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

28 February 1945

1281

My dear Mr. Ambassador:

Owing to his sibkness, the Chief Commissioner has asked me to thank you for your courtesy in forwarding to him Mr. Green's letter of February 23rd. He wishes you to know that, as a matter of fact, he had already discussed this matter with Mr. Green before the latter's departure.

Very truly yours,

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

The Hon. Alexander Kirk
American Ambassador
119 Via Vittorio Veneto
Rome, Italy

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1 2 7

7/15/45

1228

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

Dear Ellery:

I thought that this letter of Col. Green's might interest you. I am sure that you understand that Green's study is entirely informal and was prompted by his interest in the continuation of his investigation of fire production in Belgium and France.

Sincerely yours

R. Stark.

Feb 25.

1934

which, as a matter of fact, he had discussed with Mr. Tien before his departure.

1229

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

Rome, February 23, 1945

Dear Mr. Ambassador:

As a result of writer's visits to the Via Assisi, Torrespaccata and Tivoli rubber plants on February 15 and 19, writer recommends that the Embassy extend their support in every way possible to any and all of the Allied Commission's requirements which are likely to expedite Italian rubber reclamation, production of new tires and tubes, repair of used tires and tubes and the manufacture of mechanical rubber goods. This includes the procurement of machinery, tools, materials, molds, etc.

Italian tire manufacture and repairs is a vital issue, for transportation by either road or rail is far behind Italian needs and no matter what action is taken to augment the supply of Italian locomotives and rolling stock, effective relief cannot be hoped for at a reasonably early date, consequently for a long time to come Italian transportation must depend largely upon road wheeled vehicles.

When considering the question of increased road wheeled vehicle production either in the U.S. or U.K., it must be realized that one of the most serious, if not the most serious, bottlenecks is tires, this condition is due largely to lack of suitable labor. Suitable Italian labor is available for tire manufacture and there are local facilities which should be employed to the maximum extent. To achieve this the following steps, among others, are necessary:

1. The supply of one or more technicians from either U.S. or U.K. to educate Italian personnel on the use of U.S. synthetics, etc.

2. Immediate

The Honorable

Alexander C. Kirk,

American Ambassador,

Rome.

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

2. Immediate manufacture and test of tires made from U. S. synthetics, etc.

3. Provision of sufficient U.S. synthetics, etc., to enable the manufacture and test of experimental tires. Writer believes this material could be furnished from the U.K., which should result in a saving of time. Action should be taken regardless of expected deliveries of synthetics, etc., from the U.S. for quantity tire production. It is anticipated that an unofficial list of the required materials will be available on February 24.

4. Provision of one each 4-inch and 8-inch extruders for the Tivoli plant. We have cabled the American Embassy in London regarding the possibility of securing these two machines in the U.K.

5. Manufacture of a 6-inch head for the extruder now located at the Tivoli plant. It is anticipated that a set of head drawings will be available February 24. Steps should be taken to manufacture a head locally. Additionally, steps should be taken to ascertain if it is possible to have the head manufactured more expeditiously in the U.K.

The points as outlined above have been discussed with:

Rear Admiral Ellery W. Stone, Chief Commissioner, AC.

Mr. Harlan Cleveland, Executive Director, Economic Section, AC.

Mr. William S. Vaughan, Director, Industry Subcommission, AC.

Captain Bullock, responsible for civilian tire and mechanical rubber goods production in the Via Assissi, Torrespaccatta and Tivoli factories.

Lt. Ridley, responsible for Army tire and tube repair, production of Army mechanical rubber goods, etc., in the Via Assissi plant.

Writer expects

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1231

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

Writer expects to return to the U.K. early next week. As soon as possible thereafter you will receive cabled advice as to whether:

U.K. technicians are available,
U.K. can provide U.S. synthetics, etc., for the manufacture of test tires,
One each 4-inch and 8-inch extruders are available in the U.K.
A 6-inch extruder head can be manufactured in the U.K.

It is suggested that when this information is received at your Embassy it be transmitted to AC for such action as they may see fit to take.

There is one other point. Writer was informed that there is only one set of molds available for the production of cycle tires. Production of these tires is urgently needed, and manufacture of additional molds, either here or elsewhere, is a matter of very great importance.

Faithfully yours,

G. A. Green

GAG:mbs

1280

24th February 1945

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

176

EXTRACT:

15. In addition to the programme of supplies for which the military assume responsibility for procurement (Category "A") the Allied Commission will assist the Italian Government in the preparation of programmes of supplies designed to rehabilitate Italian industry. Such programmes, referred to as Category "B" will be handled under procedures already notified. The purchasing of supplies in Category "B" programmes will be undertaken immediately without reference to the present difficult shipping position in order that the supplies so purchased may be called forward as and when shipping space becomes available.

16. The Allies desire that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of paragraphs 13, 14 and 15 above, and subject to the limitation in paragraph 19 below. The sole exception to

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

handled under procedures already notified. The purchasing of supplies in Category "B" programmes will be undertaken immediately without reference to the present difficult shipping position in order that the supplies so purchased may be called forward as and when shipping space becomes available.

16. The Allies desire that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of paragraphs 13, 14 and 15 above, and subject to the limitation in paragraph 19 below. The sole exception to this principle is to be made in the case of industries involving the production or repair of munitions or other implements of war, which will be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the Allied military effort in other theatres. The priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

307

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

1234

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

HC:mew

FEB 21 1945

Ref: ES/19.03

My dear Mr. Prime Minister:

Some weeks ago I attended a part of one of the weekly meetings held between the Inter-ministerial Committee for Reconstruction, under the chairmanship of Minister Ruini, and the Economic Section of the Allied Commission. At this meeting there was a brief discussion of the policy to be followed with respect to the cannibalization of industrial plant and facilities.

Since that time our staff has been giving further thought to this question, and has drafted the attached notes on industrial cannibalization.

I believe that these notes afford an excellent basis for discussion of the policy to be adopted by the Italian Government in this important field.

I would be interested to know your reaction to this draft.

Yours very truly,

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

Encl.
Draft Memorandum dated 17 Feb 45 "Policy on Industrial Cannibelization"

Distribution:
COS Files (2)
Econ Sec Files (2)
Industry S/C ES (1)
Ex Dir ES (1)

128

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 12.03/ES

17 Feb 45

POLICY ON INDUSTRIAL CANNIBALIZATION

1. There have been a number of examples of cases in which the interest of the war effort and/or the Italian economy would be furthered by the cannibalization of industrial plant but such a step is opposed by the owners of the plant to be cannibalized, and it is understood that the Italian Government at present has no power to compel such action.

2. Recently, for example, the Industry Sub-Commission in helping to implement plans to transfer a complete and integrated caustic soda plant from a poison gas-factory at Cesano di Roma to a badly damaged caustic soda plant in Naples where production of this urgently needed commodity could be facilitated, asked the Ministry of Industry, Commerce, and Labor if the Ministry could arrange transfer of the property on amicable terms between the present owner and the proposed new ones. The Ministry reported that the present owner was not disposed to sell the plant equipment and that Italian law made no provision by which enforced transfer could be effected. Accordingly, a plant capable of producing two tons of caustic soda daily, urgently needed in soap manufacture and olive oil production, lies unused. This plant in its present location cannot and should not operate for a number of reasons. [illegible]

1235
Declassified E.O. 12356 Section 3.3/NND No. 785015

the Italian Government at present has no power to compel such action.

2. Recently, for example, the Industry Sub-Commission in helping to implement plans to transfer a complete and integrated caustic soda plant from a poison gas-factory at Cesano di Roma to a badly damaged caustic soda plant in Naples where production of this urgently needed commodity could be facilitated, asked the Ministry of Industry, Commerce, and Labor if the Ministry could arrange transfer of the property on amicable terms between the present owner and the proposed new ones. The Ministry reported that the present owner was not disposed to sell the plant equipment and that Italian law made no provision by which enforced transfer could be effected. Accordingly, a plant capable of producing two tons of caustic soda daily, urgently needed in soap manufacture and olive oil production, lies unused. This plant in its present location cannot and should not operate for a number of reasons. While it is clear that this plant and its resultant product is needed with the utmost urgency in the Naples area, there appears to be no machinery under Italian law to deal with the situation.

3. The above specific plant problem is presented only as an example to illustrate the problem. Obviously, numbers of further cases of this sort can be expected to confront the Italian Government as it proceeds with industrial re-habilitation. Many plants deemed essential to the Italian industrial economy will require equipment, raw materials, etc., that can only be supplied in the early stages by cannibalization of plant, equipment,

(128)

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

and material stocks of other plants, which are perhaps too badly damaged to operate or are located in areas where lack of electric power or other essential service makes operation impossible or undesirable. Often the plant to be cannibalized is owned by a competitor of the one which it is desired to re-activate and the owners of the former are unwilling to cooperate in the needed transfer.

4. This matter is of course one of policy. Only under the stress of war and great need have democratic countries taken direct governmental action to cannibalize factories for greater production. Even such action has necessarily been hedged about with a considerable number of restrictions, rights of appeal, and provisions for adequate compensation.

5. Up to a point, better results can probably be obtained through use of voluntary machinery -- that is, having an association of the manufacturers concerned make the decision as to whose plant will be cannibalized, and what financial arrangements will be made. The financial and competitive situation is so different in various manufacturing lines that it would seem impractical to try to impose any uniform procedure on all of them.

6. The following points might therefore serve as the basis for discussion as to the policy to be adopted by the Italian Government:

a) The policy adopted might be limited to the duration of

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

of war and great need have democratic countries taken direct governmental action to cannibalize factories for greater production. Even such action has necessarily been hedged about with a considerable number of restrictions, rights of appeal, and provisions for adequate compensation.

5. Up to a point, better results can probably be obtained through use of voluntary machinery -- that is, having an association of the manufacturers concerned make the decision as to whose plant will be cannibalized, and what financial arrangements will be made. The financial and competitive situation is so different in various manufacturing lines that it would seem impractical to try to impose any uniform procedure on all of them.

6. The following points might therefore serve as the basis for discussion as to the policy to be adopted by the Italian Government:

a) The policy adopted might be limited to the duration of the war and the immediate post-war emergency period (say, six months).

b) The Government might require associations of manufacturers to review the situation in their fields of activity and make appropriate arrangements for the cannibalization of plant and equipment.

c) Such arrangements might include the provision of adequate compensation to the owners of the plants so cannibalized (not including, for this purpose, compensation for damage caused by the war or German demolitions), and/or the participation by the owners of the plant and equipment to be cannibalized in the enterprise which will get the benefit of such action.

128

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

d) The Government might by decree reserve to itself the ultimate power to intervene directly in cases where it is demonstrated that adequate steps are not being taken to "rationalize" any particular industry. This power might appropriately be vested in a quasi-judicial administrative body within the Ministry of Industry, Commerce and Labor.

e) The decisions of the Government, through the machinery described in (d) could be subject to review by the courts. Every effort could be made to give people who believe they have been wronged an opportunity to appeal to the highest possible judicial authority.

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

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

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

5 Feb 45

Chief Commissioner--

1. I have received a call from Mr. Cohrssen of PWB who asks if you will grant an interview to Mr. Sacerdoti (President of the Expert Committee for the Reconstruction of Industry).

2. I have asked Col. Maskrey about this individual. Col. Maskrey speaks highly of him and has sent in the attached note.

3. Will you grant Mr. Sacerdoti an interview and if so, when?

J.A.Q.

13/2 Yes Wed PM J.A.Q.

1242

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

FEB 5 PEAT

CC 314

HEADQUARTERS ALLIED COMMISSION
APO 394
INDUSTRY SUB-COMMISSION WJM/ejc

Tel. 328 4 February 1945

Ref. AC/5676/IND

SUBJECT: Comitato Esperti per la Ricostruzione dell'Industria.

TO : Maj. J. T. Quayle (Personal Aide to Chief Commr.)

1. Confirming telephone conversation of 3 Feb. 45, Ing. Sacerdoti is Chairman of the above Committee, which is working closely with Industry S/C on the Italian Industrial Rehabilitation Programme.

2. Ing. Sacerdoti is a competent engineer of wide experience, whose cooperation is proving most valuable. He is believed to be entirely reliable.

for W. S. VAUGHAN
Director
Industry Sub-Commission.

1600 hrs Tracy confirmed

CC/

Sacerdoti
Oscar 480227 } office
42884
Home 850937

3574

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Done with

1243

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

Gen McRiley Rome

ING. CESARE SACERDOTI

1276
36

Via Porpora 12
Abitaz.: Telef. 850.937

ROMA
Uffici: Via Veneto 89 - 2 Piano
Telefoni 480227 - 42884

1244

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

ALLIED [redacted] COMMISSION

INTER-OFFICE MEMORANDUM

SUBJECT: Ltr 4 Feb 45, "Comitato Esperti per la Ricostruzione dell'Industria." FILE No.

TO : Chief Commissioner 13 March 1945

I am returning herewith the letter you gave me at the time of my reporting. I am sorry that I have held it so long.

E. B. McKINLEY
Brigadier General, U.S.A.
Deputy Vice President
Economic Section

1 2 4 5

SECRET

WAR-37381 COM 33
FEB 14/2048

D/1972
FEB 15/1345
ROUTINE

COS CITE CCAC

ALLIED COMMISSION, INFO: AFHQ FOR FHGDG AND UK BASE SECTION FOR CABINET SECRETARIAT; HAS BEEN RPTD TO ALL ADDRESSES.

SECRET.

Requisition CLAC I-2-Sardinian mines. Refer COM 17, MOC 18 para 2, MOC 24 and MOC 27.

1. It is imperative that mines in SARDINIA be restored to an efficient operating basis and it is therefore essential that the procedure outlined in the 2nd paragraph of COM 17 be followed by the Government of ITALY and the ALLIED COMMISSION, so that (A) UNITED STATES Commercial Company is named to act as procuring agency for the Government of ITALY; (B) Permission is given for transfer of 100,000 dollars from the account which holds the proceeds from exports to the accounts which the UNITED STATES Commercial Company holds as procurement funds. There must be no further delay in this procurement as allocations will be forfeited, and also there is an acute shortage of lead.

2. As set forth in TAC air 26, enclosure A, 6th paragraph, and CAL 730, dollar funds should be made available for this purpose. If this is not done, UNITED STATES will be unable to begin procurement. Details have not yet been completed for method to be followed in connection with troop pay accounts referred to in para 1, MOC 37.

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

SECRET.

Requisition CLAC I-2-Sardinian mines. Refer COM 17, MOC 18 para 2, MOC 24 and MOC 27.

1. It is imperative that mines in SARDINIA be restored to an efficient operating basis and it is therefore essential that the procedure outlined in the 2nd paragraph of COM 17 be followed by the Government of ITALY and the ALLIED COMMISSION, so that (A) UNITED STATES Commercial Company is named to act as procuring agency for the Government of ITALY; (B) Permission is given for transfer of 100,000 dollars from the account which holds the proceeds from exports to the accounts which the UNITED STATES Commercial Company holds as procurement funds. There must be no further delay in this procurement as allocations will be forfeited, and also there is an acute shortage of lead.

2. As set forth in TAO air 25, enclosure A, 8th paragraph, and CAL 730, dollar funds should be made available for this purpose. If this is not done, UNITED STATES will be unable to begin procurement. Details have not yet been completed for method to be followed in connection with troop pay accounts referred to in para 1, MOC 37. Additional information will be given in another cable.

DIST

Action: ECON SEC 5
Info: A/PRESIDENT
CHIEF COMMISSIONER
FILE

361
127

SECRET

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

1247

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

SECRET

WAR-37381 COM 33
FEB 14/2048

D/1972
FEB 15/1345
ROUTINE

COS CITE CCAC
ALLIED COMMISSION, INFO: AFHQ FOR FHGEG AND UK BASE SECTION FOR CABINET SECRETARIAT; HAS BEEN RPTD TO ALL ADDRESSEES.

SECRET.

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DIST

Action: MCON SEC 5
Info: A/PRESIDENT
CHIEF COMMISSIONER
FILE

SECRET

FEB 28 RECD
cc. 594.

HEADQUARTERS
Allied Military Government
Fifth Army
APO 464

8 February 1945.

SUBJECT: Report of Industrial Production in the Fifth Army Area, Italy.

TO: Rear Admiral Ellery W. Stone, Headquarters Allied Commission APO 394, U. S. Army

1. There is forwarded herewith a copy of the report of Industrial Production in the Fifth Army Area, Italy, as of 1 February 1945. Its preparation is based on extensive work done by Major Austin under the direct supervision of Lieutenant Colonel Toscani.

2. There will be supplements to this report which will appear on pages suitable for insertion in the present binding.

EDGAR ERSKINE HUME
Brigadier General, GSC
Senior Civil Affairs Officer
Ass't. Chief of Staff, G-5
Fifth Army

EEH:seb

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

APO 394, U. S. Army

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EDGAR ERSKINE HUME
Brigadier General, GSC
Senior Civil Affairs Officer
Ass't. Chief of Staff, G-5
Fifth Army

EEH:seb
Enclosure.

359

Report to Exec Comm. (130)

(176a)

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

SECRET

EXTRACT

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

TO: ALEXANDER FOR ACTION

REF. NO. THIS MESSAGE: WX 29633 31 January 1945

FAN 487 - Extract

DIRECTIVE FROM COMBINED CHIEFS OF STAFF

For File# 400.5 I.C. Subject Industrial Rehabilitation

* * *

5. 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.

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

I 2 5 0

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

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.

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 those 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

SECRET

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

called 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 NAF 778 are answered as follows:

A. **** (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 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.

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

* * *

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

Theaters, which rehabilitation should be given first priority. [illegible]
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5. Nothing herein contained shall constitute a commitment with respect to shipping. Any supplies to be imported into ITALY must transported within such shipping as may be allocated from time to time.

* * *

357

SECRET

(176)

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

1254

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

FOR ACTION AFHQ

- 699 28 JANUARY 45 PRIORITY

CONFIDENTIAL FD

SUBJECT IS CENTRAL ITALY POWER EQUIPMENT FD

PARA ONE FD REFERENCE CABLE FOX ONE FIVE EIGHT SEVEN SIX OF TWENTY SEVEN JANUARY ON PORTABLE ELECTRIC PLANTS FOR CENTRAL ITALY FD NOTED THAT RELEASE FROM CHINESE OF FOX EASY SIX FOUR ZERO ZERO ZERO CMA FOX EASY SIX FOUR ZERO ZERO [redacted] ONE AND FOX EASY SEVEN ZERO ZERO ZERO ZERO TOTALING NINE ZERO ZERO ZERO KILO WATTS NOT NOW POSSIBLE FD

PARSN TO FOR ACTION AFHQ FROM HQ ALCOA PARSN

PARA TWO FD SUBSTITUTION BY TWENTY TWO DIESEL DRIVEN FOUR ONE SIX SLANT FIVE ZERO ZERO VOLT FIVE ZERO SLANT SIX ZERO CYCLE GENERATORS ACCEPTABLE FD PREFER W TO ARRANGE SETS IN PAIRS CMA THAT IS CMA ELEVEN GROUPS FD TRANSFORMERS ONE FIVE ZERO KILO WATT AMPERES SINGLE PHASE FROM UNITED STATES MILITARY DEPOTS WITH VOLTAGE RANGE AS STATED IN CABLE CMA ACCEPTABLE FD

PARA THREE FD ADDITIONAL POWER OTHER THAN ENGINE DASH GENERATOR AUXILIARIES AT STATIONS ESTIMATED TEN KILO WATTS FD

PARA FOUR FD PLEASE STATE EARLIEST DATE FOR DELIVERY OF FOX EASY EIGHT FOUR ZERO ZERO FOUR OTHER SIX ZERO ZERO ZERO KILO WATTS CHINESE PLANT FD CAN ANY THING BE DONE TO EXPEDITE DELIVERY OF FLOATING POWER PLANT

PUBLIC WORKS

614

1253

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

CONFIDENTIAL

F 15876
JAN 271053A

C/9617
JAN 271315A
PRIORITY

AFHQ SIGNED SACMED CITE FHGEG

HQ ALCOM ROME

See 125

CONFIDENTIAL.

Central ITALY electric power equipment. Following is paraphrase of signal from CCS, begins:

1. Obstacles have arisen in getting release from Chinese of power equipment under Manufacturers Numbers F E 64000, F E 64001, and F E 70000, totaling 9000 K W. Approved is substitution 22 units, diesel driven, 416/500 KW, 50/60 cycle, probably available in USA July 31st this year. UNITED STATES military depots have on hand equivalent capacity of single phase 150 KVA transformers which will produce 8800-8400-8000-7600-/7200-6800-6400-4400-4200-4000-3800-3600-3400-3200-volts on high side. Generator voltage can be adjusted to give 9000 volts. In case these transformers not repeat not acceptable, special ones to suit required stations will be obtained. Cooling towers for engines will be provided.

2. Advice is wanted regarding preferred grouping of units. Desirable to keep number of stations to minimum. Give estimate of any additional power necessary for other than engine-generator auxiliaries desired at the stations. Engines are designed for maximum ambient 104 degrees Farenheit at 3000 feet elevation.

3. Floating power plant, on present information, will be available 1st June 1945.

End of paraphrase.

35

Advise acceptance of the above.

124

CONFIDENTIAL

DIST

ACTION: FW & U S/C

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

1256

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

AFHQ G-5 SECTION RPTD ALCOM BARI ZONE

566 26 January 1945 ROUTINE

RESTRICTED PD

SUBJECT IS STUCKY FLOUR MILLS BARI OUR LETTER ABLE CHARLIE OBLIQUE FIVE SIX ONE FIVE OBLIQUE ITEM NAN DOG ONE SIX JANUARY REFERS PAREN TO AFHQ G-5 SECTION RPTD ALCOM BARI ZONE FROM HQ ALCOM PAREN PARA ONE PD ITALIAN PRESS IS MAKING URGENT DEMANDS TO ALCOM FOR PERMISSION TO PUBLISH FACTS RELATED TO INFLUENCE ON BASIC FOOD SUPPLY IN BARI BRINDISI TARANTO AND LECCE PROVINCES FROM INACTIVITY OF STUCKY MILLS AT BARI OWING TO OCCUPANCY BY ALLIED TROOPS PD PARA TWO PD DECISION ON DEREQUISITIONING IS URGENTLY NECESSARY

Copy to:
Public Relations Branch HQ. AC.

35

123

Industry

447

Capt.N.R.L. Macdonald

NICHOLAS PIONBINO
CWO? USA
ASST. ADJUTANT

JAN 20 RECD

HEADQUARTERS ALLIED COMMISSION
APO 394
INDUSTRY SUB-COMMISSION

NRLM/ci

Tel. 237

18 January 1945

Ref. AC/5615/IND.

SUBJECT : Applications for de-requisitioning of industrial premises.

TO : Heads of Sub-Commissions and Regional Commissioners A.C.

1. The terms of reference under which applications for the derequisitioning of industrial premises are considered before the newly-formed Industrial Coordination Committee of Allied Force Local Resources Section require cases to be prepared and documented in the following way:

a) An application for the derequisitioning of the premises must be made by the firm to the Italian Ministry of Industry, Commerce and Labour, either direct or through the local inspectorates of the Ministry, setting forth the answers to the attached Form AC/5615/IND.

b) Before submission the statements contained therein should be verified by the Sub-Commission or Regional Commissioner most closely affected by the operation of the subject firm.

c) A statement must be prepared over the signature of the Head of the Sub-Commission or Regional Commissioner affected attesting to the potential value to Italian economy which should follow upon liberation of the plant, and verifying the actual possibilities for the recommencement of operations if released to the owners under A.C. control.

d) To this must be attached the report of an A.C. expert certifying that the plant can, in effect, be reactivated if released from military occupation; that repairs, if necessary, can be effected, that machinery can be operated; that raw materials, power, transportation facilities, etc. can be provided, and that local (including skilled) labour is, or can be made, available.

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

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353

e) On receipt of this collated information, a request for evacuation can be addressed by this Headquarters to the appropriate military authority in command of the area in which the plant is located.

f) The written refusal of the military authority in question must be included in the documentation.

g) Upon receipt of this refusal a report must be prepared by an arbitration officer and submitted to Industry Sub-Commission A.C.

2. The case is then fully documented for presentation at the regular meetings of the Industrial Coordination Committee, AFLR(I)B.

122

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

3. It should be noted that while this procedure is necessary before a case can be considered before the Industrial Coordination Committee, unless a refusal to surrender the premises is received from the military authority, following the request made under 1. c) above, the case will not proceed to the Committee stage.

4. Similarly, if prompt action is taken by Regions or Sub-Commissions when requisitioning of industrial premises is first contemplated by a military unit, channels exist for securing directives at a high level in AFHQ to prevent such requisitioning until a report on the circumstances can be prepared and submitted to AFHQ.

5. In order to secure such preventive action, it is essential that a responsible officer of A.C. should have visited the premises, and be prepared to certify that the premises or plant are such as to warrant Allied Commission submitting a request to AFHQ.

6. This will not prevent telephoned requests to Industry Sub-Commission from being made by Regional officers, but is intended to emphasize the fact that the responsible officer must be in full possession of the facts from his personal inquiries before committing Allied Commission to action at the high level required.

By Command of Rear Admiral STONE:

1 Encl.:-
Form AC/5615/IND.

Copy to:-
AFHQ - G-5
Economic Section A.C.
File 5550.

W. S. VAUGHAN
Director,
Industry Sub-Commission.

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

6. This will not prevent telephoned requests to Industry Sub-Commission from being made by Regional officers, but is intended to emphasize the fact that the responsible officer must be in full possession of the facts from his personal inquiries before committing Allied Commission to action at the high level required.

By Command of Rear Admiral STONE:

1 Encl.:-
Form AC/5615/IND.

W. S. VAUGHAN
Director,
Industry Sub-Commission.

Copy to:-
AFHQ - G-5
Economic Section A.C.
File 5550.

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

SERIAL No. _____

HEADQUARTERS ALLIED COMMISSION
APO 394
INDUSTRY SUB-COMMISSION

DATE _____

FORM AC/5615/IND.

Application for Derequisition of Premises for Essential Civilian Use.

TO: Allied Force Local Resources Section -
(Attn.: Industrial Coordination Committee).

1. Name of firm

2. Location

3. Product or service

4. Present condition of premises or plant

5. Requisitioned or occupied by

6. For the purpose of

7. Required by

8. For the purpose of

9. Requirements to commence production (raw materials, power, labour, etc.)

10. Potential Output

Number of Previous Applications for Derequisition (if any)

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

4. Present

5. Requisitioned or occupied by

6. For the purpose of

7. Required by

8. For the purpose of

9. Requirements to commence production (raw materials, power, labour, etc.)

10. Potential Output

11. Particulars of Previous Applications for Derequisition (if any) and result

85

12. Justification

W. S. VAUGHAN
Director,
Industry Sub-Commission.

Recommendation by the Committee:

(12)

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

1263

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

EWS/jec

COS 5008

18 January 1945.

Dear General Magruder:

Thank you very much for your letter of the 9th, which was received while I was away, which set forth the favorable action which you took on our request to protect the Solvay Works from being requisitioned by PENBASE.

Your prompt and cooperative action is greatly appreciated.

Sincerely,

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Brigadier General Carter B. Magruder, U.S.A.,
Acting Chief of Staff, G-4,
Allied Force Headquarters,
APO 512, U.S. Army.

cc: CofS

FILES A

351

1264

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

EWS/jed

CC 4045 18 January 1945.

My dear Mr. Consul General:

(119)

Thank you for your cordial letter of the 16th with respect to our efforts to protect the Solvay Soda Works against requisitioning and for the work of my Industry Sub-Commission in assisting in its rehabilitation.

I shall have pleasure in forwarding your letter to those who should receive your commendation.

Yours very sincerely,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Georges Carlier,
Consul General of Belgium,
55 Via Campania,
Rome.

3[illegible]

(120)

FOIA

CC 129

JAN 1 6 1945

CONSULAT GENERAL DE BELGIQUE
EN ITALIE

N. 54

Rome, January 16. 1945
Via Campania 55
tel: 47819

Sir,

I have been officially informed that, as a result of steps taken by Allied Commission, orders have been given to Peninsular Base Section not to requisition the Solvay Soda Works at Rosignano.

Will you please accept my very sincere thanks for your personal interest in the matter which greatly helped to clear the situation and to save the works as important for Italian economy as for the Belgian interests concerned.

May I avail myself of this opportunity to express to Your Excellency my warmest appreciation for the excellent work done in connection with the Solvay Soda Works by Allied Commission and specially by Industry Sub-Commission. Members of these two Commissions, both at Headquarters and in the province, have been since the liberation of Leghorn of the greatest help. The reactivation of the plant which we trust will soon be effective, and its safeguard are for a very large part due to their effort and I am glad to have the privilege to acknowledge it.

I have the honour, Sir, to renew to Your Excellency the assurance of my highest consideration.

I 263

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

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I have the honour, Sir, to renew to Your Excellency the assurance of my highest consideration.

Georges Carlier
Consul General

To
Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome

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

1267

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

EWS/jed

CC 4045

18 January 1945.

TO: Colonel L. D. DENSMORE,
A/DCOS, Economic Section.

1. Please pass attached letter from the Belginn Consul General and copy of my reply to Mr. Cleveland and Industry Sub-Commission and return to my file.

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

cc: CofS

FILES A ✓

H 045/cc

34

(14)

1268

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

ROUTING AND WORK SHEET

Each note must be numbered and each space completely filled in. THIS WORK SHEET MUST NOT BE REMOVED FROM THE CORRESPONDENCE TO WHICH ATTACHED UNTIL ACTION IS COMPLETED AND THEN FILED WITH FILE COPIES OF COMMUNICATION TO WHICH IT PERTAINS. A line will be drawn the full width of the page under each note.

SUBJECT: Solvay Soda Works

NO.	DATE	FROM	TO	REMARKS
1	19/1-45	A/DCOS E/S	① Exec Dir ② Ind S/C (in turn)	1. Ref attached a CC 4045 of 18 Jan 45 fr A/DCOS, E/S b CC 4045 of 18 Jan 45 fr Carter c A54 of 16 Jan 45. Carter to Stone 2. Exec Director E/S Note 3. Ind S/C. Note, retain one set of copies & return balance to CC L D. DENSMORE Colonel, F.A. A/DCOS – E/S.
2.	19/1-45	Ex Dir. E/S	2nd. S/C ✓	noted ✓
3.	19 JAN 1945	Industry S/C	Chief Commissioner.	One set of copies retained in Industry S/C. Encl.

3L7
119

1269

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

ALLIED FORCE HEADQUARTERS
APO 512

9 January 1945

Rear Admiral Ellery W. Stone, U.S.N.
Chief Commissioner, Allied Commission
APO 394, U. S. Army.

My dear Admiral Stone:

Following the last meeting of the Industrial Coordination Committee, I made arrangements to have an immediate investigation made of any cases in which American Forces were occupying industrial premises vital to the civilian economy. After several telephone conferences between representatives of the Industry Sub Commission and members of my staff, the Industry Sub Commission wrote to us on 1 January 45 stating that at present there is no case of an industrial premise now occupied by U. S. Forces that they were prepared to have my staff investigate.

While the above discussions were taking place, the proposal to requisition the Solvay Works was referred to you for comment. Based on your presentation of the case for the Solvay Plant, I am sending instructions to the Peninsular Base Section that neither the Solvay Plant nor its quarry is to be requisitioned. If it is possible for the Solvay management to contract with PENBASE to furnish quarry products or to do shop or repair work for PENBASE, such contracts would aid the military effort in that area. It is understood, of course, that such contracts would be made with your approval and would not interfere with the operation of the plant.

When a case is developed in which the American forces hold a facility which is critical to the civil economy, I will be glad to insure that the case is given immediate attention and fair consideration.

Sincerely,

Sec 124

CARTER B. MAGRUDER,
Brig. Gen., G.S.C.,
A. C. of S., G - 4.

20/25 h

1270

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

Put up with
previous refs: to
SOLVAY plant

OK. FILE

20e 11b

3

1271

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

travel orders, both to be issued by the allied authorities.

Vs here ?

Piou

1272

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

Tel. 289

Ref. 5008/62/C08. 11 January 1945

SUBJECT: Soda Solvay Works.

TO : Economic Section.

1. Attached are two copies of letter from A.C. of S., G-4, A.F.H.Q. dated 9 Jan 45 advising that the Solvay plant and quarry are not to be requisitioned.

2. Please ensure that the contents of attached letter are brought to the attention of the representative attending the next Industrial Co-ordination Committee Meeting.

for Chief Staff Officer,
To the Chief of Staff.

Copy to: File 4012/C08.
ncl.

See (116)

See (116)

1273

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

AGWAR PD OCS FOR CCAC INFO APHQ FOR PRIORITY CMA UK BASE FOR CABINET SECRETARIES FOR BOS OSMOSE AND PINBANK PD

923.8 4 JAN 45 PRIORITY

CONFIDENTIAL PD THIS IS WOC TWELVE PD REFERENCE IS MADE TO CCM FOUR AND LAC EIGHT FOUR EIGHT IN CONNECTION WITH SIX NAUGHT NAUGHT NAUGHT NAUGHT NW REQUESTED IN REQUISITION NOS TWO ONE SIX ZERO PD PAREN TO AGWAR FOR OCS FOR CCAC INFO APHQ FOR PRIORITY CMA UK BASE FOR CABINET SECRETARIES FOR BOS OSMOSE AND PINBANK PD FROM WO ALCOM CMA ECONOMIC SECTION PAREN IT IS STATED IN CCM FOUR THAT OF TEN SIX NAUGHT NAUGHT NAUGHT NAUGHT NW REQUISITIONED RESPONSIBILITY FOR TWO NAUGHT NAUGHT NAUGHT NAUGHT WAS ASSIGNED TO CIVILIAN AGENCIES OF CCAC PD IT IS ALCOM UNDERSTANDING THAU APHQ THAT A DIVERSION OF FIVE NAUGHT NAUGHT NAUGHT NW HAS BEEN TENTATIVELY AGREED TO PD THIS EQUIPMENT WAS PROCURED BY FEA AS LEND LEASE FOR THE RUSSIANS PD FROM WRIGHT AERONAUTICAL COMPANY UNIT AT PATTERSON NEW JERSEY CAN BE PROCURED TWO FIVE NAUGHT NW PD AS TO THE REMAINING ONE FOUR SEVEN FIVE NAUGHT NW REQUEST IS MADE FOR FEA IN COOPERATION WITH WAR PRODUCTION BOARD TO PROCURE SUCH UNITS AS MAY BE AVAILABLE WITHIN A RANGE OF FROM THREE NAUGHT NAUGHT TO ONE NAUGHT NAUGHT NAUGHT NW CAPACITY PER UNIT PD ALL UNITS MUST OPERATE AT FIVE NAUGHT CYCLES AND MUST BE COMPLETE IN EVERY RESPECT PD WAR PRODUCTION BOARD IS FULLY AWARE OF ALCOM REQUIREMENTS AND ALLOWABLE VARIATIONS PD IT IS HOPED THAT SUFFICIENT HIGH PRIORITY CAN BE OBTAINED BY CIVILIAN AGENCIES SO THAT PROCUREMENT AND DELIVERY CAN BE EFFECTED AS SOON AS POSSIBLE TO MEET MOST ESSENTIAL CIVIL NEEDS PD ADVISE STATUS CONCERNING PROGRESS OF PROCUREMENT PD

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470

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1274

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LIST OF PAPERS

File under No. .....

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS

34


1275