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ECONOMIC SECTION
APR. 1944 - JAN. 1946

HEADQUARTERS ALLIED COMMISSION

APO 394

Economic Section

10-8/FOOD

17 January 1946

SUBJECT: Directive for Food & Agriculture Liaison Officers

TO :	Chief AC Liaison Officer, Lombardy	} (Attn: Food & Agric Liaison Officer)
" "	Piedmonte	
" "	Liguria	
" "	Venezia (Treviso)	
" "	" "	(Bolzano)

1. Further to Executive Commissioner letter 7001/342/EC of 29 Dec 1945, and letter 7002/346/EC of 4 Jan. 1946.

2. The primary duty of Food & Agriculture Officers of Liaison groups will be to keep themselves, at all times, informed of the agriculture and food position in the regions for which they are assigned.

3. The fact that they are reporters and observers will be always kept in mind. They must avoid giving official advice to the various Italian alimentation and agricultural officials with whom they may come in contact.

4. They will, however, observe carefully the working of the several official agencies concerned (i.e. Commissariato Interregionale dell'Alimentazione, Commissariato Regionale dell'Alimentazione SEPRAL, Ufficio Annona, Federconsorzi Interregionale, CAP, Comarimento Ispettorato dell'Agricoltura, Ispettorato Provinciale dell'Agricoltura UPSEA & UMO), and submit a monthly report thereon. Any apparent malpractices or any indication of serious difficulties in the sphere of agriculture or food, likely to lead to public disturbances, should be immediately reported to this HQ through the AC Liaison Officer concerned. In particular, close observation on the operation of the Italian rationing system should be maintained. Any major departure from established ration scales should be reported to HQ AC without delay.

5. In order to carry out the a/m functions, Food & Agriculture Liaison Officers should not confine their activities to the capital town of their respective regions. Frequent visits should be made not only to provincial capitals and urban centers, but also to outlying communes.

3. Command of Food & Agriculture Liaison Officers

LEG. COM. 10

CIC

HARLAN CLEVELAND

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By Command of Rear Admiral STONE:

LEG
CLO
DCLO
Chief Counsel
CLO
Liaison Section
CL RKS
18 Jan 46

HARLAN CLEVELAND
Acting Vice President
Economic Section

Copy to:
Chief Commissioner
CA Section (IC)
Economic Section (15)
Navy Sub-Commission
Land Forces Sub-Commission (IC IA)
Air Forces Sub-Commission
Communications Sub-Commission
PRO
AC LO PBS
AC LC 2 District
AC LC 3 District
G-1 (A) (3)
G-1 (B) (3)
AC LC Livorno
AC LC Naples
AC LC Bari
AC LO Palermo
AC LC Bologna

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref.: 13016/F

1 December 1945

SUBJECT: Transfers of Supplies and Materials from Italy to Venezia Giulia.

TO: All concerned (Distribution list at end of memorandum)

1. The Allied Commission has inquired of AFHQ, G-5 Section for a statement of policy respecting the transfer into Venezia Giulia of imported supplies on which the Italian Government has taken title. In a letter dated 12 September, the Chief Administrative Officer, Civil Affairs Office of AFHQ, notified that no objection would be offered to the transfer of imported items to that part of Venezia Giulia in the area lying west of the Morgan Line. TAM Cable 630 from COS directs that civilian supplies for Venezia Giulia remain a military responsibility.

2. Imported supplies moved from Italy into Venezia Giulia may be transferred from

(a) Civilian supplies imported into Italy to prevent disease and unrest under combined military responsibility (Category A Supplies);

(b) Civilian supplies imported into Italy by the Italian Government, and charged against the fund set up in the U.S. Treasury representing the lire expenditure of U.S. troops in Italy and other Italian credits (Category B Supplies); and

(c) Civilian supplies imported into Italy under the 100 million dollar supply program of the Foreign Economic Administration (Category C Supplies).

It will be appreciated that Civilian Supplies of Categories B and C may be unloaded in Venezia Giulia so that, in fact, title never passes to the Italian Government.

3. Separate accounting records are required to be maintained at HQ Headquarters level for each of the three supply programs, because of the different arrangements under which charges are made against the Italian Government for the value of the goods. It will be necessary that the receiving, warehousing, distributing and accounting records of the agents for the Italian Government: Istituto Nazionale per il Commercio Estero, Federazione Italiana dei Consorzi Agrari, or Ufficio Centrale Carboni della Direzione Generale delle Ferrovie dello Stato, clearly show the particular programme under which supplies are imported into Italy. To accomplish this separate records must be maintained by them for each programme, corresponding to the related records in the Allied Commission. This requirement is essential, not only for charging the value of supplies against the Italian Government, but also for making allowance for credit for any supplies shipped from

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4. In the case of imported supplies taken on charge by the Italian Government and thereafter shipped from Italy into Venezia Giulia, the IC, the Federation, or the State Railways, as the case

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may be, must show on the related shipping documents, in the manner hereinafter prescribed, the supply programme under which the goods were carried by the United Nations.

5. In connection with imported supplies (markings TOG and UK) furnished to Italy under the combined military responsibility, procedure has already been established for goods later transferred from Italy to Venezia Giulia. In such cases the agent of the Italian Government, who had previously acknowledged receipt of the imports on behalf of the Italian Government, has been allowed credit for the quantities transferred to Venezia Giulia. This credit is reflected on the basis of a receiving report given by the Port Liaison Officer or other AC representative making the shipment. The document serves to relieve the Italian Government of the charge, and to transfer the same to the account of AMG, Venezia Giulia. No change will be made in this procedure. The combined military supply programme for Italy (as distinguished from Venezia Giulia) was terminated with the August landings except for some minor exceptions.

6. In connection with imported supplies (markings YT) purchased by Italy in the United States from the Troop Pay Fund and other Italian credits (Category B Supplies), particular attention is invited to the restrictive authorization of the Chief Administrative Officer that such supplies may be transferred to that part of Venezia Giulia west of the Morgan Line. Thus imported "Category B" supplies transferred from Italy are limited for distribution by the XII Corps to a defined area. When supplies previously taken on charge by the Italian Government as imports under "Category B" are transferred to Venezia Giulia, the Sub-Commission (concerning the transfer will make all necessary arrangements with IAF, the Federazione or the State Railways, and with the Port Liaison Officer or other AC officer handling the shipment. When it is made, the respective agent of the Italian Government will prepare a transfer voucher in quadruplicate showing the consignee as XII Corps AMG Venezia Giulia, the commodity, and the quantity. The transfer voucher will state that the shipment is made from U.S. Troop Pay etc. "Category B" Supplies. All copies of the transfer voucher will be signed by IAF, the Federazione or the State Railways and countersigned by the AC officer handling the shipment. The original transfer voucher will be forwarded to the Chief Accountant, Allied Supply Accounting Agency; the duplicates to the Supply Accountant, XII Corps Venezia Giulia; the triplicate to the Transportation Sub-Commission; and the quadruplicate will be retained by IAF, the Federazione or the State Railways. It is important to note that the transfers of supplies procured with YT funds will only be made after obtaining a concurrence of the Italian Government.

7. In connection with imported supplies (markings YB) furnished to Italy under FFA 100-million dollar programme (Category C) and thereafter transferred to Venezia Giulia, the same requirements will apply and the same procedure will be followed, except that the transfer voucher will show that the shipment was made from FFA Programme Supplies (Category C).

8. In the event that any Category B or C supplies are unloaded at Trieste direct from the original vessel, the AMG

the document serves to relieve the Italian Government of the charge, and to transfer the goods to the account of AMG, Venezia Giulia. No change will be made in this procedure. The combined military supply program for Italy (as distinguished from Venezia Giulia) was terminated with the August loadings except for some minor exceptions.

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7. In connection with imported supplies (Markings YB) furnished to Italy under EIA 100-million dollar program (Category C) and thereafter transferred to Venezia Giulia, the same requirements will apply and the same procedure will be followed, except that the transfer voucher will show that the shipment was made from the Program Supplies (Category C).

8. In the event that any Category B or C supplies are unloaded at Trieste direct from the original vessel, the AMG Supply Officer VIII Corps will sign the out-turn report in quadruplicate, and will forward all copies to the Shipping Administration, Rome. At the same time the AMG Supply Officer VIII Corps will also prepare a direct import receiving report in quadruplicate. Copies of the report will be distributed as follows: original and quadruplicate to Chief Accounting, i.e., i.e.; duplicate to

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Supply Accountant, VIII Corps, triplicate to Transportation Sub-Commission, AG; the quadruplicate will be retained in his files.

9. The Supply Accountant in Venezia Giulia will maintain separate accounting records, where applicable, for:

- (a) Combined Military Responsibility Supplies (Category A);
- (b) Troop Pay etc, Supplies (Category B); and
- (c) WFA Programmatic Supplies (Category C).

Statements of stock movements, schedules of imports, schedules of transfers of supplies received, and schedules of sales of supplies will be rendered separately for each of the three categories. Schedules of sales supporting the statement of stock movements under categories (a), (b) and (c) will show the respective quantities issued and the sales values according to geographical sub-divisions, Gorizia, Trieste, and Pola. Sales in Udine should be recorded separately.

HARLAN CLEVELAND,
Acting Vice President.

Distribution:

Distribution "A"

Port Liaison Officers (20 copies)

Supply Accountant VIII Corps (3)
War Shipping Administration (5)
Istituto Nazionale per il Commercio Estero (4)
Federazione Italiana dei Consorzi Agrari (4)
Ufficio Centrale Carboni della Direzione Generale
delle Ferrovie dello Stato (4)
Ministero del Tesoro (4)

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

9 November 1945

TO : Distribution List "A".

The two attached documents are distributed for the
information and guidance of all concerned.

Harlan Cleveland
HARLAN CLEVELAND
Acting Vice President

Encls. 2
Note Verbale (Am. Embassy)
" " (British Embassy)

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NOTE VERBALE

The American Embassy presents its compliments to the Royal Ministry of Foreign Affairs and, upon instructions from the Department of State, offers the following reply to the Ministry's communication of January 9, 1945 (No. 90274), transmitting a memorandum of the same date regarding the economic and financial situation of Italy. The present communication will also serve as a reply to the letter of June 1, 1945 addressed to the Allied Commission for the American Ambassador by the President of the Council of Ministers, concerning the provision of credits to the Italian Government to meet urgent recovery needs.

The Government of the United States is keenly aware of the economic problems which confront the Italian Government, among them the budget deficit which it faces, the inflation of domestic prices, the deficit in its external payments position and the urgent need of Italy to receive supplies. It is the earnest desire of the United States Government to cooperate to the fullest extent possible in aiding in the solution of Italy's problems.

The Royal Ministry's memorandum of January 9, 1945, above referred to, raises the following three fundamental problems:

- (1) The deficit in Italy's external payments position;
- (2) The settlement to be reached between Italy and the United States in connection with various claims arising out of the war;
- (3) The budgetary deficit of the Italian Government and the problem of controlling inflation in Italy.

With reference to the first of these problems, Italy's basic import requirements for civilian supplies have been and continue to be met by the continued supply program of the United States, United Kingdom and Canada. These requirements will be met next year by the United Nations Relief and Rehabilitation Administration, if the additional funds which were recently requested by the UNRRA Council are furnished by the participating Governments. The provision of such aid in the near future would make it unnecessary to obtain a credit, such as was requested in the letter of June 1 from the President of the Council of Ministers, for the financing of the most essential imports. It is recognized that the Italian Government also faces the problem however of financing the importation of urgently needed supplies for reconstruction purposes, not included within the scope of the UNRRA program. With respect to that problem, the United States Government has a sympathetic understanding of the reconstruction needs of Europe countries and its policy is to provide assistance, whenever possible and appropriate, in meeting those needs. In the case of Italy the United States Government is prepared to discuss with the Italian Government representatives the provision of funds for reconstruction needs, for example, through the

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Council of Ministers, concerning emergency needs.
Government to meet urgent recovery needs.

The Government of the United States is keenly aware of the economic problems which confront the Italian Government, among them the budget deficit which it faces, the inflation of domestic prices, the deficit in its external payments position and the urgent need of Italy to receive supplies. It is in the warmest desire of the United States Government to cooperate to the fullest extent possible in aiding in the solution of Italy's problems.

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Export-Import Bank. Loans are made by the Export-Import Bank for specific projects, as the Italian Embassy in Washington has been informed, and those who apply for loans from the Export-Import Bank must therefore be prepared to furnish detailed information concerning the specific projects contemplated and the source from which repayment of loans is expected.

With respect to the second problem, the matter of reimbursement for all-time issues and for requisitions by the United States armed forces in Italy is related intimately to the financial settlement which will ultimately be made with regard to claims arising out of the war and also to the obligation of the Italian Government to pay for civilian supplies furnished to Italy. It is therefore expected that these matters will be taken up in connection with the treaty of peace.

The third fundamental problem, regarding the internal financial situation in Italy, cannot be solved by external assistance alone. The control of inflation in Italy involves internal measures and controls as well as the supply of an adequate volume of essential goods from abroad. The United States Government can be of assistance only in enabling the Italian Government to obtain necessary imports, but such help cannot alone provide a solution for inflation and the general financial breakdown which threaten Italy.

It is therefore of highest importance that prompt and stringent measures be taken by the Italian Government to control wages and prices and to eliminate the black market. It is equally important, toward increasing revenues, that the Italian Government modernize and improve the efficiency of the taxation system, that it adopt appropriate emergency tax measures and that it take steps to ensure the most efficient use of funds expended. Inasmuch as a prompt reordering of the internal financial situation is of utmost importance in restoring normal foreign trade and financial relations, the United States Government hopes that the Italian Government will be able to take more positive action in the future than it has in the past to increase the effectiveness of controls to combat inflation.

Rome, October 29, 1945.

To the Royal Ministry of Foreign Affairs,
Rome.

HTA:mcw/ab/rp

HC4

(To the Royal Ministry of Foreign Affairs)
Rome

British Embassy,
ROME.

Note Verbale No. 239.
403/17/45.C.D.

1st November 1945.

NOTE VERBALE

While fully recognising the gravity of the economic and financial situation in Italy, His Majesty's Government cannot accept the suggestion in the Italian memorandum of 9th January, that it is the result of the requirements of the Allied Armed Forces which have been fighting for the liberation of Italy. Allied military expenditure in Italy has been far less than the inflationary deficits of the Italian Government and it is in the latter that the most obvious dangers lie. Furthermore, His Majesty's Government and the United States Government have been providing Italy with very considerable imports for civilian consumption on credit terms, the immediate effect of which is substantially to offset Italy's obligations under the Armistice. No acknowledgment of these important supplies is made in the Italian memorandum.

2. As regards the terms of the Armistice, the Italian Government undertakes to provide free of charge such Italian merchandise as the United Nations will require. His Majesty's Government, therefore, cannot accept the argument that the Italian contribution to the cost of the war against Germany is limited by the Armistice to any particular class of services in Italy. As the Italian Government knows, this does not mean that the wide powers taken by the United Nations will be used as a pretext for placing unreasonable burdens on Italy. The contributions to the common cause made by liberated Italy and the Italian partisans are fully taken into account. But His Majesty's Government see no purpose in entering into legalistic argument based on the armistice terms.

3. The Italian Government do not explain how in their view the foreign currency credits for which they asked might possibly have an indirectly beneficial influence on the raising of an internal loan. Owing to the concentration of the British production of essential war supplies, which leaves no margin for exports over and above what is required to pay for urgently needed imports, such credits could not as regards the United Kingdom at present be converted into the imports which Italy needs and could therefore be of little real benefit. As regards the Italian Government's credit, it is His Majesty's Government's hope that the Italian Government will now be able to obtain on its own merits the support of all sections of the country for a vigorous programme of economic and financial reconstruction. Limited foreign credits could cover only a very small proportion of the funds required and His Majesty's Government are glad to learn that the Italian Government has now issued a large loan which has been fully subscribed and which does not rely upon foreign currency guarantees.

4. On the other hand the financial situation in Italy calls for energetic internal measures which should aim at bringing the Italian economy into an efficient state capable of resisting the strain imposed by the shortage of supplies. The inflationary trend in Italy is greatly accentuated by the maldistribution of available food and other necessary supplies, by the flourishing black market and by the inability of the Italian Government to collect an adequate revenue. It is to measures of this kind that Italy must look first of all for some alleviation of her pressing economic and financial difficulties and it would be most dangerous to allow the impression to grow that external assistance would be an adequate substitute or that the situation will be remedied without most energetic action of the Italian Government and people themselves.

5. As the Italian Government know, His Majesty's Government desire to see the Italian economic and financial situation restored and are willing to help to meet their many commitments both during the war and in respect

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3. The Italian Government do not explain how in their view the foreign currency credits for which they asked might possibly have an indirectly beneficial influence on the raising of an interest loan. Owing to the concentration of the British production of essential war supplies, which leaves no margin for exports over and above what is required to pay for urgently needed imports, such credits could not in regard to the United Kingdom at present be converted into the imports which Italy needs and could therefore be of little real benefit. As regards the Italian Government's credit, it is His Majesty's Government's hope that the Italian Government will now be able to obtain on its own merits the support of all sections of the country for a vigorous programme of economic and financial reconstruction. Limited foreign credits could cover only a very small proportion of the funds required and His Majesty's Government are glad to learn that the Italian Government has now issued a large loan which has been fully subscribed and which does not rely upon foreign currency surpluses.

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5. As the Italian Government know, His Majesty's Government desire to see the Italian economic and financial situation restored and are willing to help to the extent permitted by their many commitments both during the war and in respect of relief in the post-war period. They are taking steps to resume trade with Italy and are allowing her the use of her post-liberation sterling account. They could not, however, add to their heavy liabilities at the present time, even if it appeared that the credits asked for by the Italian Government would be of any material assistance at this stage.

HEADQUARTERS ALLIED COMMISSION

ALC 194

ECONOMIC SECTION

Ref.: 30/5.08

15 November 1945

MEMORANDUM

SUBJECT : Procurement of Surplus Property

TO : See distribution

1. The organizational pattern for the disposal of US/UK surplus and scrap has now become one whereby the Italian Government is the principal, but not exclusive, recipient of such property. This development places upon sub-commissions the following responsibilities.

a. They are to be alert to the possibilities of substituting surplus property for supplies they may have previously requisitioned.

b. They are to advise the Italian Government, through appropriate ministries, as to the availability of actual surplus property; and, when indicated, to recommend that the Italian Government take procurement action with surplus disposal authorities.

c. They are to search for allied property which might possibly be declared surplus and be of use in the Italian economy. Having discovered any such possible surplus, sub-commissions will recommend to the Italian Government that procurement action be taken with surplus disposal authorities.

2. To assist in the accomplishment of 1a and 1b, sub-commissions have been provided with copies of O.A.L.C. Catalogs Nos. 1, 2, and they will receive all future issues of catalogs or listings prepared by O.A.L.C. These distributions will be made by surplus and special materials branch.

3. It is requested that sub-commissions examine such catalogs and lists in the light of possible substitutability of surplus items for supplies the sub-commissions previously may have requisitioned through the requisition branch. In the event surplus property appears to be substitutable for supplies in requisition, requisition branch should be notified to that effect.

4. Sub-commissions are also advised to examine such catalogs and lists in the light of their studies and knowledge of the specialized needs of the Italian Government over and above supplies already requisitioned. In this respect, as in 1a and 1b preceding, sub-commissions may act only in an advisory capacity to the Italian Government. Consequently, they

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a. They are to be alert to the possibilities of substituting surplus property for supplies they may have previously requisitioned.

b. They are to advise the Italian Government, through appropriate ministries, as to the availability of actual surplus property; and, when indicated, to recommend that the Italian Government take procurement action with surplus disposal authorities.

c. They are to search for allied property which might possibly be acquired surplus and be of use in the Italian economy. Having discovered any such possible surplus, sub-commissions will recommend to the Italian Government that procurement action be taken with surplus disposal authorities.

d. To assist in the accomplishment of 1. and 1b, sub-commissions have been provided with copies of OMBG Catalogs No. 2, and they will receive all future issues of catalogs or listings prepared by OMBG. These distributions will be made by surplus and special materials branch.

3. It is requested that sub-commissions examine each catalog and lists in the light of possible substitutability of surplus items for supplies the sub-commissions previously may have requisitioned through a requisition branch. In the event surplus property appears to be substitutable for supplies on requisition, requisition branch should be notified to that effect.

4. Sub-commissions are also advised to examine such catalogs and lists in the light of their studies and knowledge of the specialized needs of the Italian Government over and above supplies already requisitioned. In this respect, in 1. and 1b preceding, sub-commissions may act only in an advisory capacity to the Italian Government. Consequently, they should communicate their comments, recommendations, or suggestions to appropriate Italian ministries. In turn, the ministries will initiate any indicated procurement action through the Supply Section of the Italian State Railways, the recognized organization for dealing with OMBG and the British Ministry of Supply in behalf of the Italian Government.

5. In view of these recognized channels, the sub-commissions will not negotiate directly with COMUS, G-4 AFHQ, or AFHQ in regard to actual procurement of surplus or potential surplus for, or in behalf of, the Italian Government. It is in order, however, for sub-commissions to act in the same advisory capacity, and through the same channels, in regard to unutilized surplus, as in cases involving actual surplus. Knowledge of such potential or desirable surplus goods may arise from field observations and from other sources. In this connection it would be in order to correspond directly with G-4 AFHQ or AFHQ for informational purposes only.

6. Although this directive relates mainly to the procurement and utilization of U.S. surplus property, the possibilities of similar utilization of surplus property in custody of the British Government is not to be overlooked. Inquiries on this subject should be made to the office of the Chief Disposal officer, Ministry of Supply, British Embassy, tel. 843241.

St. Louis
 CHARLES W. HILTON
 Colonel, AG
 Chief, Supply Group

Distribution:

Distribution 'A'
 Office of the Army Navy Liquidation Commissioner, AGO 512
 Acquisition Branch
 Mr. Caracciolo, Economic Section
 Chief, Supply Group
 Chief Disposal officer, British Ministry of Supply
 AFHQ
 G-4 PIS
 Supply section, Italian State Railways

STANDARD FORM NO. 64
AFD 394

ECONOMIC SECTION

11.1/ES
E/S MEMORANDUM
NUMBER 29

12 November 1945

Food & Agriculture Sub-Commission.	I
Creation of Agriculture Division, Food & Agriculture Sub-Commission.	II
Creation of Food Division, Food & Agriculture Sub-Commission.	III
Creation of Research & Analysis Division, Food & Agriculture Sub-Commission.	IV
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Organization Chart, Food & Agriculture Sub-Commission. VI	

I Food & Agriculture Sub-Commission

The Food Sub-Commission and the Agriculture Sub-Commission were consolidated into a single Sub-Commission to be known as the Food & Agriculture Sub-Commission, by Executive Order No. 77 dated 1 November 1945.

II Creation of Agriculture Division, Food & Agriculture Sub-Commission

Announcement is made of the creation, within the Food & Agriculture Sub-Commission, of the Agriculture Division, to which Division all functions of the Agriculture Sub-Commission are transferred, except those relating to statistical research and analysis.

III Creation of Food Division, Food & Agriculture Sub-Commission

Announcement is made of the creation, within the Food & Agriculture Sub-Commission, of the Food Division, to which Division all functions of the Food Sub-Commission are transferred, except those relating to statistical research and analysis.

IV Creation of Research & Analysis Division, Food & Agriculture Sub-Commission

Announcement is made of the creation, within the Food & Agriculture Sub-Commission, of the Research & Analysis Division, to which Division all functions relating to statistical research and analysis are transferred, from the Food Sub-Commission and the Agriculture Sub-Commission.

V Assignments and Re-Designations within the Food & Agriculture Sub-Commission

Announcement is made of the following assignments and re-designations within the Food & Agriculture Sub-Commission:

Mr. James M. Merritt (A), (Director) Acting Chief, Agriculture Division
Major V.R.A. Cowper (B), Chief, Food Division
Mr. Wendell M. Adamson (A), Chief, Research & Analysis Division

VI Organization Chart, Food & Agriculture Sub-Commission

Appendix "A" hereto is organization chart, Food & Agriculture Sub-Commission, reflecting changes set forth in this Memorandum.

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Creation of Research & Analysis Division, Food & Agriculture Sub-Commission. IV
 Assignments and Re-Designations within the Food & Agriculture Sub-Commission. V
 Organization Chart, Food & Agriculture Sub-Commission. VI

I Food & Agriculture Sub-Commission

The Food Sub-Commission and the Agriculture Sub-Commission were consolidated into a single Sub-Commission to be known as the Food & Agriculture Sub-Commission, by Executive Order No. 77 dated 1 November 1945.

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Announcement is made of the creation, within the Food & Agriculture Sub-Commission, of the Agriculture Division, to which Division all functions of the Agriculture Sub-Commission are transferred, except those relating to statistical research and analysis.

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Announcement is made of the creation, within the Food & Agriculture Sub-Commission, of the Food Division, to which Division all functions of the Food Sub-Commission are transferred, except those relating to statistical research and analysis.

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V Assignments and Re-Designations within the Food & Agriculture Sub-Commission

Announcement is made of the following assignments and re-designations within the Food & Agriculture Sub-Commission:

Mr. James M. Herritt (A), (Director) Acting Chief, Agriculture Division

Major V.R.A. Cowper (B), Chief, Food Division

Mr. Wendell M. Adams (A), Chief, Research & Analysis Division

VI Organization Chart, Food & Agriculture Sub-Commission

Appendix "A" hereto is organization chart, Food & Agriculture Sub-Commission, reflecting changes set forth in this Memorandum.

Changes set forth are effective as of the date of its publication. All previous Economic Section Orders in conflict with this Memorandum are void.

Enclosure
Appendix "A"

Distribution
"A"

Wendell M. Adams
 HARRIS CLEVELAND

Acting Vice President

62

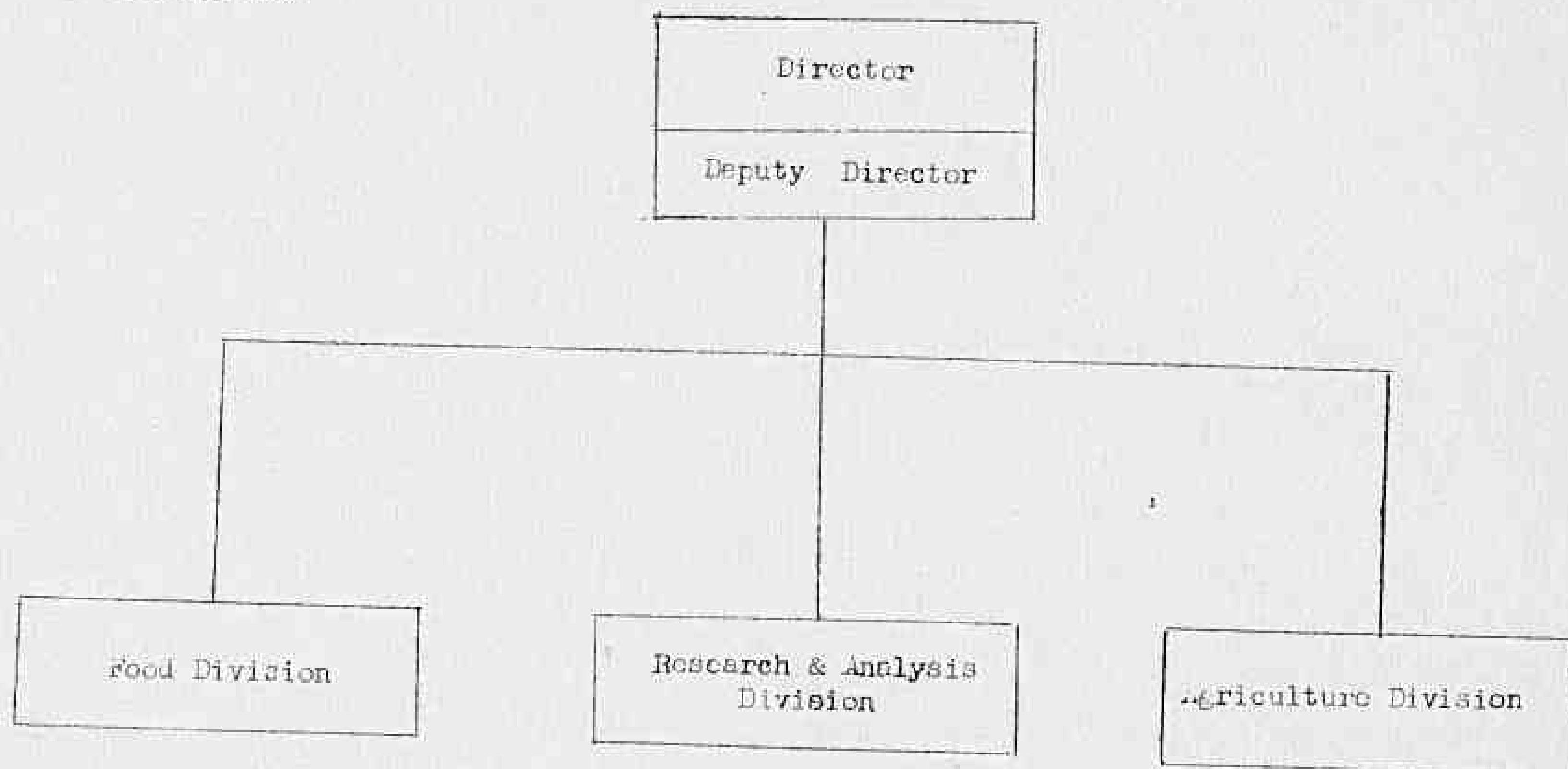
1673

ORGANIZATION CHART

Food & Agriculture Sub-Commission
Economic Section
Allied Commission (Italy)

16

Appendix "A"
E/S Memorandum
12 November

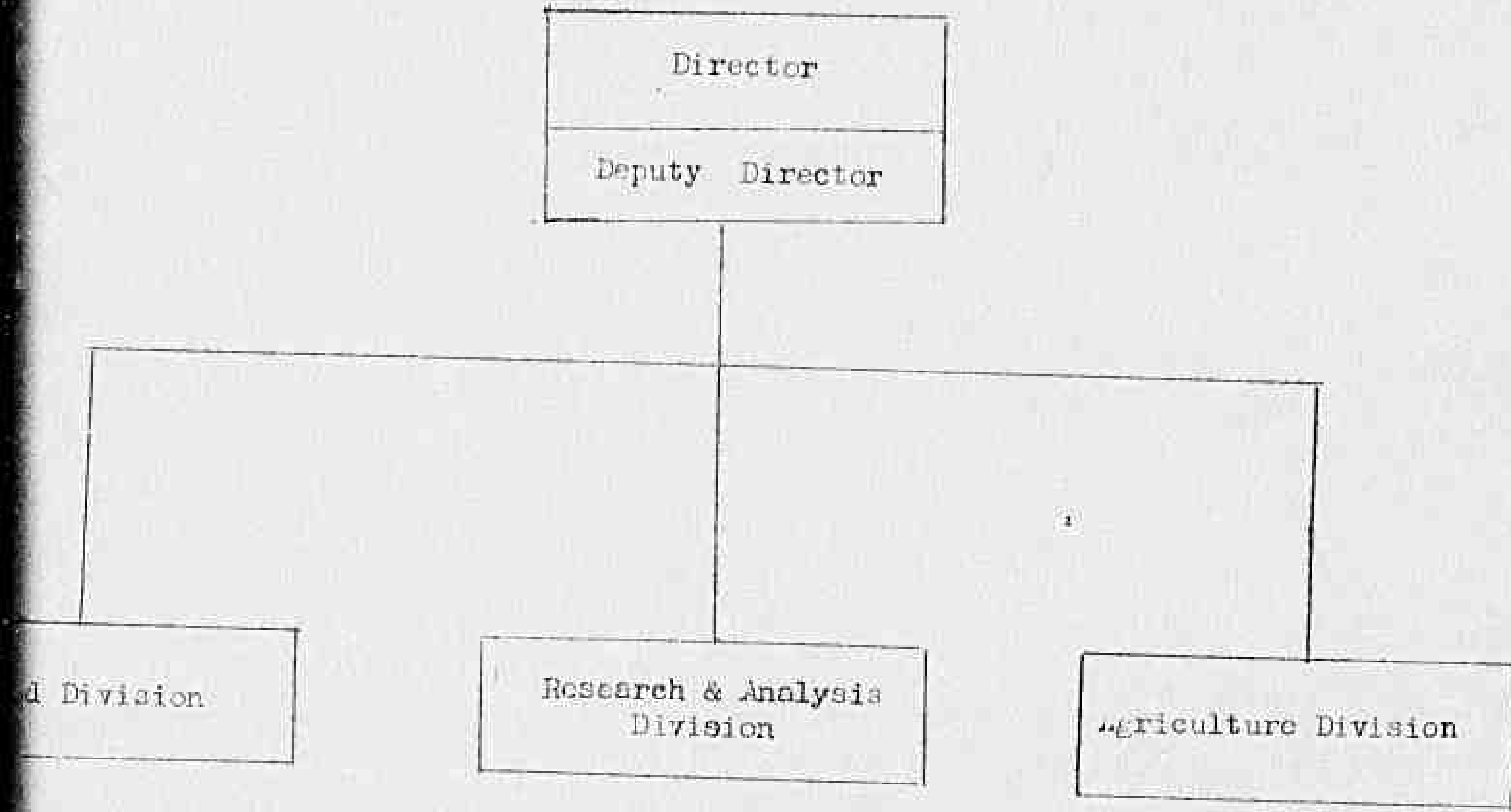


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19

Appendix "A" to
E/S Memorandum No. 29,
12 November 1945

Sub-Commission
(Italy)



494

RESTELED

HEADQUARTERS ALLIED COMMISSION
APO 394

1 November 1945

EXECUTIVE ORDERS)

NUMBER 77)

- Creation of Supply Group, Economic Section I
Abolition of Supply Division, Economic Section II
Consolidation of Food and Agriculture Sub-Commission III
Consolidation of Industry and Public Works & Utilities
Sub-Commission IV
Abolition of Industry & Commerce Division, Economic Section V
Branch Changes in Office Chief Staff Officer, Economic Section VI
Appointments, Assignments and Re-Designations within the
Economic Section VII
Organization Chart, Economic Section VIII

I - CREATION OF SUPPLY GROUP, ECONOMIC SECTION

announcement is made of the creation, effective 1 November 1945, of the Supply Group, Economic Section, which group shall include the following Staff Branches and Sub-Commissions:

- Program Coordination Branch
Requisition Branch
Surplus and Special Materials Branch
Captured Enemy Materials Branch
Food and Agriculture Sub-Commission
Industry and Utilities Sub-Commission
Transportation and Shipping Sub-Commission

The Program Coordination Branch and the Surplus and Special Materials Branch are hereby created.

II - ABOLITION OF SUPPLY DIVISION, ECONOMIC SECTION

The Supply Division, Economic Section, is hereby abolished.

War Materials Disposal Sub-Commission is hereby designated as the Captured Enemy Materials Branch and is transferred as a Staff Branch to the Supply Group, Economic Section.

III - CONSOLIDATION OF FOOD AND AGRICULTURE SUB-COMMISSION

The Food Sub-Commission and the Agriculture Sub-Commission are hereby consolidated into a single Sub-Commission to be known as the Food & Agriculture Sub-Commission.

IV - CONSOLIDATION OF INDUSTRY AND PUBLIC WORKS & UTILITIES SUB-COMMISSION

The Industry Sub-Commission and the Public Works & Utilities Sub-Commission are hereby consolidated into a single Sub-Commission to be known as the Industry & Utilities Sub-Commission. The Industry & Utilities Sub-Commission is hereby transferred to the Supply Group, Economic Section.

V - ABOLITION OF INDUSTRY AND COMMERCE DIVISION, ECONOMIC SECTION

The Industry and Commerce Division, Economic Section, including the Planning Staff, is hereby abolished.

1677

Economic Section VIII
 Organization Chart, Economic Section VIII

I - ORGANIZATION OF SUPPLY GROUP, ECONOMIC SECTION

Announcement is made of the creation, effective 1 November 1945, of the Supply Group, Economic Section, which group shall include the following Staff Branches and Sub-Commissions:

Program Coordination Branch
 Requisition Branch
 Surplus and Special Materials Branch
 Captured Enemy Materials Branch
 Food and Agriculture Sub-Commission
 Industry and Utilities Sub-Commission
 Transportation and Shipping Sub-Commission

The Program Coordination Branch and the Surplus and Special Materials Branch are hereby created.

II - ABOLITION OF SUPPLY DIVISION, ECONOMIC SECTION

The Supply Division, Economic Section, is hereby abolished.

War Materials Disposal Sub-Commission is hereby designated as the Captured Enemy Materials Branch and is transferred as a Staff Branch to the Supply Group, Economic Section.

III - CONSOLIDATION OF FOOD AND AGRICULTURE SUB-COMMISSION

The Food Sub-Commission and the Agriculture Sub-Commission are hereby consolidated into a single Sub-Commission to be known as the Food & Agriculture Sub-Commission.

IV - CONSOLIDATION OF INDUSTRY AND PUBLIC WORKS & UTILITIES SUB-COMMISSION

The Industry Sub-Commission and the Public Works & Utilities Sub-Commission are hereby consolidated into a single Sub-Commission to be known as the Industry & Utilities Sub-Commission. The Industry & Utilities Sub-Commission is hereby transferred to the Supply Group, Economic Section.

V - ABOLITION OF INDUSTRY AND COMMERCE DIVISION, ECONOMIC SECTION

The Industry and Commerce Division, Economic Section, including the Planning Staff, is hereby abolished.

The following transfers of functions of the Commerce Sub-Commission are hereby effected: The Coal and P.O.L. Divisions to Industry and Utilities Sub-Commission; the Special Materials Division to the Surplus and Special Materials Branch of Supply Group, Economic Section.

- 1 -

RESTRICTED

09

RESTRICTED

Par V, Executive Orders #77, Hq Allied Commission, dtd 1 Nov 45, Cont'd:

The Commerce (Foreign Trade) Sub-Commission will perform the remaining functions of the Sub-Commission and report direct to the Office of the acting Vice President.

VI - BRANCH CHANGES IN OFFICE CHIEF STAFF OFFICER, ECONOMIC SECTION

Research and Statistics Branch, Office of the Chief Staff Officer, Economic Section, is hereby abolished and its functions are transferred to the Production Control Branch, Supply Group, Economic Section.

Price Control Branch, Office of the Chief Staff Officer, Economic Section, is transferred from the Office of the Chief Staff Officer and will report direct to the Office of the acting Vice President, Economic Section.

VII - APPOINTMENTS, ASSIGNMENTS AND RE-DESIGNATIONS WITHIN THE ECONOMIC SECTION

Announcement is made of the following appointments, assignments and re-designations within the Economic Section:

Name	Position	Effective
Mr. Harlan Cleveland	(A) Acting Vice President	Previously announ
Colonel L. D. DENSMORE	(A) Deputy Vice President	Previously announ
Mr. Elwood W. Holstein	(A) Chief Staff Officer	Previously announ
Colonel C. W. WALTON	(A) Chief, Supply Group	1 November 1945
Mr. J. M. Merritt	(A) Director, Food & Agriculture S/C	1 November 1945
Mr. A. H. Sullivan	(A) Director, Industry & Utilities S/C	1 November 1945
Colonel F. D. Q. BUCHANAN	(B) Director, Transportation & Shipping S/C	10 October 1945
Colonel R. B. MENAPACE	(A) Director, Finance S/C	Previously announ
Lt Colonel F. W. TOOLEY	(B) Director, Commerce (Foreign Trade) S/C	15 November 1945
Mr. W. H. Braine	(D) Director, Labor S/C	Previously announ
Colonel E. J. RISTEDT	(A) Relieved as Director Public Works & Utilities S/C and assigned to Industry & Utilities S/C	1 November 1945

VIII - ORGANIZATION CHART, ECONOMIC SECTION

Annex 1, hereto is Organization Chart, Economic Section, as of 1 November 1945 reflecting changes set forth in this order.

All previous orders in conflict with this order are void.

W. H. Stone

WILLIAM W. STONE
Rear Admiral, USNR
Chief Commissioner

DISTRIBUTION:

"A"

VII -

APPOINTMENTS, ASSIGNMENTS AND RE-DESIGNATIONS WITHIN THE ECONOMIC SECTION

Announcement is made of the following appointments, assignments and re-designations within the Economic Section:

Name	Position	Effective
Mr. Harlan Cleveland	(A) Acting Vice President	Previously annou
Colonel L. D. DEMSMORE	(A) Deputy Vice President	Previously annou
Mr. Elwood W. Holstein	(A) Chief Staff Officer	Previously annou
Colonel C. W. WALTON	(A) Chief, Supply Group	1 November 1945
Mr. J. M. Merritt	(A) Director, Food & Agriculture S/C	1 November 1945
Mr. A. H. Sullivan	(A) Director, Industry & Utilities S/C	1 November 1945
Colonel F.D.Q. DUCHANAN	(B) Director, Transporta- tion & Shipping S/C	10 October 1945
Colonel R. B. MENAPACE	(A) Director, Finance S/C	Previously annou
Lt Colonel F. W. TOQBY	(B) Director, Commerce (Foreign Trade) S/C	15 November 1945
Mr. W. H. Braine	(B) Director, Labor S/C	Previously annou
Colonel E. J. RISTEDT	(A) Relieved as Director Public Works & Utilities S/C and assigned to Industry & Utilities S/C 1 November 1945	

VIII -

ORGANIZATION CHART, ECONOMIC SECTION

Appendix A hereto is Organization Chart, Economic Section, as of 1 November 1945 reflecting changes set forth in this order.

All previous orders in conflict with this order are void.

Wm. W. Stone

WILLIAM W. STONE
Rear Admiral, USNR
Chief Commissioner

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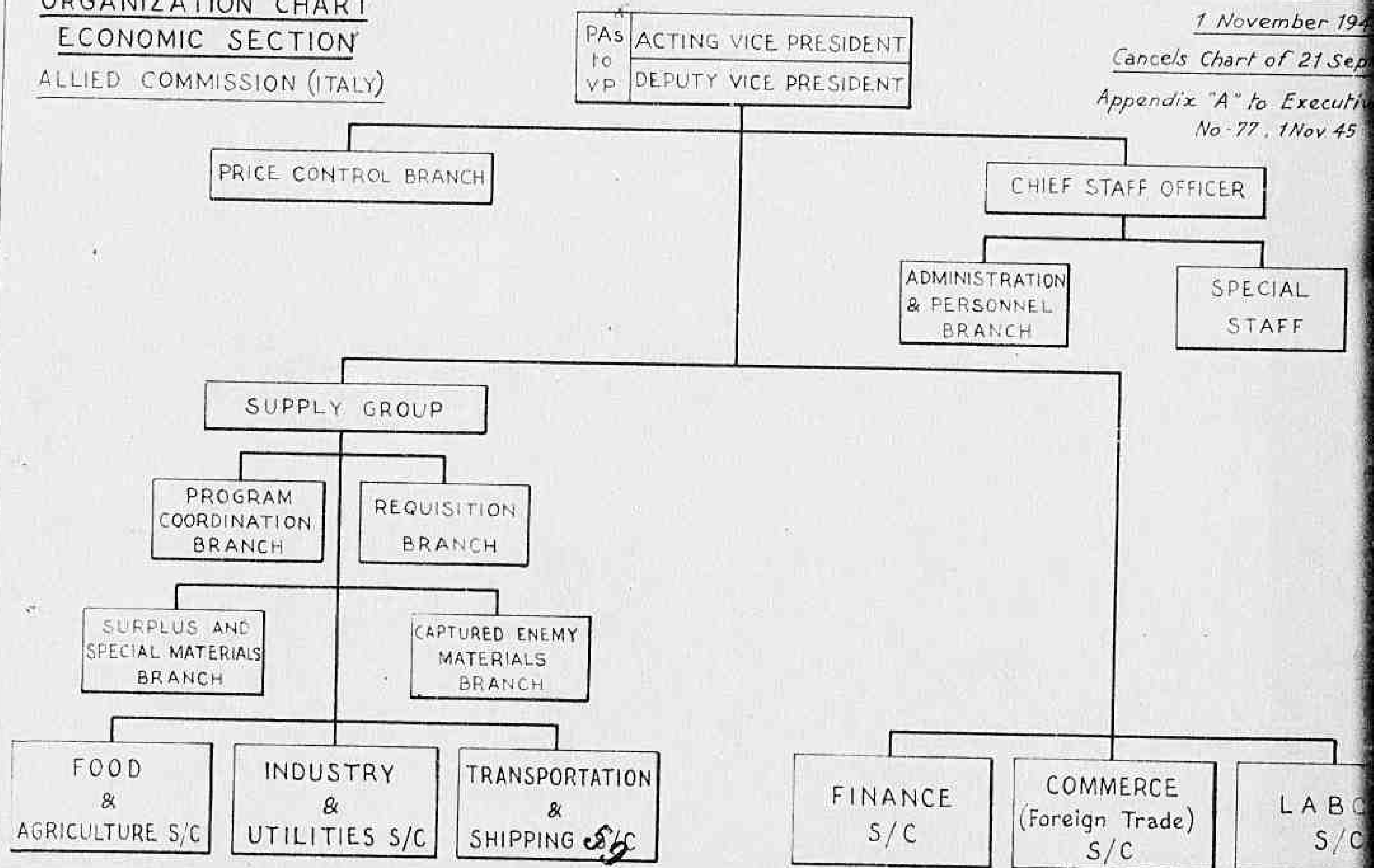
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Including Group III
Less Serial 80

-2-

RESTRICTED

ORGANIZATION CHART
ECONOMIC SECTION
ALLIED COMMISSION (ITALY)



ORGANIZATION CHART
ECONOMIC SECTION
COMMISSION (ITALY)

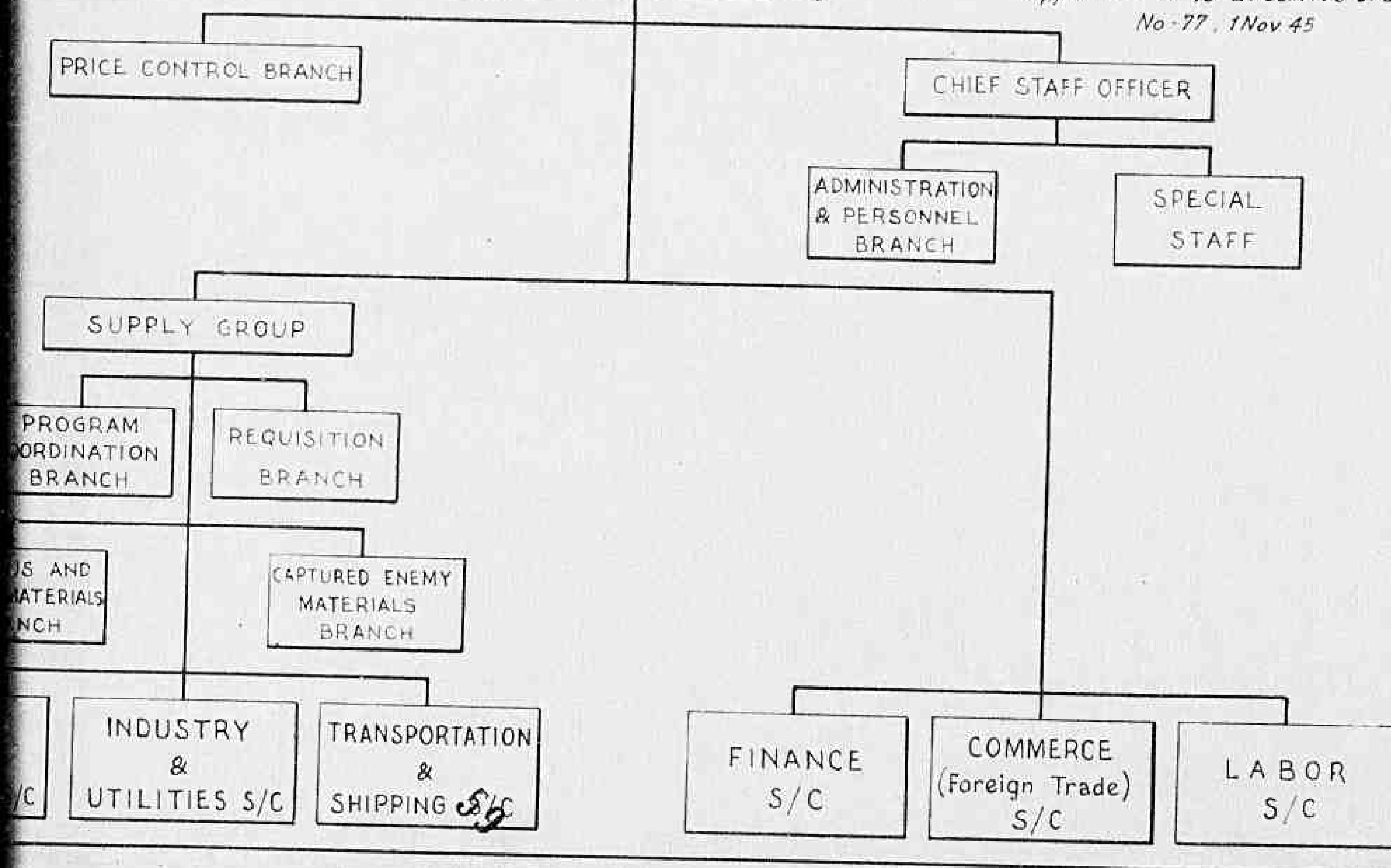
PAs
to
VP

ACTING VICE PRESIDENT
DEPUTY VICE PRESIDENT

1 November 1945

Cancels Chart of 21 Sept. 1945

*Appendix "A" to Executive Order
No. 77, 1 Nov 45*



HEADQUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

AC/4014/8/L.

APN/lc.
9 October 1945.

SUBJECT : Purchase of Timber.

TO : Economic Section AC.

1. Reference D/35/FA of 22 September 1945 Financial Adviser Province of Udine regarding timber in Udine, the following opinion is expressed by the Legal Sub-Commission.

2. Any contract made for the sale of standing timber which is to be cut, is a contract for the sale of personal property and not for the sale of real estate.

3. Timber, is considered part of the real estate only when sold with it, but may be sold separately.

4. If the sawmill owners by their contracts with the commune have the right to cut and remove timber it is their personal property during the life of such lease or contract.

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ANTHONY P. NUGENT,
Major, AUS,
Chief Counsel,
for Chief Legal Advisor.

HEADQUARTERS ALLIED COMMISSION
ECONOMIC SECTION

Price Memorandum No. 8
19 July 1945

SUBJECT: Producer and Processor Prices of Milk, Live Cattle and
Derivative Products

TO : See distribution below

A SECTION

1. The purpose of this Price Memo is to establish new producer maximum selling prices on milk and live cattle and to establish new processor maximum selling prices for products derived from milk.
2. This is the first announcement of new producer and processor prices provided for in Price Memo No. 3. The definitions, general policies and provisions of Price Memo No. 3 apply.
3. The commodities covered in this memo are non-seasonal, that is, there is some production continuously throughout the year; maximum selling prices of such commodities will be reviewed monthly for the purpose of effecting any necessary adjustments.
4. The "maximum" character of the selling prices established in C Section of this memo is emphasized. It is strongly urged that prices lower than maximum be established wherever possible.

B SECTION

1. Regional Commissioners are instructed to issue appropriate orders and instructions to effectuate the following:
 - a. Rescind General Order No. 41 with respect to the commodities covered in Section C hereof as authorized in Article 6, General Order No. 41.
 - b. Establish the new producer and processor prices provided for in this memo.
 - c. Establish wholesale and retail selling prices appropriate to the new producer and processor selling prices.
 - d. Effectuate all the changes provided for above not later than 1 August 1945.
2. Price Memo No. 1 is hereby superseded with respect to commodities covered in C Section.

C SECTION

1. Milk - The maximum producer selling price of raw milk, as it comes from the cow, destined for industrial purposes or for direct consumption as whole milk shall be 1,000 lire per quintal f.o.b. the farm.

1. The purpose of this Price Memo is to establish new producer maximum selling prices on milk and live cattle and to establish new processor maximum selling prices for products derived from milk.
2. This is the first announcement of new producer and processor prices provided for in Price Memo No. 3. The definitions, general policies and provisions of Price Memo No. 3 apply.
3. The commodities covered in this memo are non-seasonal, that is, there is some production continuously throughout the year. Maximum selling prices of such commodities will be reviewed monthly for the purpose of effecting any necessary adjustments.
4. The "maximum" character of the selling prices established in C Section of this memo is emphasized. It is strongly urged that prices lower than maximum be established wherever possible.

B SECTION

1. Regional Commissioners are instructed to issue appropriate orders and instructions to effectuate the following:

- a. Rescind General Order No. 41 with respect to the commodities covered in Section C hereof as authorized in Article 6, General Order No. 41.
- b. Establish the new producer and processor prices provided for in this memo.
- c. Establish wholesale and retail selling prices appropriate to the new producer and processor selling prices.
- d. Effectuate all the changes provided for above not later than 1 August 1945.

2. Price Memo No. 1 is hereby superseded with respect to commodities covered in C Section.

C SECTION

1. Milk - The maximum producer selling price of raw milk, as it comes from the cow, destined for industrial purposes or for direct consumption as whole milk shall be 1,000 lire per quintal f.o.b. the farm.
2. Live Cattle - The maximum producer selling price for live cattle for butcher, delivered to an authorized collecting agent, shall be 4,000 lire per quintal for first grade beef of Group B, and as set forth in attached evaluation table for other categories, grades and groups.
3. Butter - Completed processing of butter in Italy involves three stages. It has been the practice in North Italy to centrally establish maximum selling prices at each of these three stages. This practice is continued in the three processor selling prices which follow. The price designated in Para. c below is the finished processor selling price and the maximum price which local wholesalers will be allowed to pay.

- 2 -

- a. The maximum selling price for unpackaged butter, with liquid content not greater than 16% and a fat content of at least 83%, shall be 220 lire per kilogram, f.o.b. the processing plant.
- b. The maximum selling price for butter which has been collected, assembled and warehoused by authorized agents shall be 224 lire per kilogram, f.o.b. collecting firm's warehouse.
- c. The maximum selling price for butter packaged, packed and refrigerated for shipment, and including all payment to selling agents, shall be not greater than 237 lire per kilogram, f.o.b. freight car, truck, or boat.

NOTE: Inasmuch as the status of butter under the new 4% general sales tax is not clear, the above prices do not include this tax. In cases where the tax is paid at any of the above levels it may be added to the selling prices by the person who pays it, and on the selling prices of any additional persons who subsequently resell the product on which the tax has been paid. In the event the Tax Decree is interpreted to apply at more than one level the selling price may be augmented cumulatively.

- 4. Cheeses - The completed processing of cheese normally includes two steps and it has been customary in North Italy to determine selling prices at each of these two stages. The processor prices in Col. 1 below are f.o.b. cheese processing plants. They represent the first stage of processing which is the actual conversion of the raw material into cheese. The prices of the national distributors to the local wholesalers in Col. 2 below are f.o.b. assembly plant and include payments for the functions of assembling, aging, and preparation for shipment as well as the 4% general sales tax. Col. 2 therefore gives the finished processor selling prices and the maximum which local wholesalers are allowed to pay.

	Col. 1	Col. 2
a. Asiago, Montasio e Bra	100.	1126.30
b. Crescenza	70.	95.30
c. Briental, Sbrinz	116.	141.50
d. Gorgonzola	83.70	121.
e. Grana: produzione 1942	-	130.40
" " 1943	-	128.
" " 1944	-	125.10
" " 1945	115.	-
d. Pol Paese, Italico	81.20	110.
e. Magro	59.	76.
f. Morlacco	104.	128.
g. Provolone, Gasciocavallo	106.70	133.10
h. Semigrasso	83.40	107.30
i. Taleggio e Quattrolo	74.20	104.
j. Formaggi fusi	-	150.
k. Fontina	110	135.40

NOTE: For formaggio grana as of 1 September 1945, an increase of 2.5 lire per kilogram is authorized each month to cover aging costs.

- 5. Condensed milks - the following maximum processor selling prices are f.o.b.

- c. The maximum selling price for butter packaged, packed and refrigerated for shipment, and including all payment to selling agents, shall be not greater than 237 lire per kilogram, f.o.b. freight car, truck, or boat.

NOTE: Inasmuch as the status of butter under the new 4% general sales tax is not clear, the above prices do not include this tax. In cases where the tax is paid at any of the above levels it may be added to the selling prices by the person who pays it, and on the selling prices of any additional persons who subsequently resell the product on which the tax has been paid. In the event the Tax Decree is interpreted to apply at more than one level the selling price may be augmented cumulatively.

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i. Taleggio e Quattrolo	74.20	104.
j. Formaggi fusi	-	150.
k. Fontina	110	135.40

NOTE: For formaggio grana as of 1 September 1945, an increase of 2.5 lire per kilogram is authorized each month to cover aging costs.

5. Condensed milks - the following maximum processor selling prices are f.o.b. processing plant and include the sugar refining tax.
- a. In paraffined barrels - 10.345 lire per quintal.
 - b. In cans of 0.385 kg, net weight, 2232 lire per case of 48 cans, or 46.5 lire per can.
 - c. For condensed milk in cans of net weight greater than 0.385 kg but less than 1 kg the price will be determined on the basis of the net weight times the price in Para. b.

6. Powdered skin milk - The maximum processor selling prices for powdered skin milk in cases 50 kg, packed for shipment, f.o.b. processor plant are established as follows:

a. Insoluble powdered skin milk	160 lire per kg.
b. Soluble powdered skin milk	163 " " "

7. Special Powdered Skin and Whole Milks for Babies - Due to the many varieties and means of packaging the special milk powders for babies, a percentage increase is applied to the official 3 April prices. To ascertain that processors of these commodities are not charging more than the percentage increase given below, each processor must report immediately his old and new prices as he has in the past. These reports should now be sent to the North Italy Industrial Price-Fixing Board in Milan. Prices are f.o.b. processor plant.

a. Special powdered skin milk for babies (polvere di latte per l'alimentazione dell'infanzia)	170%
b. Special powdered whole milk for babies (farine latte per l'alimentazione dell'infanzia)	200%

8. Cagliate (Fermented Milk) - The maximum processor selling prices of cagliate, unpackaged, and with a liquid content not to exceed 62%, f.o.b. processor plant, are as follows:

a. Cagliata to be used for the production of <u>caseina al caglio</u>	57 lire per kg.
b. Cagliata to be used in the production of <u>caseina lattica</u>	59.4 " " "
c. Cagliata to be used in the production of <u>caseina presamica</u>	62 " " "

9. Casein - The following are the producer prices of casein, non-packaged, f.o.b. processor plant, 56

a. Caseina al caglio	230 lire per kg
b. Caseina lattica	237 " " "
c. Caseina presamica	245 " " "

NOTE: - The above prices are for caseins ground at 30 maglie, while for that which is ground at 60 maglie, an increase of 100 lire per quintal is permitted, and for the product ground at 90 maglie, an increase of 150 lire.

NOTE: It will be noted that no processor selling price is established on milk for alimentation. It is reported that the processing and distributing function is generally carried on as one function and that the normal practice in North Italy has been for local price fixing organizations to determine all necessary prices. See footnote No. 2 on the Meat Evaluation Table with respect to processor selling prices of meat.

E. B. McKinley

E. B. MCKINLEY
ERIC. GENERAL, USA
ACTING VICE PRESIDENT

DISTRIBUTION:

Regional Commissioners:

4-5 15

- 1688
- a. Special powdered skim milk for babies (polveri di latte per l'alimentazione dell'infanzia) 170%
- b. Special powdered whole milk for babies (farine latte per l'alimentazione dell'infanzia) 200%

8. Cagliate (Fermented Milk) - The maximum processor selling prices of cagliate, unpackaged, and with a liquid content not to exceed 62%, f.o.b., processor plant, are as follows:

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W. B. McKinley

W. B. MCKINLEY
ERIC. GENERAL, USA
ACTING VICE PRESIDENT

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Piemonte	17	Commerce S/C	1
SCAO 13 Corps	17	Transportation S/C	1
ATG 5 Army	1	Legal S/C	1
ATG 8 Army	1	Industry S/C	1
SCAO IV Corps	1	Civil Affairs Section	2

See reverse side for Meat Evaluation Table

EVALUATION TABLE FOR CATTLE FOR SLAUGHTER
(Live Weight)

Categoria	Qualita	Group A		Group B		Group C	
		Prezzo al Con-	ferente L.	Prezzo al Con-	ferente L.	Prezzo al Con-	ferente L.
Vitelli da latte della coscia (senza limitazione di peso)	Extra preparato resa minima sottopelle 64%	76.					
Vitelli da latte (peso massimo Kg.180)	Prima	52.		52.		52.	
	Seconda	44.		44.		44.	
	Terza (ompresi erbiv.)	36.		36.		36.	
Vitelloni extra	Resa minima 55%	54.40		54.40		54.40	
Vitelloni, Giovenche, Manzi e Manze	Prima	48.		45.60		42.40	
	Seconda	44.		41.60		38.40	
	Terza	40.		37.60		34.40	
Buoi	Prima	43.20		40.		36.	
	Seconda	37.60		35.20		31.20	
	Terza	30.40		28.80		26.40	
Vacche	Prima	40.		36.		32.	
	Seconda	33.60		30.40		28.	
	Terza	27.20		26.40		24.	
Tori	Prima	43.20		40.		35.20	
	Seconda	37.60		35.20		31.20	

NOTE:

1. The above prices are maximum producer selling prices for live cattle delivered to an authorized collecting agent.

2. No processor prices on beef or veal are established because it has been reported that the slaughterer invariably fulfills the wholesale function of distributing to retailers. Therefore, the next price level after the producer selling prices named above will be the maximum wholesale selling price which will be established by the local price fixing organization along with the retail selling price as prescribed in Price Memo No. 3.

3. The categories and qualities and groups shown above are as defined in Decree No. 271 published in Bollettino Ufficiale del Commissariato dei Prezzi No. 192, dated 18 October 1944.

4. It has been the custom in North Italy to adjust the price paid to the producer according to the actual yield of meat from the cattle after slaughter. If any region wishes to continue this practice, the base yields to which the above prices apply are those in the above-mentioned Decree.

5. If it is decided to adjust selling prices for viandas, then the

limitazione di peso) sottopelle 64%		76.		
Vitelli da latte (peso massimo Kg. 180)	Prima	52.	52.	52.
	Seconda	44.	44.	44.
	Terza (compresi erbiv.)	36.	36.	36.
Vitelloni extra	Resa minima 55%	54.40	54.40	54.40
Vitelloni, Giovanche, Manzi e Manze	Prima	48.	45.60	42.40
	Seconda	44.	41.60	38.40
	Terza	40.	37.60	34.40
Buoi	Prima	43.20	40.	36.
	Seconda	37.60	35.20	31.20
	Terza	30.40	28.80	26.40
Vacche	Prima	40.	36.	32.
	Seconda	33.60	30.40	28.
	Terza	27.20	26.40	24.
Tori	Prima	43.20	40.	35.20
	Seconda	37.60	35.20	31.20

NOTE:

1. The above prices are maximum producer selling prices for live cattle delivered to an authorized collecting agent.

2. No processor prices on beef or veal are established because it has been reported that the slaughterer invariably fulfills the wholesale function of distributing to retailers. Therefore, the next price level after the producer selling prices noted above will be the maximum wholesale selling price which will be established by the local price fixing organization along with the retail selling price as prescribed in Price Memo No. 3.

3. The categories and qualities and groups shown above are as defined in Decree No. 274 published in Bollettino Ufficiale del Commissariato dei Prezzi No. 192, dated 18 October 1944.

4. It has been the custom in North Italy to adjust the price paid to the producer according to the actual yield of meat from the cattle after slaughter. If any region wishes to continue this practice, the base yields to which the above prices apply are those in the above-mentioned Decree.

5. If it is decided to adjust selling prices for yields, then the adjustments to be applied for each one percent variation from the base yields mentioned in Note 4 will be the adjustments set forth in the above-mentioned Decree multiplied by 8.

HEADQUARTERS ALLIED COMMISSION
ECONOMIC SECTION

Price Memorandum No. 5
July 1945

SUBJECT: Wholesale and Retail Maximum Selling Prices for Rice,
Sugar, Olive Oil, Seed Oils and Marmellate from Old Crops

TO : See Distribution Below

A SECTION - Purpose

1. a. To confirm Signal 1418/Ez/Sec/7 July 1945.
- b. To interpret Price Memo No. 5 as it applies to stocks now on hand of seasonally-produced items from old crops and processing.
- c. To provide for local adjustments in wholesale and retail selling prices of such products.
2. Price Memo No. 3 established the procedures whereby prices would be fixed on both seasonally and unseasonally produced foodstuffs. Seasonally produced items present a special problem in cases where substantial stocks exist from old production and where some time will elapse before new production is available for distribution. Such items have left the hands of producers and processors and are now mainly in the hands of distributors; therefore, current production and processing costs should not be a factor in determining wholesale and retail prices of such stocks. Due to increases in distribution costs, adjustments in wholesale and retail selling prices may be necessary to keep these stocks moving freely to consumers. As Price Memo No. 3 is now written, no major adjustments in these prices could be made prior to the announcement of new producer and processor prices.

B SECTION - General Policy

1. Wholesale and Retail Maximum Selling Prices on existing stocks of all controlled foodstuffs will at all times be determined on the basis of the last official producer and processor price applicable. When new producer and processor prices are announced, as provided in Price Memo No. 3, they will automatically become the new basis for determining new wholesale and retail selling prices. The new prices will then apply to all subsequent wholesale and retail sales, whether of currently-produced or of past-produced stocks.
2. Applying this policy to the seasonally produced items which are the subject of this memo, the 3 April producer and processor prices constitute the present basis for computing wholesale and retail selling prices.

C SECTION - General Provisions and Amendments to Previous Orders

1. General Order No. 41 and Price Memo No. 1 are hereby superseded with respect to wholesale and retail selling prices for sugar, rice, olive oil, seed oil and marmellate.
2. Wholesale and retail selling prices of rice, sugar, olive oil, seed oils and marmellate will be established to be effective not later than

- b. To interpret Price Memo No. 3 as it applies to stocks now on hand of seasonally-produced items from old crops and processing.
- c. To provide for local adjustments in wholesale and retail selling prices of such products.
2. Price Memo No. 3 established the procedures whereby prices would be fixed on both seasonally and unseasonally produced foodstuffs. Seasonally produced items present a special problem in cases where substantial stocks exist from old production and where some time will elapse before new production is available for distribution. Such items have left the hands of producers and processors and are now mainly in the hands of distributors; therefore, current production and processing costs should not be a factor in determining wholesale and retail prices of such stocks. Due to increases in distribution costs, adjustments in wholesale and retail selling prices may be necessary to keep these stocks moving freely to consumers. As Price Memo No. 3 is now written, no major adjustments in these prices could be made prior to the announcement of new producer and processor prices.

B SECTION - General Policy

1. Wholesale and Retail Maximum Selling Prices on existing stocks of all controlled foodstuffs will at all times be determined on the basis of the last official producer and processor price applicable. When new producer and processor prices are announced, as provided in Price Memo No. 3, they will automatically become the new basis for determining new wholesale and retail selling prices. The new prices will then apply to all subsequent wholesale and retail sales, whether of currently-produced or of past-produced stocks.
2. Applying this policy to the seasonally produced items which are the subject of this memo, the 3 April producer and processor prices constitute the present basis for computing wholesale and retail selling prices.

C SECTION - General Provisions and Amendments to Previous Orders

1. General Order No. 41 and Price Memo No. 1 are hereby superseded with respect to wholesale and retail selling prices for sugar, rice, olive oil, seed oil and marmellate.
2. Wholesale and retail selling prices of rice, sugar, olive oil, seed oils and marmellate will be established to be effective not later than 1 August 1945, in all regions. Price Memo No. 3, D Section, Para. 4, is hereby supplemented by the following:

- 2 -

Wholesale and retail maximum selling prices of existing stocks of seasonally-produced commodities listed in Para. 8-b of this section will be established by local price organizations not later than 1 August 1945 on the basis of last official producer and processor prices.

3. The recommendations to SEC 41 & the prices provided for in the above are to be applied by appropriate index of Regional Commissions.

E. B. MCINLEY
ENIG. GENERAL, USA
ACTING VICE PRESIDENT

DISTRIBUTION:

Regional Commissioners:

Venezia	23
Emilia	19
Liguria	11
Lombardia	21
Piemonte	17
SCAO 13 Corps	17
AVC 5 Army	1
AVC 8 Army	1
SCAO IV Corps	1
G-5 15 Army Gp	1
AMHC G-5	1
Food S/C	2
Agriculture S/C	2
Labor S/C	1
Commerce S/C	1

54.

4014/8
✓
HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Legal Subb
45A

Ref. AG/5587/INE

27 April 1945

SUBJECT : Use of Industrial Facilities for Civil Requirements.

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

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.

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 4a or 4c. Sub-Commissions, Regional and Provincial Commissioners will furnish all such information whether presenting a case directly to the responsible Area, District, Base

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/ASG Industry Officers for their guidance on this subject.

1 Encl.
Questionnaire

Copy to:
File 5615

A. G. ANTOLINI
Acting Vice President
Economic Section

INDUSTRY SUB-COMMISSION	
CLO	
DCLO	
Ch	ls
OD	
28 APR 1945	

HEADQUARTERS ALLIED COMMISSION
APG 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, AFIR(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 designation of military unit occupying premises 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.

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.

- 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.

SUBCOMMISSION									
CHD	DCBO	Chief Counsel	CD	Italian Section	CL RKS				
									51

1699

4014/16

[Handwritten signature]

Col Bahrens
Legal Sub-Comm

HEADQUARTERS ALLIED COMMISSION
APO 394
Economic Section

HHE/int 44A

18.04/ES

22 March 1945

SUBJECT : Prices for imported supplies

TO :

1. This Commission is submitting copies of price lists for imported goods which are being turned over the "Istituto Nazionale per il Commercio Estero (I.C.E.).

In the distribution of imports the following principle should be observed:

In no case shall the retail price of any article imported for distribution to consumers exceed the landed cost by more than 25 per cent. It is hoped, of course, that in as far as where relatively little expense has to be incurred by the Italians for transportation, the price paid by consumers will be substantially less than 25% above the cost at which the goods are transferred to I.C.E. by AMG or AC.

For the Chief Commissioner.

[Handwritten signature]
A. G. ANTONI
Acting Vice President
Economic Section

-50

3 Incls:
3 lists as per para 1.

- DISTRIBUTION
- AMG Fifth Army
 - AMG Eighth Army
 - All Regional Commissioners
 - All Sub-Commissions (Econ.)

LEGAL SUB-COMMISSION	
CLO	/
DOLO	W ←
Chief Counsel	/
CID	/
Italian Liaison	/
CL RKS	/
22 MAR 1945	

PRICES FOR IMPORTS FROM THE UNITED STATES
AND GREAT BRITAIN
 Based on estimated landed costs
 for
MISCELLANEOUS ITEMS

<u>COMMODITY</u>	<u>UNIT</u>	<u>PRICE IN LBS.</u> <u>PER UNIT</u>
Bearings, ball	each	489.---
Bearings, ball, spare parts	box	3,200.---
Belt, conveyor rubber	meter	1,311.---
Belting, rubber, various widths and plies	meter	268.---
Body, cargo in wood (80"x14") Ford	each	49,498.---
Brushes, electric	each	87.---
Bushing for circuit breaker	each	131,000.---
Bushing for transformers	each	35,157.---
Cable, electric copper (duracord)	meter	35.---
Drill, carbon steel, twist w/stand	set	666.---
Drill, pneumatic and spare parts	each	17,738.---
Jack hammer and spare parts	each	15,035.---
Lamp, miners, carbide	each	197.---
Pick hammer, pneumatic, and spare parts	each	15,329.---
Pick hammer and drill, spare parts	each	3,063.---
Pliers various type and size	pair	167.---
Pumping and hypochlorination unit spare parts	each	54.---
Rope iron wire 5/16" diameter	meter	28.---
Rope iron wire 5/16" diameter	kilo	211.---
Saws crosscut	each	198.---
Saws, felling w/handles	each	494.---
Steel, plate carbon	kilo	19.---
Type, friction	roll	23.---

Bearings, ball, spare parts			
Belt, conveyor rubber	motor	1,311.--	
BeltinG, rubber, various widths and plies	motor	268.--	
Body, cargo in wood (80"x144") Ford	each	49,498.--	
Brushes, electric	each	87.--	
Bushing for circuit breaker	each	131,000.--	
Bushing for transformers	each	35,157.--	
Cable, electric copper (duracord)	meter	35.--	
Drill, carbon steel, twist w/stand	set	666.--	
Drill, pneumatic and spare parts	each	17,738.--	
Jack hammer and spare parts	each	15,035.--	
Lamp, miners, carbide	each	197.--	
Pick hammer, pneumatic, and spare parts	each	15,329.--	
Pick hammer and drill, spare parts	each	3,063.--	
Pliers various type and size	pair	167.--	
Pumping and hypochlorination unit spare parts	each	54.--	
Rope iron wire 5/16" diameter	motor	28.--	
Rope iron wire 5/16" diameter	kilo	211.--	
Saws crosscut	each	198.--	
Saws, felling w/handles	each	494.--	
Steel, plate carbon	kilo	19.--	
Tape, friction	roll	23.--	
Tape insulating 1/2"	20' roll	58.--	
Tires 1200x20-14 ply Truck & Bus	each	7,729.--	
Tires 600x16 passenger 6 ply reg.	each	1,059.--	
Tires 750x20 ply Truck and Bus	each	2,831.--	
Truck 1 & 1 1/2 ton w/ 32 160" wheel base chassis RHD Drive BU Cab	each	157,416.--	

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- 2 -

<u>COMMODITY</u>	<u>UNIT</u>	<u>PRICE IN LINE</u> <u>PER UNIT</u>
Truck, Ford 1 & 1½ Ton 4x2 & Cab wo/J	each	187,735.--
Tubes 1200x20 reg. Truck and Bus	each	898.--
Tubes 750x20 reg.	each	341.--
Tubes 600x16 passenger reg.	each	136.--
Wire copper insulating	kilo	121.--
Wire steel black anneled	kilo	14.--
Wrenches, various type and sizes	each	149.--

✓ 4014/8
Legal Sublime
43A

HEAD, UNITED STATES ALLIED COMMISSION
APO 394

Ref. ES/13.03

EXECUTIVE MEMORANDUM

NUMBER

26 February 1945

2

HANDLING OF IMPORTED SUPPLIES BY ISTITUTO NAZIONALE
PER IL COMMERCIO ESTERO (ICE)

1. The Italian Government has announced its intention of appointing by decree (at present in process of issuance) the Istituto Nazionale per il Commercio Estero, known as ICE, to receive, handle and account for all imported supplies with the exception of foodstuffs, medical supplies, coal and POW, and agricultural supplies normally warehoused and distributed by the Federazione del Consorzio Agrario or its agents.
2. The procedure for the handling of these imports (hereinafter called miscellaneous supplies) through ICE is set out in the attached Appendix "A", but the general principles to be observed by all Sub-Commissions may be summarized as follows:
3. Sub-Commissions should agree their distribution program with the relative Italian Ministries at the time the goods are requisitioned. When notification is received that the goods are expected, the Italian Ministry concerned and not the AC Sub-Commission or Regional Division should give the necessary disposal instructions to ICE.

4. ICE will be responsible for checking the goods off the ship (except in ports where for military reasons they are excluded, in which cases they will have to take delivery from AC/AMC warehouses). ICE will deliver the goods according to the instructions to be given to them by the interested Italian Ministry, will fix the sale price (in conjunction with the Ministry) and will collect the sale proceeds from the Ministry and will submit to the Ministry of the Treasury for such proceeds and other accounts as may be required by law.
5. Apart from future imports of miscellaneous supplies to be received by ICE direct from shipside there are already quantities of goods of the category covered by this Executive Memorandum in AC/AMC warehouses. These will be distributed by ICE in the same way as goods to be received by sea. The procedure (as set out in Appendix "A") will of necessity differ slightly, but the main principles will remain the same and disposal instructions should be given to ICE by the interested Italian Ministry.

1. The Italian Government has announced its intention of appointing by decree (at present in process of issuance) the Istituto Nazionale per il Commercio Estero, known as ICE, to receive, handle and account for all imported supplies with the exception of foodstuffs, medical supplies, coal and POL, and agricultural supplies normally warehoused and distributed by the Federazione dei Consorzi Agrari or its agents.
2. The procedure for the handling of these imports (hereinafter called miscellaneous supplies) through ICE is set out in the attached appendix "a", but the general principles to be observed by all Sub-Commissions may be summarized as follows:
 3. Sub-Commissions should agree their distribution program with the relative Italian Ministries at the time the goods are requisitioned. When notification is received that the goods are expected, the Italian Ministry concerned and not the Sub-Commission or Regional Division should give the necessary disposal instructions to ICE.
 4. ICE will be responsible for checking the goods off the ship (except in ports where for military reasons they are excluded, in which cases they will have to take delivery from AC/AMG warehouses). ICE will deliver the goods according to the instructions to be given to them by the interested Italian Ministry, will fix the sale price (in conjunction with the Ministry) and will collect the sale proceeds from the customer. They will account to the Ministry of the Treasury for such proceeds and will submit to the Chief accountant of such receiving reports and other accounts as may be required by him.
 5. Apart from future imports of miscellaneous supplies to be received by ICE direct from overseas there are already quantities of goods of the category covered by this Executive Memorandum in AC/AMG warehouses. These will be distributed by ICE in the same way as goods to be received by sea. The proceeds (as set out in appendix "a") will of necessity differ slightly, but the main principles will remain the same and disposal instructions should be given to ICE by the interested Italian Ministry.
 6. In the early stages of ICE's operations it is appreciated that emergencies may arise whereby delivery of imported supplies covered by this Executive Memorandum may sometimes require to be made by AC/AMG themselves either from shipside or warehouse instead of by ICE. In such cases ICE will be responsible in-ving the customer and collecting the proceeds of sale, although delivery was made by AC/AMG. In order that ICE may be in a position to do this, the Sub-Commission making the delivery must notify them. The procedure for doing this is laid down in the attached appendix "a".

/2.

- 2 -

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

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

M. S. LUSH,
Brigadier,
Executive Commissioner.

DISTRIBUTION

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

LEGAL SUB-COMMISSION	
CIC	
CHIEF ACCOUNTANT	
CHIEF OF POLICE	
CHIEF OF DEFENSE	
CHIEF OF FINANCE	
CHIEF OF HEALTH	
CHIEF OF LOGISTICS	
CHIEF OF TRANSPORT	
CHIEF OF UTILITIES	
CHIEF OF WELFARE	
CHIEF OF WORK	

until this is done, Sub-Commissions and other Divisions concerned should use typewritten forms drawn up to contain the same information.

W. S. Lush
W. S. LUSH,
Brigadier,
Executive Commissioner.

DISTRIBUTION

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Chief accountant (20 extra copies)

LEGAL SUB-COMMISSION

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

15. IOL may take delivery from AC/ARG warehouses (...) of goods which were already in the warehouse prior to their taking over the responsibility and distribution of imports, (b) where for any reason IOL representatives are not allowed in the dock area to check the goods, as may be the case in certain ports in military areas in such cases delivery must be taken by IOL ex AC/ARG warehouse, and (c) in any cases where for exceptional circumstances imports have been received by AC/ARG.

16. In the case of goods warehoused in the circumstances described in the preceding paragraph it will be necessary for AC/ARG to authorize the warehouse to release the goods to IOL. It will be the responsibility of the interested Sub-Commissions or Regional Division to do this by means of the same Notification Note as for imports, made out in sextuplicate (Form R/F/60 Appendix "5"). The original copy will be given to IOL as authority to take delivery; the duplicate will be sent to the interested Italian Ministry for official instructions; the triplicate will be retained by the issuing Sub-Commission or Regional Division; the quadruplicate will be sent to the Transportation Sub-Commission (Port and Warehouse Division); the quintuplicate to the Chief Accountant, and the sextuplicate to the Supply and Resources Division who will see that the landed cost is communicated to IOL.

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

EMERGENCY DELIVERIES BY AC/ARG DIRECT TO CUSTOMERS FROM SHIP SIDE

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

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

circumstances imports have been received by AC/AMG.

16. In the case of goods re-released in the circumstances described in the preceding paragraph it will be necessary for AC/AMG to authorize the warehouse to release the goods to IOL. It will be the responsibility of the authorized Sub-Commission or Regional Division to do this by means of the same Notification Note as for imports, made out in extenuation (Form F/P/60 Appendix "B"). In addition they will be given to IOL as authority to take delivery; the duplicate will be sent to the interested Italian Ministry for logistical instructions; the duplicate will be retained by the issuing Sub-Commission or Regional Division; the duplicate will be sent to the Transportation Sub-Commission (Port and Warehouse Division); the duplicate to the Chief Accountant; and the duplicate to the Supply and Resources Division who will see that the landed cost is communicated to IOL.

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

EMERGENCY DELIVERIES BY AC/AMG DIRECT TO CUSTOMERS FROM

SHIP SIDE

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

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

/4.

- 4 -

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

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

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

DELIVERIES BY AC/AMC DIRECT TO CUSTOMER FROM WAREHOUSE

19. Starting immediately, ICB will be responsible for collecting the proceeds of sales in respect of all deliveries to be made in future from AC/AMC warehouses direct to customers even though, as may occur in the early stages of the handover, delivery is made by AC/AMC and not by ICB. In these cases procedure will be the same as for similar direct deliveries from ship side as set out in the preceding paragraph, except that the receiving report will quote the warehouse from which delivery was made instead of the name of the ship, and no copy of the ocean manifest will be obtained.

CANCELS OF COMMUNICATION

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

APPENDIX "A"PROCEDURE FOR NOTIFICATION OF EXTENDED ARRIVAL BY SHIP OF SUPPLIES TO BE DISPATCHED BY LOG AND INSTRUCTIONS.

1. Supply and Resources Division of Economic Section will, as at present, notify the requisitioning Sub-Commission that the requisition has been approved by ARHQ.

2. The requisitioning Sub-Commission will inform the Italian Ministry concerned that the requisition has been approved by ARHQ, giving details of the commodities ordered and will agree with the Ministry plans for the subsequent disposition and use of the requisitioned commodity.

3. Supply and Resources Division receive notification from Washington that the requisition has been accepted and a shipping number allotted. They will on receipt of this notification inform the Sub-Commission concerned who will in turn inform the interested Italian Ministry.

4. It is hoped that arrangements can be made with Washington and London to notify AQ when the requisitioned commodities are called forward for shipment. If this proves possible the Sub-Commissions and Ministries concerned will be duly notified. Until and unless such arrangements are made the next information as to the progress of the requisition will be when the list of scheduled arrivals for the next ten day maintenance period is received from ARHQ. On the basis of this document supply and Resources Division will notify the interested parties as set out below; in many cases however a copy of the ocean manifest is received by the Supply and Resources Division and in such cases the notification to the interested parties will be based on the manifest and will carry reference to the requisition numbers. Where no manifest is received it will not be possible to include reference to the requisition number in the notification to interested parties.

5. All authorizations for release of miscellaneous supplies will be made by a "Notification Note" Form F/F/60 (Appendix "B"). On receipt of the scheduled arrivals or the ocean manifest, the Supply and Resources Division will prepare a Notification Note in sextuplicate. The original will be forwarded to ICB as notification to prepare for reception of the goods (see para 7); the duplicate and triplicate will be forwarded to the interested Sub-Commission; the quadruplicate will be sent direct to the Transportation Sub-Commission (Port and Warehouse Division); the quintuplicate will be sent to the Chief Accountant; and the sextuplicate will be retained by the Supply and Resources Division. Supply and Resources Division will be responsible for notifying ICB of the approximate landed cost either on the Notification Note or later.

6. The Sub-Commission handling such supplies will transmit the duplicate copy to the Italian Ministry requesting them to

Italian Ministry concerned that the requisition has been approved by ARHC, giving details of the commodities ordered and will agree with the Ministry plans for the subsequent disposition and use of the requisitioned commodity.

3. Supply and Resources Division receive notification from Washington that the requisition has been accepted and a shipping number allotted. They will on receipt of this notification inform the Sub-Commission concerned who will in turn inform the interested Italian Ministry.

4. It is hoped that arrangements can be made with Washington and London to notify ARHC when the requisitioned commodities are called forward for shipment. If this proves possible, the Sub-Commission and Ministries concerned will be duly notified. Until and unless such arrangements are made the exact information as to the progress of the requisition will be given the list of scheduled arrivals for the next ten day maintenance period is received from ARHC. On the basis of this document Supply and Resources Division will notify the interested parties as set out below; in many cases however a copy of the ocean manifest is received by the Supply and Resources Division and in such cases the notification to the interested parties will be based on the manifest and will carry reference to the requisition number. Where no manifest is received it will not be possible to include reference to the requisition number in the notification to interested parties.

5. All authorizations for release of miscellaneous supplies will be made by a "Notification Note" Form F/F/50 (Appendix "B"). On receipt of the scheduled arrivals or the ocean manifest, the Supply and Resources Division will prepare a Notification Note in sextuplicate. The original will be forwarded to ICB as notification to present for reception of the goods (see para 7); the duplicate and triplicate will be forwarded to the interested Sub-Commission; the quadruplicate will be sent direct to the Transportation Sub-Commission (Port and Warehouse Division); the quintuplicate will be sent to the Chief Accountant, and the sextuplicate will be retained by the Supply and Resources Division. Supply and Resources Division will be responsible for notifying ICB of the approximate 1 week cost either on the Notification Note or later.

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

/s/.....

- 2 -

7. For security reasons only very general information as to the expected arrivals can be given to ICE. In order that the ICE agency or Port representatives may be in a position to arrange for the reception of the goods without receiving such detailed information as may constitute a breach of security, ICE should appoint a liaison officer to work continually with the AO Port Liaison Officer. For AO Port Liaison Officer will be responsible for obtaining all necessary information before the arrival of the ship, as it presents, and will bring the ICE Liaison Officer into the picture as early as security permits.
8. Immediately on receipt of notification from the Supply and Resources Division of the expected arrival, ICE will notify their Liaison Officer in the expected port of arrival. This officer will keep in close contact with the Port Liaison Officer of the Transportation Sub-Commission and should make the necessary arrangements for warehousing should this be necessary.
9. Shipping Branch of Movements Division, Transportation Sub-Commission will inform ICE of arrivals and diversions of all vessels carrying civilian supplies. ICE will pass this information to the Ministries and Sub-Commissions interested and will obtain final disposal instructions in the light of this information.
10. Regional and provincial officers will give every assistance to the ICE service including placing at their disposal facilities for letter and telegraphic communication laterally and with ICE Head Office in Rome through the AO.
- RECEIPT AND ACCOUNTS OF IMPORTED GOODS
11. Under authority from the ICE representatives have the necessary authority to enter port offices and to obtain the information as to off-loading programs necessary to them. ICE will on receipt of this information arrange for their representatives to check the cargo off the ship and dispose of same in conformity with the instructions issued by the interested Italian Ministry. Should such instructions not have been received, ICE will arrange for warehousing through the local Port and Warehouses Division or such Italian agency as may be operating the warehouse at the port.
12. ICE will submit to the Port Liaison Officer or Zone Supply Officer a receiving report in a specified form. The Port Liaison Officer or Zone Supply Officer will be responsible for forwarding this receiving report to the Regional Supply Accountant. This receiving report and the whole accounting procedure is dealt with in separate instructions.
13. The Chief Accountant will transmit to Supply and Resources Division a monthly schedule of Receiving Reports received from ICE.

and Resources Division of the expected arrival. ICE will notify their Liaison Officer in the expected port of arrival. This officer will keep in close contact with the port liaison officer of the Transportation Sub-Commission and should make the necessary arrangements for warehousing should this be necessary.

9. Shipping Branch of Movements Division, Transportation Sub-Commission will inform ICE of arrival and diversions of all vessels carrying Italian supplies. ICE will pass this information to the Maritime and Sub-commissioners interested and will obtain final approved instructions in the light of this information.

10. Regional and provincial officers will give every assistance to the ICE vessels including piloting at their disposal facilities for better and telegraphic communication laterally and with ICE Head Office in Rome through R. M.

RELIEF AND MANAGEMENT OF IMPORTED GOODS

11. Under authority from the ICE representatives have the necessary authority to enter port offices and to obtain the information as to off-loading programs necessary to them. ICE will on receipt of this information arrange for their representatives to check the cargo off the ship and dispose of same in conformity with the instructions issued by the interested Italian Ministry. Should such instructions not have been received, ICE will arrange for warehousing through the local port and Warehousing Division or such Italian agency as may be operating the warehouse at the port.

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

13. The Chief Accountant will transmit to Supply and Resources Division a monthly schedule of Receiving Reports received from ICE.

13.

APPENDIX "D"

Form F/F/60

APPLIED COMMISSION
NOTIFICATION NOT

Net.....

No.....

Date.....

FROM.....
(Name of AC/AMC issuing note)

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

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

(NOTE: Strike out whichever not applicable)

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

Requisition Number	Commodity	Trade Unit (Specify)	Approx. Number of Cases, Boxes, etc. in lot	Identification Weight Markings

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

1. This note constitutes the authority for Istituto Nazionale per il Commercio Estero (INCE) to take delivery of undermentioned goods which
- (a) are expected to arrive at the port of.....; or during the period..... to.....; or
- (b) are available in the warehouse situated at.....
- (NOTE: Strike out whichever not applicable)
2. Delivery will be made against receiving Report to be handed by INCE to Port Liaison Officer or Zone Supply Officer in the case of (a), and to the warehouse in the case of (b).

Requisition Number	Commodity	Trade Unit (Specify)	Approx. Number of Costper Unit	Identification	
				Weight	Markings
			Cases, boxes, etc. in lot		

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

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

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

.....
(Name and title)

~~SECRET~~

AC/NSA/NSA

26 Dec 14

SUBJECT: Reclassification - "Outline Plan of Economic Operations in Northwestern Italy"

TO : Economic Section

1. Reference your letter LSC/ES of 24 Dec 14. One copy of the above document was placed on the files of this sub-commission. The second copy was not required and was placed in the spaces until a general clean out of unwanted papers about 5 days ago, when this document with other papers was burnt as secret waste.
2. It is not wished to retain on the files of this sub-commission a copy of this document, and accordingly the copy held by us, which we have numbered 107 is returned herewith.

ex 37A

W. E. BERTENS,
Colonel,
Deputy Chief Legal Officer.

Incl.

~~SECRET~~ 293

Received Copy No. 107 of "Outline Plan of Economic Operations in Northwestern Italy". (TOP SECRET)

Date:

1914

J. A. Brucker / *spg*
00 sen see.

HEADQUARTERS ALLIED COMMISSION
AFC 394
ECONOMIC SECTION

1.00/E3

21 December 1944

SUBJECT: Reclassification - "Outline Plan of Economic Operations in Northwestern Italy."

TO : Distribution list below

1. The document issued by the Economic Section, Hq Allied Commission, under date 30 Nov 44, "Outline Plan of Economic Operations in Northwestern Italy", with transmittal letter, subject as above, dated 7 Dec 44, should be immediately classified, TOP SECRET, by authority G-5, AFHQ (Ref. G-5 014.14-10 of 12 Dec 44).

2. You will immediately:

a. Number each copy forwarded to you, with the number indicated as assigned to you on the distribution list below.

b. Fill up and forward to this Headquarters the attached acknowledgment form.

Attachment

1 - Acknowledgment Form

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AFHQUS

PBS

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AAC Eighth Army

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Lombardia Region

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L. E. DEAN
Colonel, FA
Acting Deputy Chief of Staff
Economic Section

1718

TO : Distribution list below

1. The document issued by the Economic Section, HQ Allied Commission, under date 30 Nov 44, "Outline Plan of Economic Operations in Northwestern Italy", with transmittal letter, subject as above, dated 7 Dec 44, should be immediately classified, TOP SECRET, by Authority G-3, AFHQ (Ref. G-3 014.14-10 of 13 Dec 44).

2. You will immediately:

a. Number each copy forwarded to you, with the number indicated as assigned to you on the distribution list below.

b. Fill out and forward to this Headquarters the attached acknowledgment form.

17

L. W. DEANGELO
Colonel, 74
Acting Deputy Chief of Staff
Economic Section

Attachment

1 - Acknowledgment form

DISTRIBUTION

AFHQ G-3
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AAG Fifth Army
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Liaison Division	(3)	83-85
Message Centre	(3)	86-88
Political Section	(3)	89-90
DC of Civil Affairs Sec	(2)	91-92
Disp Pers & Rep S/C	(3)	93-95
Local Govt S/C	(2)	96-97
Patriots Branch	(1)	98
Pub Safety S/C	(4)	99-100
Security Division	(2)	101-102
Pub Health S/C	(4)	103-106
Legal S/C	(2)	107-108
Education S/B	(2)	109-110
Monuments, Fine Arts & Arch S/C	(2)	111-112
DC of Economic Section	(5)	113-117
Requisition Division	(1)	118
Agriculture S/C	(5)	119-121
Industry S/C	(6)	122-127
Mining Division	(1)	128
Commerce S/C	(5)	129-133
Finance S/C	(10)	134-143
Prop Control Division	(2)	144-145
Labor S/C	(2)	146-147
Food S/C	(5)	148-153
Pub Works & Util S/C	(2)	154-156
Transportation S/C	(7)	157-163
Shipping S/C	(2)	164-165
Navy S/C	(2)	166-167
Land Forces S/C AC (MLA)	(1)	168
Air Forces S/C (E-ri)	(1)	169
Air Forces S/C (Rome)	(1)	170
Communication S/C	(2)	171-172
Hq Communications Officer	(1)	173
Signal Message Center	(1)	174
Civil Censorship Group	(7)	175-181
War Mat Disp & Ital POW S/C	(1)	182
Public Relations Branch	(1)	183
Information Division	(1)	184
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HEADQUARTERS ALLIED COMMISSION
APC 394
LEGAL SUB-COMMISSION

30/ps.
22 Dec 44.

12/10/44/6/1.

SUBJECT : Liability of Civilians for A.G. actions.
TO : Executive Director, Economic Section.

1. Reference yours 20 December 1944 1.27/44.
2. The Legal Sub-Commission was set up for the specific purpose among others of advising Sub-Commissions, branches and Sections of the Allied Commission with respect to their day by day or other legal problems. Such advice has always been and is now available to the Economic Section.
3. This Sub-Commission cannot undertake to answer a question of such broad generality as is implied in your letter. If however it is desired to submit the facts of any particular situation in which liability is either alleged or suspected the problem will receive our careful consideration.
4. Memorandum enclosed with your letter is returned herewith.

MAJOC J. CROSSMAN,
Lt. Colonel,
Chief Counsel,
for Chief Legal Advisor.

42

1721

HEADQUARTERS ALLIED COMMISSION
AFC 394
ECONOMIC SECTION

29A
H.C. 100

1.27 /ES

20 December 44

SUBJECT: Liability of Civilians for AC Actions

TO : Legal Sub-Commission ✓

1. Attached is a memorandum regarding the possible liability of civilians in the Allied Commission for actions taken in connection with AC business which raises a question that had never occurred to me before.

2. I would appreciate your advice and recommendations on it.

Harley Cleveland
HARLEY CLEVELAND
Executive Director
Economic Section

Attachment

Memo of 14 Dec from P & M Div.
Ref: 1.27/ESPM

LEGAL SUB-COMMISSION	
CIO	/
DOO	
Chief Counsel	
CIO	
Italian Section	
C. RKS	
21 DEC 1944	

HEADQUARTERS ALLIED COMMISSION

APO 394

ECONOMIC SECTION

ASB/hp

POL Instruction
No 5Vehicles operating on Producer and Bottled Gas

1. It is essential that the strictest economy be practised in the use of imported petroleum products and that substitutes available in Italy are used to the utmost extent in substitution of imported fuels.
2. The maximum use will, therefore, be made of vehicles equipped with gasogenes and of those fitted to burn Methane (bottled gas). The necessary steps will be taken to ensure that the fittings necessary to use these substitute fuels are not removed.
3. A special and readily distinguishable circulation permit is being produced for vehicles fitted as in paragraph 2 above, and to vehicles equipped with gas producer units, and only this type of permit will be issued to such vehicles.
4. Vehicles equipped or which have previously been equipped to operate on bottled or producer gas will not be supplied with coupons to buy gasoline.
5. In areas in which bottled gas is available, it will be issued in substitution of liquid petroleum fuels. A special type of coupon is being introduced and such coupons only will be issued to vehicles equipped to burn bottled gas. The allocation of liquid petroleum will be reduced by the amount of bottled gas available for automotive use.
6. Methane will be available from about 15 December in Florence and it is expected that the quantity will be sufficient to cover the whole requirement of local public services and utilities, all trucks on local haulage and all cars. It is likely that a similar supply will be available in large areas in Emilia and Lombardia.
7. Should insufficient Methane be available for all the categories in para 6 above the available supplies will be allocated in the order of preference given therein. Preference in licensing automotive vehicles will be given to those equipped to operate on Methane or Producer Gas.
8. Methane will be distributed by CIP. Details of the actual dates on which a supply will become available will be communicated in due course to the Regions concerned.

able in Italy are used to the utmost extent in substitution of imported fuels.

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For the Chief Commissioner:

A.G. ANTOLINI
Acting Deputy Chief of Staff
Economic Section

Distribution: See reverse side.

28 NOV 1950

Chief Clerk

CLK

Police Section

Distribution:

1. Chief of Staff2. Economic Section:

Agriculture S/C
 Food " "
 Finance " "
 Labour " "
 Industry " "
 Commerce " "
 Public Works &
 Utilities S/C
 Transportation S/C
 Shipping " "

3. Civil Affairs Section

Local Government S/C
 Public Safety " "
 Public Health " "
 Legal " "
 Education " "
 Monuments, Fine Arts
 & Archives S/C
 Patriots Branch
 Displaced persons and
 Repatriation S/C

4. Independent Sub-Commissions

Navy S/C
 Land Forces S/C
 Air Forces " "
 Communications
 War Material Disposal and POW S/C

5. Establishment Section6. Political Section7. Petroleum Section, R.A.A.C.

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HEADQUARTERS

ALLIED CONTROL COMMISSION

ECONOMIC SECTION

A 10 394

Petroleum Section

C. R. S.

POL Instruction 20 OCT 1944

ASB/hp

1. The guiding principle which Petroleum Section AFHQ has adopted in making allocations of petroleum products for civilian consumption in Italy has been that of providing the minimum essential for the maintenance of civil order and health with such increase as has been deemed necessary for the revival and rehabilitation of certain industrial plants which contribute directly to the waging of the war.

2. It is already clear that under the sanction of ACC, the rehabilitation of additional industrial and commercial activities is now taking place. Each of these schemes necessitates the provision of additional quantities of petroleum products, at least for the transport of raw materials or finished products if not in the actual production of the articles themselves.

3. To provide the required petroleum, it is necessary to demand over four months in advance. Up to now the huge stocks imported for the Allied Forces have provided reserves which have covered developments which have taken place without special provision being made in advance. The time will soon arrive when these reserves will no longer be available.

4. It is, therefore, necessary to ensure that for each scheme of rehabilitation or development beyond the scale indicated in paragraph 1 above, a detailed estimate of petroleum requirements is made and that sanction for this increased demand is notified to Pet.Sec. in time for action to be taken to import the extra quantities required.

5. Sub-Commissions or Sections of ACC who are responsible for rehabilitation programmes which require POL whether for transportation of for fuel or otherwise in the manufacture or processing should therefore submit bids at least five months' in advance and preferably more. Full justification must be given.

6. In the case of POL for transportation bids should be made through Transportation Sub-Commission and these for industrial purposes through Industry Sub-Commission etc... Consolidated bids will be forwarded to Commerce Sub-Commission in duplicate for onward transmission to Petroleum Section.

7. The preparation of detailed estimates of petroleum requirements for specific factories or industries is not always a simple matter and Pet.Sec. will be glad to assist ACC in checking any estimates prepared by Italian organisations.

...processes such as machinery

1727

place. Each of petroleum products is not in the actual

quantities of petroleum products if not in the actual materials or finished articles themselves.

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6. In the case of POL for transportation bids should be made through Transportation Sub-Commission and these for industrial purposes through Industry Sub-Commission etc... Consolidated bids will be forwarded to Commerce Sub-Commission in duplicate for onward transmission to Petroleum Section.

7. The preparation of detailed estimates of petroleum requirements for specific factories or industries is not always a simple matter and Pet. Sec. will be glad to assist ACC in checking any estimates prepared by Italian organisations.

8. Advice on oils required for industrial purposes such as machinery lubrication (other than automotive), processing etc... can be obtained from CIP, Via del Tritone, 181, Rome, who have an Industrial Oils department.

For the Chief Commissioners:

A.G. ANTOLINI
Acting Deputy Chief of
Economic Section

Distribution: See reverse side.

Distribution:1. Chief of Staff2. Economic Section:

Agriculture S/O
 Food " "
 Finance " "
 Labour " "
 Industry " "
 Commerce " "
 Public Works &
 Utilities S/O
 Transportation S/O
 Shipping " "

3. Civil Affairs Section

Local Government S/O
 Public Safety " "
 Public Health " "
 Legal " "
 Education " "
 Monuments " "
 Fine Arts &
 Archives " "
 Patriots Branch
 Displaced persons
 & Repatriation " "

4. Independent Sub-Commissions

Navy
 Army
 Air
 Communications
 & IPOW

5. Establishment Section6. Political Section7. Petroleum Section R.A.A.C.

HEADQUARTERS
ALLIED COMMERCE COMMISSION
ECONOMIC SECTION
APO 394

ASE/JHE/ml

Ref. ACC/5097/Commerce

POL INSTRUCTION
No 3.....

11 September 1944

POL Supplier for non vehicular purposes

1. All POL Supplies are distributed on a Provincial basis and are made available as a result of bids sent by Regions to HQ ACC before the 10th of the month prior to that in which they are required. They are relayed to Petroleum Section AFHQ and their allocation is made known to Regions and Provinces about the 25th of the month.
2. Bids must be based on actual requirements substantiated by facts and must be carefully screened by Regions before submission. Bids are further considered by Petroleum Section AFHQ and it is sometimes necessary to cut them down when allocation is made.
3. When Sub-Commissions of this HQ are interested in new propositions, or are sponsoring State-controlled or semi State-controlled concerns which involve the use of POL for non-vehicular purposes they will not make application to the Commerce Sub-Commission for supplies of POL but will request the Regional Supply Officers (in duplicate copy to Commerce Sub-Commission) to include the requirements and justification in the monthly bid of the Province concerned. A letter of backing to the Regional Supply Officer will assist him in deciding on the merits of an application, which may well have nation-wide implications.
4. Should propositions in rare cases arise at such short notice that they cannot be included in the monthly bid, application must still be made to the Regional Supply Officer who will have to make the supplies he can available out of his cushion stocks.
5. Commerce Sub-Commission, who perform liaison duties between Petroleum Section AFHQ and ACC, have neither the staff nor facilities to handle demands by Sub-Commissions of this HQ, which often amount to retail quantities and involve questions of urgent delivery. Only monthly and supplementary Provincial and Regional bids will be dealt with by Commerce Sub-Commission.

By order of Captain STONE (USMR):

LEON W. SUB-COMMISSION

CLO

A. C. ANTOLINI

Executive Director

88

36A

Legal

4014/8/✓

[Signature]

83

2. Bids must be based on actual requirements substantiated by facts and must be carefully screened by Region before submission. Bids are further considered by Petroleum Section AFHQ and it is sometimes necessary to cut them down when allocation is tight.

4. Should propositions in rare cases arise at such short notice that they cannot be included in the monthly bid, application must still be made to the Regional Supply Officer who will have to make an estimate of the cost of the proposition.

By order of Captain STONE (USA):

Distribution : See Reverse Side.

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Q10					
Q11					
Reverse Side Only:					
Q17					
Motion Picture					
QL RUC					

- 2 -

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"	"	"	V	12
"	"	"	VI	5
"	"	"	VIII	11
"	"	"	IX	10
"	"	"	X	14
"	"	"	XI	11
"	"	"	XII	15
Secretary General	"	"	Southern Region	1
Administrative Section				18
R.C. & M.G. Section				5
Political Section				6
Navy Sub-Commission				1
Army Sub-Commission				1
Air Sub-Commission				1
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Commerce Sub-Commission				24
Economic Section				1
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Copy to AMG 8th Army				1

4 July 8
74
HEADQUARTERS
ARMED CONTROL COMMISSION
EXCISE TO SECTION
APO 394

75: LEGAL

JET/sem

ES/43

17 August 1944

SUBJECT: Procedure; Warehousing and Distribution of Imported Supplies.

TO : Distribution as below

1. No date food has represented all but a small tonnage of imports for the civilian population. Food Sub-Commission has been responsible for the Warehousing and Forwarding of these supplies, as well as some of the other imports. Food Sub-Commission has developed an organization for this purpose.

2. In order to regularize the procedure and extend the same responsibilities to all imports (including official supplies) the following directions are issued for the guidance of all concerned.

3. In order that supplies may not be diverted, but be allocated to the proper or purpose for which they were originally intended and ordered, it is necessary that all incoming supplies be identified as carried on a particular order or requisition. The following are, therefore, functions of the Requisition Division:

- a. Obtaining and receiving all shipping documents and data.
- b. Determining the requisition on which shipments apply.
- c. Notifying appropriate sub-commission, Warehousing and Forwarding Division, and Prices Section of Commerce Sub-Commission of expected arrivals.

4. In order that supplies are to properly received and handled at the ports, the present warehousing section of Food Sub-Commission will be designated the Warehousing and Forwarding Division, (officer in charge, Capt. Robert H. Klein, Phone 478609, Room 35, Ministry of Corporations Building, Rome.).

5. The functions of said Division will be as follows:

- a. The Division will keep the appropriate sub-commission informed of any changes in advice given by Requisition Division as to expected arrivals at ports.
- b. The Division will receive instruction from the various sub-commissions as to disposition of incoming supplies.
- c. The Division will instruct the Port Division Officers (or officers responsible for such activities) regarding disposition of incoming supplies.
- d. The Division will store supplies in warehouses it controls at or near the ports. It will forward such supplies either directly from ports or from such warehouses.
- e. It is the responsibility of the appropriate sub-commission to instruct the Region or Army AG concerned to effect distribution from warehouses not controlled by the Division.
- f. The Division will advise the appropriate sub-commission of the amount of supplies received and forwarded. The Division will also notify the consignor after shipment is made.

civilian population. Food Sub-Commission has been responsible for the warehousing and forwarding of these supplies, as well as some of the other imports. Food Sub-Commission has developed an organization for this purpose.

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- b. Determining the requisition to which shipments apply.
- c. Notifying appropriate sub-commission, Warehousing and Forwarding Division, and Prices Section of Commerce Sub-Commission of expected arrivals.

4. In order that supplies may be properly received and handled at the ports, the present warehousing section of Food Sub-Commission will be designated the Warehousing and Forwarding Division, (officer in charge, Capt. Robert H. Klein, Phone 478609, Room 39, Ministry of Communications Building, Harare.).

5. The functions of said Division will be as follows:

a. The Division will keep the appropriate sub-commission informed of any changes in advice given by Requisition Division as to expected arrivals at ports.

b. The Division will receive instruction from the various sub-commissions as to disposition of incoming supplies.

c. The Division will instruct the Port Liaison Officers (or officers responsible for such activities) regarding disposition of incoming supplies.

d. The Division will advise supplies in which case it controls at or near the ports. It will forward such supplies either directly from ports or from such warehouses.

e. It is the responsibility of the appropriate sub-commission to instruct the Region or Army A.C. concerned to effect distribution from warehouses not controlled by the Division.

f. The Division will advise the appropriate sub-commission of the amount of supplies received and forwarded. The Division will also notify the consignee after shipment is made.

g. The Division will prepare, submit and co-ordinate transportation bids for distribution from ports and Division controlled warehouses.

h. The Division will supervise, manage and/or operate Port Warehouses.

- 2 -

6. In order to carry out the above mentioned functions all communications relative to expected tonnage, expected arrival times, diversions of ships, tonnage tide, (water, rail and road) port acceptances, etc., will be channeled through the Warehousing and Forwarding Division.

Distribution:

Secretary General - 2
 Executive Commissioner - 2
 Administrative Section - 4
 Economic Section - 10

A. G. ANTOLINI
 Executive Director
 Economic Section

ECONOMIC SUB-COMMISSION	
→	10
	10
	Chief Counsel
	CIO
	Italian Section
	CL RKS

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 594

MR/JEL

Ref. ACC/5161/Com

14 August 1944

SUBJECT: Matches

TO : All Concerned

1. Arrangements have been completed for the distribution of matches by and through the national organization of Consorzio Industrie Fiammiferi, C.I.F., which is the monopoly for the distribution of all matches for Italy, including all those domestically produced and imported from abroad.

Distribution System

2. The Headquarters of C.I.F. is located in Rome, under the direction of Sig. Galgani.

3. Primary distribution from the various factories and ports is channelled through main agencies with warehouses.

a. These main warehouses are listed for the various Regions as follows:

Region	City	Address	Director
1	Palermo	Via Roma, 489	Simondini Guido
1	Catania	Via Vittorio Emanuele 8	Ruggieri Francesco
2	Bari	Via Vittorio Aprile 121	Piorino Adamo
2	Potenza	Stazione Inferiore	Addone Cav. Bettino
3	Napoli	V. Stadera Poggioreale 177	Porro Ettore
4	Roma	V. Regio Emilia 56	Dionedi Mario
8 Army	Jesi	SATTA Factory	Parri Orazio
5	"	"	"
6	Sassari	Piazza Castello 2	Brusco Benito
8	Firenze	Via Maso Finiguerra 4	Taviani Dino
9	Bologna	Via Giuseppe Mazzini 96	Giulini Renato

b. In the event of any problems arising regarding matches in their areas, Regional officers should contact these officials directly.

4. From these primary warehouses using C.I.F. transportation matches in bulk will be moved to secondary warehouses and distributors located in provinces and communes who will deliver to the licensed retail vendors. The retail vendors are usually tobacco or other monopoly shops. Lists of the locations and names of the agents for the secondary distributors for each Region are available upon request, from the Commerce Sub-commission, HQ ACC, but can be obtained from the primary agencies directly in greater detail.

5. Responsibility for distribution of matches and all operations concerned therewith will be in the hands of the C.I.F. organization. ACC/ALL offices need only supervise their operations in the areas concerned.

Rationing

1. Arrangements have been completed for the distribution of matches by and through the national organization of Consorzio Industrie Fiammiferi, C.I.F., which is the monopoly for the distribution of all matches for Italy, including all those domestically produced and imported from abroad.

Distribution System

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2	Bari	Via Venturo Aprile 121	Piorino Adamo
2	Potenza	Stazione Inferiore	Addone Cav. Bettino
3	Napoli	V. Stadera Poggioreale 177	Ferro Ettore
4	Roma	V. Regio Emilia 56	Dionedi Mario
8 Army	Jesi	SATTA Factory	Parri Orazio
5	"	"	"
6	Sassari	Piazza Castello 2	Briasso Benito
8	Firenze	Via Massimo Finiguerra 4	Taviani Dino
9	Bologna	Via Giuseppe Maurini 96	Ciullini Renato

b. In the event of any problems arising regarding matches in their areas, Regional officers should contact these officials directly.

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5. Responsibility for distribution of matches and all operations concerned therewith will be in the hands of the C.I.F. organization. ACC/AN offices need only supervise their operations in the areas concerned.

Rationing

6. Rationing and determination of issue will be the functions of C.I.F., advised by Commerce Subcommittee, HQ ACC, and approved by the Italian Government.

7. Matches are issued to all Italians through C.I.F., including Italian armed forces, special groups such as railroad employees, and so on. Requests for matches by special groups for additional supplies should be transmitted upward through C.I.F. and not through ACC/AN channels.

8. The present ration of matches will be at the rate of 25 matches per person per month. Matches will be collected on the bread ration card.

a. Consumers will present themselves to their nearest licensed match shop, usually tobaccoist, who will make up sales lists, prenotating ration cards accordingly, so that purchases are made from their assigned vendor. Ration cards are stamped when purchases of matches are made.

b. These assignments and prenotated cards form the basis of issue from distributors and central sources.

c. Upon request further details of the rationing procedures will be supplied by the Commerce Subcommittee HQ AOC.

d. At the present time it is estimated that a three months supply of matches is on hand. The limiting factor is the scarcity of raw materials for production. These have been requisitioned from abroad. Based upon the results of the first distribution, increase in civilian rations is contemplated.

Prices

9. The official prices to be charged to the civilian purchaser, as approved by the Italian Government and AOC, for the various types of matches are as follows:

Type	Container	Matches per container	Price per unit
Ceriri	Box	100	2.00
Svedesi	"	50	1.00
Minerva	Booklet	20	0.80
Minerva	"	40	1.50
Minerva	"	20	0.60
Solforati	Box	100	1.00

10. All matches, including imported matches, are handled only through C.I.M. They will be stamped for tax purposes. Unstamped matches are contraband.

General

11. C.I.M. has been directed to proceed at once with distribution as outlined above.

12. Matches are now being moved from stocks to the warehouses and vendors as rapidly as possible.

LEG SUB-COMMISSION

By order of Captain SGLIE (USM):

→ C.I.M.

Chief Counsel

CJO

Italian Section

DISTRIBUTION:

Ref. Com. Region I (C.I.M.S. Div.)

II

III

Economic Section AMG Rear 5 Army
Sub-commissions: AMG Rear 8 Army
Industry: L.R.S., HQ AAI

WILLIAM C. CHAMBER
Brigadier General
Vice President
Economic Section

supply of matches is on hand. The limiting factor is the production of raw materials for production. These have been requisitioned from abroad based upon the results of the first distribution, increase in civilian rations is contemplated.

Prices

9. The official prices to be charged to the civilian purchaser, as approved by the Italian Government and ACC, for the various types of matches are as follows:

Type	Container	Matches per container	Price per unit
Chirini	Box	100	2.00
Svedesi	"	50	1.00
Minerva	Booklet	28	0.60
Minerva	"	40	1.30
Minerva	"	20	0.50
Solfonati	Box	100	1.00

10. All matches, including imported matches, are handled only through G.I.P. They will be stamped for tax purposes. Unstamped matches are contraband.

General

11. G.I.P. has been directed to proceed at once with distribution as outlined above.

12. Matches are now being moved from stocks to the warehouses and vendors as rapidly as possible.

By order of Captain STAN (USA):

Wm. J. Stan

→

Chief Counsel

CJO

Italian Section

DISTRIBUTION:

Reg. Comm. Region I (C. R. S. Div.)

- I
- II
- III
- IV
- V
- VI
- VII
- VIII
- IX
- X

R. C. & S. G. Section
G. I. P. Section, Rome.

WILLIAM S. CLINTON

Brigadier General

Vice President

Scenario Section

Economic Section

Subcommittees:

Industry

Finance

Transportation

Army

Navy

Air Forces

Food

Legal

Commerce

Legal (Econ. Section)

AMG Rear 5 Army

AMG Rear 8 Army

L.R.S., HQ AMI

AMG, 3-5 Section

Direzione Generale

Monopoli di Stato

Piazza Mastai

Roma

1739

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

ASB/sem

ACC/5146/Com

POL INSTRUCTION:

No. 2.....

10 August 1944

POL Supplies for Contractors Employed on Military Projects

1. Civilian contractors employed directly by the Army on Military projects are provided with petrol coupons and draw supplies from civilian stocks which are replenished automatically so that civilian allocations are unaffected.
2. It has now been decided to extend this system to Civilian Contractors employed by ACC/AIG on Military projects.
3. Public Works and Utilities Sub-Commission will accordingly instruct their Regional Engineers to supply the local licensing authority with a certified schedule in duplicate of these Military projects showing the total monthly POL requirements for each contractor and will send copies directly to Public Works and Utilities Sub-Commission, ACC, HQ, and to Pet. Sec., HQ, AAI.
4. The local licensing authority will issue special coupons in bulk to the total requirements shown. Regional Engineers will be responsible for rationing these out to the contractors in accordance with actual daily needs of the vehicles and will only issue coupons for minimum necessary consumption.
5. Any coupons remaining unissued at the end of the month will be used to reduce the number claimed for the following month.
6. The same system will apply equally in Military Government and Italian Government territory, and ACC/AIG Officers supervising the local rationing authority will see that the new scheme is properly understood. The Italian Government is being advised separately.
7. Steps are being taken to have the special coupons printed. When available, they will be used also for direct issue to contractors employed by the military. Meanwhile the standard coupons will be used.
8. The special coupons will be collected and used by CIP in claiming replacements and one copy of the Engineers Certificate will be sent by the licensing authority to the ACC/AIG Supply Officer and used by him as a claim for replenishment of his civilian stocks. The copy sent direct to Pet. Sec. will serve as advance warning of the quantities likely to be required for the service of these Military projects and as a check against claims for replenishment of stocks by Supply Officers and CIP.

By order of Captain STONE (USNR)

ANTOLINI

1740

2. It has now been decided to extend this system to Civilian Contractors employed by ACC/AG on Military projects.
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By Order of Captain STONE (USNR)

G. ANTOLINI
Executive Director
Economic Section

Distribution : See Reverse Side

- 2 -

DISTRIBUTION:No. of Copies

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 " " " " " " VII - 4
 " " " " " " VIII - 10
 " " " " " " IX - 9
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 Administrative Section - - - - - 8
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HEADQUARTERS
ALLIED CONTROL COMMISSION
Legal Sub-Commission
APO 394

32A

ACC/4014/8/L.

RHW/pa.
4 Aug 44.

SUBJECT : E.N.A.C. Law.

TO : Economic Section . (Mr.Vella)

1. There is returned herewith proposed decree and accompanying papers which you submitted together with the comments of our Italian lawyer discussed yesterday. Also there are marginal notes on the English draft to be considered.

2. It is apparent that this and other proposed decrees that have been presented to this Sub-Commission recently have not been drafted by persons skilled in Italian legislative draftsmanship. The Ministry of Justice has a special section for this purpose and it seems to me that when any Sub-Commission has come to an understanding in principle with its apposite member in the Italian Government, the drafting should be done by expert legislative draftsmen in the Italian Government and not as is apparently the case by amateurs in the particular Ministry. The poor effect of badly drafted laws on judges, lawyers and people who have to deal with such laws is obvious. *jk*

3. In returning these papers to you this Sub-Commission is not passing on matters of policy or on technical matters. When these papers have been revised by the Italian Government I suggest they be resubmitted to this Sub-Commission for further reconsideration.

RICHARD H. WILMER,
Colonel, C.A.C.,
Acting Chief Legal Officer.

*Forwarding personally to Mr. Vella
by RHW - 4/8/44*

LEGAL HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
APO 394.

10 June 1944.

REFERENCE : AGC/COM/4/1.
SUBJECT : Fabbrica Accumulatori Portogese.
TO : Economic Section, A.C.C., H.Q., HZ143.

1. Referring to the enclosed query from the Command Paymaster G.M.P. referred by your office in the first instance to the Administrative Section, the attached particulars of the above concern, obtained from official sources, show it to be an ordinary commercial undertaking trading under the form of a Limited company with a capital of 16,000,000.

2. The file is returned herewith.

Ally
A. H. WICKHAM, 33
Lieutenant-Colonel,
For Chief Legal Officer..

Enclosure : 1 File.

HQ.A.C.C. ECONOMIC SECTION

7 JUN 1944
(DATE)

FROM

To

✓ ECONOMIC SECTION

AGRICULTURE

FINANCE

FOOD

INDUSTRY & COMMERCE

LABOR

MINING DIVISION

PUBLIC WORKS & UTILITIES

ACQUISITION DIVISION

SHIPPING

TRANSPORTATION (RAILS)

TRANSPORTATION (ROADS)

Legal Sub Comm ✓

For:

SIGNATURE

REMARKS/RECOMMENDATION

INFORMATION

APPROVAL/DISAPPROVAL

APPROPRIATE ACTION

INVESTIGATION & REPORT

NOTING AND RETURN

DISPATCH

Telephoned Capt. Ray who
agreed we should keep this copy
8/10 J.W.

Remarks: I do not know if a

copy of this has been direct.

If not you would like me

retain this one & let me know

by phone & I will let you know

for my file for Shipping Section

Staff Officer Economic Section

INSTRUCTION FOR THE CONTROL AND OPERATION OFITALIAN REGISTERED SCHOONERS.

1. All schooners must be registered and numbered in accordance with Commander in Chief, Mediterranean's 251024 January. Any craft found without registration after 1st. June 1944 should be held and reported to the Senior Naval Authority of the port concerned.
2. All schooners irrespective of size on completion of registration will be placed in a pool and operated by the Mediterranean Shipping Board Italian Schooner Control.
3. Each schooner will be issued with a licence valid for three months; all licences issued will expire on the same date and will be of different colours for consecutive quarters. The first issue of licences will be dated as from 1st. April 1944, and be coloured blue. Licences will be issued by D.S.T.O. Italy or his accredited representatives.
4. Individual voyage permits will be issued by D.S.T.O. Italy or by his nominees. Permits should be signed and stamped by the Authority concerned in the movement of the cargo involved. No other type of permit is acceptable and permits will only be issued to vessels holding valid licence cards.
5. Routing orders will be issued by the Naval Control Service Officer/United States Routing Officer (or other competent Naval authority where M.C.S.O. or U.S.R.O. is not established) to the Master of the schooner only on production of a valid voyage permit. Should any doubt exist as to the authenticity of the permit, vessel should be held and confirmation secured from the originator of the permit.
6. All Masters failing to report themselves inward to the competent Naval authority at port of arrival within 24 hours of their arrival are liable to severe penalties. For failure of the Master to report for voyage permits to ~~be~~ stamped outwards the vessel is liable to confiscation.
7. All schooners, excepting those used as harbour craft by the Services, will be time chartered by the Royal Italian Government on the approved Charter Party at uniform rates. A copy of the Charter party will be carried by each Master and must be produced on demand.
8. Schooners under 50 tons deadweight required for harbour use by Naval Officers in Charge, Naval Control Service Officers etc. will be taken up on bare boat charter. The remainder will be time chartered by the Royal Italian Government and allotted to the Comitato Italiano Gestione Navi for operation.
The Mediterranean Shipping Board Italian Schooner Control may take up any of these vessels at any time if they are required for the use of the Allied Authorities. The Comitato Italiano Gestione Navi will be responsible for collection of freight, payment of hire, issuance of voyage permits and all necessary orders to Masters of schooners allotted to them.
9. Schooners of 50 tons deadweight or over will be operated by the Mediterranean Shipping Board Italian Schooner Control or their representatives who will issue all voyage permits: the following procedure to be adopted :-
 - (a) Allied Control Commission will centralise all their demands, excluding movement around Sicilian and Sardinian coasts, through the Mediterranean Shipping Board Italian Schooner Control. In cases of coastal voyages in Sicilian waters, such demands will be centralized through the local Transportation Sub-Commission representative who will refer such demands to the representative of the Mediterranean Shipping Board Italian Schooner

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(b) All demands by Italian civilians which cannot be met by tonnage allotted as in clause 8 will be forwarded to the Comitato Italiano Gestione Navi, who will forward the demand through the appropriate authority in (a) above. No bias will be recognised unless stamped by the appropriate A.C.C. authority.

10. All charter hires will be settled with owners by the Comitato Italiano Gestione Navi or their representatives and no individual payments should be made to Masters.

11. It is requested that all signals sent by Naval Control Service Officer or other Authorities concerning the movements of schooners should be repeated to D.S.T.O. (Italy).

12. All Sea Transport Officers in charge to make a daily position signal of all schooners within their area. A weekly statement should also be forwarded by those issuing voyage permits, giving details of voyages authorized by them, stating whether Military, A.C.G. or civilian cargo was carried.

The above scheme comes into force forthwith. Any vessel found trading not having complied with the above instructions must be held and the matter referred to the Mediterranean Shipping Board Italian Schooner Control for action.

IAN D. CAMPBELL
CHAIRMAN

MEDITERRANEAN SHIPPING BOARD (ITALY)

1st. JUNE, 1944.

GENERAL SUB-COMMISSION	
CEO	
DCO	
Chief Counsel	
CJ	
Station Section	
CL RKs	

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MEDITERRANEAN SHIPPING BOARD (ITALY)

1st. JUNE, 1944.

CENTRAL SUB-COMMISSION	
CEO	
DCLO	
Chief Counsel	
CJ	
Italian Section	
GL RKS	

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

101/001

101/001

20 May 44

SUBJECT: Schooner Directive

TO : Shipping Sub-commission

1. Please see attached copy of letter from Legal Sub-commission, ACC to HQ. AAI on the subject of penalties imposed under para 6, Schooner Directive.

2. Has the matter regarding "under 50 tons" and "over 50 tons" been put right yet?

3. Is ACC satisfied that the word "schooner" satisfactorily describes the vessels concerned? It certainly does not do so in a legal sense and the Directive might start with a definition of "Schooner." Possibly "wooden sailing vessel with auxiliary engine" but this would hardly cover these "schooners" which are entirely power driven and no longer use sails except in emergency.

[Signature]
S681 Officer Economic Sec

2 Incl: 2 copies of ACC/4014/8/L of 16 May 44.

Copy to: Legal Sub-commission.

LEGAL SUB-COMMISSION	
CLO	
DCLO	
Chief Counsel	
CIO	
Italian Section	
CL RKS	

31

FROM HEADQUARTERS
ALLIED OFFICE (AMERICA)
1000 SUB-NAVY (AMERICA)
APR 1944

SECRET

100/401/8/1.

/rhp.
16 May 1944.

SUBJECT: AMERICAN Directive on Schooners and.

TO: "M" HQ, 8th AAF.

1. With reference to our conversation yesterday at AAF Headquarters, I am enclosing a proposed form of General Order which will be effective only in occupied territory. The word "schooner" is used because that is the word used in the papers which were submitted to me. I assume from a nautical standpoint that such word is sufficiently descriptive otherwise the correct nautical description will have to be furnished. In this connection, I call attention to letter 12 May 1944 from the Economic Section AOC to the Shipping Sub-Committee received upon our return today. Reference is made to schooners of 50 tons and under and 50 tons and over.

2. The form of General Order makes reference to competent naval authority inasmuch as that term was used in the above mentioned papers. However, if such naval authority in a given territory will always be Allied authority, it would seem to be better to include that descriptive term. There may, of course, be small ports where there is no naval authority of any kind in which case the form of General Order will have to be amended and refer to the same delegated authority. It may be that the captain of the port in small ports will act under delegated authority. You will have to advise me as to that.

3. As to the penalty, I have used in the first sentence, the word "confiscation" generally used in all forms of proclamations. I have added a confiscation clause as a warning, although in any event under existing proclamation, in addition to any other penalty, an Allied Military Court may order the confiscation or the forfeiture of the article itself, in this case the schooner, because of wrongful use.

4. While it has never been the policy of this sub-committee to dictate to officers sitting on Allied Military Courts what precise punishments they should impose for violations, nevertheless I would propose that a directive should be issued at the time this order is made effective calling attention to the seriousness of the situation and suggesting that the only way to meet the emergency is by stiff penalties including, when necessary, the forfeiture or confiscation of the vessel.

5. Before suggesting the type of letter that might be sent to AMIA, I will want to have your comments on enclosed form of General Order particularly from the standpoint of naval and nautical technicalities.

6. The General Order, of course would have force only in occupied territory. As to territory under the administration of the Italian Government, there seem to be several matters open.

7. First, I would like to call your attention to the provisions of the Armistice terms which include provisions to the effect that all Italian merchant shipping and fishing and other craft, wherever they may be, will be made available in good repair at such places and for such purposes and period as the United Nations may prescribe. Under such terms the Allied naval or shipping authorities would seem to be able to direct through the Italian Government the proper use of these schmoners.

8. The Italian law does not appear to cover the situation adequately and the penalties under the Italian Code of Navigation are extremely mild.

9. It may be thought preferable therefore, that the Italian Government through the Naval Sub-Commission or the Shipping Sub-Commission should be requested to promulgate a Royal Decree which should be in as nearly the same form as the General Order when in final form, as is possible under Italian law. If this latter course is followed the Legal Sub-Commission should see the agreed draft of Decree before it is submitted to the Council of Ministers for approval.

RICHARD H. WILSON,
Lt. Col., CAS,
Deputy Chief Legal Officer.

Copies to: NSMNS Section,
Economic Section (Attn: Capt Ray).

(26)

ALLIED MILITARY GOVERNMENT IN OCCUPIED TERRITORY

GENERAL ORDER NO. _____

I

Report of Arrival

The master or the owner of every Italian owned schooner shall report to the competent naval authority at the port of its arrival within 24 hours of the arrival of such schooner within such port.

II

Permits for Outward Voyage

No Italian owned schooner shall depart from any port without its master or its owner having first obtained from the competent naval authority a permit to be stamped expressly authorizing the departure of the schooner from such port.

III

Penalties

Any person violating any provision of this order shall, upon conviction by an Allied Military Court be liable to punishment by imprisonment 30 days or both as the Court may determine, and in addition thereto or in lieu thereof the Court may order the confiscation or forfeiture of the schooner or schooners involved.

IV

Effective Date

This Order will become operative in each Province or part thereof within the Occupied Territory on the date of its first publication therein.

Brigadier
Executive Commissioner
for Chief Commissioner

Dated May 1944

16 May 44

(25X)

Control of Navigation to and from Italian ports since the occupation.

1. Entering and leaving port is controlled under Art. 179, 180 etc. The code of navigation, which set out that no ship may enter or leave port if the following regulations have not been observed:

(a) When leaving - the Captain of the ship shall before the departure obtain from the Capitaneria di Porto (Harbour Master) all documents set out in Art. 179 of the Code of Navigation stamped with a visa of the said Capitaneria. Such visa shall not be issued unless the requisites contemplated in the said Art. 179 have been complied with.

(b) When entering - The captain of the ship shall report immediately upon arrival in the port to the Capitaneria for the purpose of delivering the ship document and other papers set out in Art. 180 and 181 Code of Navigation.

2. Since occupation, by an agreement between the Allied Naval Authorities, MEDSO and the Italian Ministry of Marine in September 43, an Italian Commission (Cogena) directly controlled by ANG in occupied territory has been set up by Allied authorities.

It provides that:

- (a) All Italian steam and motor vessels must be registered with Cogena.
- (b) None of those ships can sail without a license issued jointly by Cogena and the Allied Divisional Sea Transport Officer.
- (c) Every such ship must hold a course direction issued by Allied or Italian Naval authorities according to the port.
- (d) Every ship is to carry a list of the crew approved by FSP or CIC.
- (e) Sailing by night is forbidden.
- (f) All cargo must be approved by A.C.C.
- (g) However shipping under sail is not restricted and sailing ships are not entered with Cogena, but their navigation license must be renewed from time to time by a "Harbour Master" in restored or controlled Italy. The renewal of the license must be approved by Allied authorities.
- (h) Ships of large tonnage are entirely handled by the Allied authorities or under their control and are not registered with Cogena.

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 374

16 MAY 1944

Date

Suspense

FROM	TO
Chief Commissioner	
Dep. Chief Commissioner	
Secy. Gen. to Chief Commissioner	
Administrative Section	
✓ Economic Section	
RG & MG Section	
Civil Affairs Branch	
PW & Displaced Pers Sub Com	
Italian Refugees Branch	
Security Branch	
Information Branch	
Establishment Branch	
Ex Offrs	
G-1 (A)	
G-1 (B)	
G-4	
Hq Comdt (Main Hq)	
Hq Comdt (Rear Hq)	
Adjutant (Main Hq)	
Adjutant (Rear Hq)	
Archives & Library	
Pool of Interpreters	
Political Section	
Independent Sub-Commissions	
Navy	
Land Forces	
Air Forces	
Telecommunications & Posts	
War Material Disposal	
Public Relations Officer	
Liaison Section Hq A.C.M.F.	
Legal Sub Comm	✓

FOR:

Signature _____
 Remarks/Recommendation _____
 Information _____
 Approval/Disapproval ☒ _____
 Appropriate Action _____
 Investigation & Report _____
 Dispatch _____

REMARKS: Please say if you approve
 of para 6 of attached draft
 Return as soon as possible
 please Mr. May
 Capt. R.

DRAFT

MH/1ab

ES/46

SUBJECT: Schooner Pool Directive

TO : AFHQ, MGS

1. A copy of the above, as approved by MEDBO (Italy) is forwarded herewith. It ~~has to be~~ ^{After} approved by MEDBO, AFHQ, ~~and~~ it is understood that it will thereafter be issued as an Admin. Memo. by AFHQ.

2. Legal Sub-Commission have raised objections to para 6, regarding penalties to be imposed and consider the establishment of fixed penalties introduces a new and undesirable policy. They advise that para 6, should be redrafted accordingly and they have been asked to do this.

4. Legal Sub-Commission's comments have been reported to ²⁶ Shipping Sub-Commission who have been asked to communicate them to MEDBO (Italy) and MEDBO (AFHQ).

5. It is therefore requested that the issue of the Directive be postponed until after para 6, has been re-drafted and approved.

6. Alternatively para 6, might be reworded to read as follows:

"All masters failing to report themselves inward to the competent Naval Authority at port of arrival within 24 hours of their arrival are liable to a fine or imprisonment or both. For failing to report for voyage permits to be stamped outwards or for sailing without a permit, owners are liable to have their vessel confiscated."

(52)

TRANSLATION

Memorandum prepared on information received from the Capitaneria di Porto, Salerno, concerning provisions regarding the departure and arrival of ships.

The provisions regarding the departure and arrival of ships are laid down in Title IV Chapter I (Arts. 179 - 185) of the Codice della Navigazione, published in 1942. The reference contained in these articles to the formalities and every duty that must be performed are set out in separate provisions by which every specific matter is regulated. These provisions are contained in the said Codice della Navigazione, in the old Codice della Marina Mercantile, in the old Codice di Commercio, (which last two must be referred to when the Codice della Navigazione which they substitute refers to the Regolamento which has not yet been published), and finally in special laws.

Thus when in Art. 179 mention is made of:-

- (a) Police regulations - These regulations are those contained in the same
(Norme di Polizia) Codice della Navigazione.
- (b) Security regulations for shipping - are those under the "Regolamento for
(Norme per la sicurezza della Navi- the security of shipping and the safety
gozione) of human life at sea" - Royal Decree
No. 719, 23-5-32, and various Minis-
terial circulars and Royal decrees
1971, 10-10-39 on fires.
- (c) Health Regulations - are those under Regolamento Sanita Marittima
(Adempimenti Sanitari) (Law 16-7-16 of Public Health) and Ministerial
Order of 1 - 1 - 30.
- (d) Insurance of the crew - Law of 1904 and successive Social Legis-
(Assicurazione dell'equipaggio) lation - Royal Decrees No. 1769 of 7-8-35,
No. 2276 of 15-12-36 and No. 200 of 29-1-37
also RDL No. 1918 of 23-2-37.
- (e) Maritime taxes and dues - Regolamento on maritime taxes and dues.
(tasse e diritti marittimi)
- (f) Pilotage duties - rules contained generally in the new Codice
(obblighi di pilotaggio) della Navigazione and also in orders issued
by individual Capitanerie di Porto and in
directorates from the Direzione Comparti-
mentale Marittima.
- (g) Payment of fines - this refers in general to those imposed
(pagamento multe ed ammende) by the Capitaneria in pursuance of the powers
granted by the same Codice della Navigazione.

No other specific law other than that of the Codice della Navigazione seems to have been published regarding the arrival and departure of ships in time of war. The needs of the particular period of war have been met, generally speaking, as regards such matters as pilotage, channels, convoys etc. by orders issued by individual Capitanerie di Porto by virtue of the powers conferred on them by Arts. 17 and 81 of the Codice della Navigazione and frequently on instructions from the Ministero della Marina or from the Direzione Compartimentale Marittima. Such orders are naturally *specific to* the ports to which they refer.

Regarding the present situation it must be pointed out that for some months past the Comitato Italiano Gestione Navi--"Cogena" has been instituted, with whom all Italian motor vessels and motor fishing boats must be entered. Orders have been published whereby no vessel may leave the shore unless it is entered with the Cogena and has a license to sail and a permit to make the voyage, such documents being issued by Cogena and by the Divisional Sea Transport officer. Every ship must, besides, be provided with a course instruction issued by the naval authority for that purpose (Italian as for example at Taranto or Allied as for example at Salerno). *Cogena is controlled by ~~the~~ Allied authorities at the request of the Allied authorities.*

Every vessel is also bound to carry on board a list of the crew, controlled and approved by the Allied Police Authority (Field Security Police or Counter Intelligence Service) without which it may not leave the port.

Sailing by night has been forbidden.

The cargo must be approved by ACC.

Shipping under sail is free; the vessel does not have to be entered with the Cogena nor need it have a permit to make a voyage, but must from time to time be licensed for navigation by the Capitaneria di Porto with the approval of the Allied Authorities.

According to the Capitaneria di Porto, Salerno, ships of large tonnage are handled and controlled directly by the Allied and Italian authorities, so ~~that~~ from the general provisions in the said Articles of the Codice della Navigazione they do not know what special orders and regulations have been made.

N.B.

Cogena was created by Admiral Barina under S4 of Statute for the Italian Navy at the request of the Allied Naval authorities to control schooners.

4019/8

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

MH/iab

25

ES/46

12 May 44

SUBJECT: Schooner Pool Directive.

TO : Shipping Sub-Commission.

1. Reference Schooner Pool Directive, herewith copy of correspondence between this HQ. and Legal Sub-Commission.
2. In view of the opinions expressed in para 5, Legal Sub-Commissions letter ACC/4104/8/L of 8 May 44, it is considered advisable that you should inform MEMBO, ALGICNS.
3. You will be kept informed of any further reports from Legal Sub-Commission.
4. Attention is called to the fact that Schooners are classified as "over 50 tons" and "under 50 tons." A schooner of 50 tons exactly would not come under either category. The wording should therefore be "50 tons and under" and "over 50 tons" or "50 tons and over" and "under 50 tons."

23

For Chief Staff Officer
M. HAY
CIV. EN.
Staff Officer Economic Section

copy: Legal Sub-Comm.

2 Incls:

- 1 - Legal Sub-commission ltr ACC/4104/8L dtd 8 May 44.
- 2 - Economic Section ltr ES/46 dtd 6 May 44.

SUB COMMISSION

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

MH/sen

ES/46

12 May 44

SUBJECT: MEDBO Directive on Schooner Pool.

TO : Legal Sub-commission

Reference ACC/4104/8/L of 8 May 44.

1. Will you please draft a General Order to be issued in occupied territory to enforce such penalties as may be approved in para 6, Directive.
2. Please keep this Section informed of the position in King's Italy regarding penalties to be imposed.
3. MEDBO propose that the Directive should be issued as an AFHQ Administrative Memo and ACC would, therefore, be under orders to carry out the punishment determined in para 6 of the Directive as issued by AFHQ, if present wording stands. A copy of your letter has been forwarded to Shipping Sub-commission with instructions to communicate its contents to MEDBO and draw attention to the objection to fixed penalties.
4. The Naval Sub-commission has not been consulted, nor were they represented at the MEDBO (Italy) meeting when this Directive was approved. Please get in touch with Commodore PALMER and ask him to take the matter up, if necessary, with MEDBO (Italy).

For Chief Staff Officer
M. HAY
CAN. RA.
Staff Officer Economic Section

Copy to:
Shipping Sub-commission

LEGAL SUB-COMMISSION	
CLO	
DCLO	
Chief Counsel	
CJO	
Italian Section	
CLERKS	

Sub to
GMA
H2AA1

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

MH/ml

23

ES/49

10 May 1944

SUBJECT : Insurance of Vehicles - Road Haulage Scheme.

TO : Allied Claims Commission

Ref. ES/49 of 5 MAY 44 para 2c. Please delete "Assicurazione
d' Italia" and substitute "L' Assicuratrice Italiana".

Copy to:

Finance Sub-Commission
Legal Sub-Commission
Transportation (Roads) Sub-Commission

LEGAL SUB-COMMISSION

CLO

DCLO

For Chief Staff Officer

M. MAY

Capt. RA.

Capt. Officer Economic Section

-21

4014/8
 REAR HEADQUARTERS
 ALLIED CONTROL COMMISSION
 NAVAL SUB-COMMISSION
 APC 394

AGC/LIS/U/L.

/rip.
 8 May 1944.

SUBJECT : Mediterranean Shipping Board Directive in Schooner Pool.

TO : Economic Section

1. Reference your letter 6 May 1944 and enclosures.
2. Paragraph 6 of the Directive together with the action taken by the Mediterranean Shipping Board (Italy) requires further consideration.
3. In occupied territory a General Order will be required in order to permit an Allied Military Court to carry out the punishments for the violations mentioned.
4. In unoccupied territory, if similar punishment is to be inflicted, the Italian Government will have to be consulted unless there is already adequate statutory provision. This we will enquire into.
5. It is not clear to this sub-commission whether the Allied Control Commission is under orders from higher authority to carry out the punishments referred to in the Directive and minutes with compulsory minimum fine in one instance and confiscation in the other in the necessary implementing legislation (AGC and Italian). Ordinarily, in a General Order, provisions would be made for the imposition of fine or imprisonment or both (without fixing a minimum) for a violation of the order and the establishment of fixed penalties introduces a new and undesirable policy. Confiscation could always be imposed under existing proclamations as part of the punishment in a proper case.
6. It does not appear whether the Naval Sub-Commission has been consulted. Its representative was not available to us here today.
7. Before taking further steps we would like to be enlightened on the questions above raised.

RICHARD H. WINNER,
 Lt. Col., CAC,
 Deputy Chief Legal Officer.

To: Legal Sub Commission (attn Col WILMER)
 Subj: Mediterranean Shipping Board Directive on
 Schooner Pool.

Date: 6 MAY 1944

1) Reftel telephone conversation today
 (WILMER-1444) herewith copy of final draft
 of Directive as approved by MEDBO (Italy).

2) As will be seen by para 15. of minutes, it
 has been forwarded for approval to MEDBO. AFHQ.
 & to be issued by AFHQ as an AFHQ Admin. Memo.

3) Brig LUSH called attention to the penal
 clauses in para 6. of the Directive & asked who had
 decided on them. I told him the R.N. representatives
 on MEDBO (I). Brig LUSH pointed out that any such
 penalties would have to be inflicted by an Army
 Court & asked me to take the matter up
 with you.

4) Would you please advise whether

- (a) You consider the penalties justified
- (b) the amount (min. of 4000 L) is valid.
- (c) the procedure necessary to carry them out
 is workable & if so, how.

Any further comments will be helpful. Of course,
 AFHQ may have spotted this point & taken action.

Please label the matter as URGENT.

Chief Staff Officer
 M. HAY
 Capt RA.
 Staff Officer Economic Section

No. 52.

SECRETMEDITERRANEAN SHIPPING BOARD (ITALY)MINUTES OF AN EXTRAORDINARY MEETING
HELD AT 1700 HOURS ON 28TH APRIL, 1944.

Present:

Mr. R. Nicol, in the Chair
 Captain R. A. Trevor R.N.
 Commander Mackewn R.R.N.
 Lt. Commander R. G. Wardrop R.N.R.
 Lt. Commander A. G. Grimsey R.N.V.R.
 Brigadier R. W. Fellowes
 Lt. Colonel G. Akerley
 Colonel T. Eller, U.S. Army
 Lt. C. Howarth
 Major Glenville, A.C.C.
 Captain M. Hay, A.C.C.
 Miss M. M. Michie,
 Secretary.

512. SCHOONERS. Mr. Nicol explained that this extraordinary meeting had been called in order to discuss and approve the draft Directive for the Control and Operating of Italian Schooners, copies of which were passed to members, for prior perusal, at the last MEDBO (Italy) meeting. A copy of the Directive that was finally agreed is attached hereto.

The Directive was discussed paragraph by paragraph as follows:-

PREAMBLE.

Para. 1. Agreed.

Para. 2. As "Allied Authorities" do not include Italian Authorities the Board decided to delete the word "Allied". Otherwise agreed.

Para. 3. "as to procedure" to be deleted. It was pointed out that MEDBO is a purely advisory body and as such does not issue instructions. It was therefore agreed to exclude "noting on behalf of MEDBO".

DIRECTIVE.

Para. 1. Agreed.

Para. 2. Agreed with the exclusion "under instructions from MEDBO".

Para. 3. It was decided that to avoid confusion and possible loopholes only one authority should be responsible for issuing licence cards and therefore the last sentence should read "these will be issued and stamped by DSTO Italy or his accredited representatives". It was agreed that all STOs of ports would act as representatives of DSTO Italy.

Para. 4. The Board agreed to delete "acting on behalf of MEDBO" and replace "or by such departments as nominated by him" with "or by his nominees". Last sentence for "should" read "will" and add "Such permits will only be issued to vessels holding valid licence cards".

Para. 5. Agreed with deletion of "Allied".

1764

Commander MacKewn R. RNR.
 Lt. Commander R. G. Wardrop R.M.R.
 Lt. Commander A. G. Grinsey R.N.V.R.
 Brigadier R. W. Fellowes
 Lt. Colonel G. Ackerley
 Colonel T. Filler, U.S. Army
 Mr. A. C. Horath
 Major Glenville, A.C.C.
 Captain M. Kay, A.C.C.
 Miss M. E. Michie,
 Secretary.

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Para. 5. Agreed with deletion of "allied".

Para. 6. After some discussion as to the best and most effective method of penalising offenders in order to remove any incentive to disregard reporting arrivals and departures, the Board decided that a fine was sufficient penalty for failure to report arrivals but that omission to have permits stamped for outward voyage must be severely dealt with, and considered the confiscation of the vessel to be the only means firstly of reducing such a possibility and secondly of providing a sufficiently weighty punishment for offenders. It

As agreed at Meeting on 26th April, 1944.

DIRECTIVE FOR THE
CONTROL AND OPERATING OF ITALIAN SCHOONERS

Below are details of scheme finally agreed between the Allied and Italian Authorities for the control and operating of all Italian owned schooners.

It is requested that all authorities concerned will give their utmost co-operation to ensure complete success of the scheme and to enable this valuable tonnage to be of maximum service to the Allied War Effort.

In all cases of doubt in employment and operation of schooners, it is requested that immediate reference will be made to DSTO Italy.

1. All schooners to be registered and numbered according to C. in C. Mediterranean's 251024 January. Any craft found without registration after 30th April should be held and reported to the Senior Naval Authority of the port concerned.
2. All schooners, irrespective of size, on completion of registration will be placed in a pool and operated by DSTO Italy.
3. Each schooner will be issued with folder licence card (copy attached) to be valid for 3 months. All licences will expire on the same date and will be of different colours for consecutive quarters. The first quarter will be blue and dated from 1st April, 1944. These will be issued and stamped by DSTO Italy or his accredited representatives.
4. Voyage permits (copy attached) will be issued by DSTO Italy or by his nominees (list to follow). Permits should be signed and stamped by the authority concerned. No other type of permit will be accepted. Such permits will only be issued to vessels holding valid licence cards.
5. Routine orders will be issued by the MCSO., USRO., (or other competent Naval authority where there is no MCSO. or USRO.) to the Master on production of voyage permit. Should any doubt exist as to the authenticity of the permit, vessel should be held and confirmation secured from the originator of the permit.
6. All Masters failing to report themselves inward to the competent Naval authority at port of arrival within 24 hours of their arrival are liable to a minimum fine of Lire 4,000. For failing to report for voyage permits to be stamped outwards Owners are liable to confiscation of vessel. Any vessel sailing without a permit will be confiscated.
7. All schooners, excepting those used as Harbours craft, will be time chartered by the Royal Italian Government on the attached Charter party at uniform rates. Master will have a copy in his possession, which must be produced if required.

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4. Voyage permits (copy attached) will be issued by DSTO Italy or by his nominees (list to follow). Permits should be signed and stamped by the authority concerned. No other type of permit will be accepted. Such permits will only be issued to vessels holding valid licence cards.
5. Routing orders will be issued by the MCSO., USRO., (or other competent Naval authority where there is no MCSO. or USRO.) to the Master on production of voyage permit. Should any doubt exist as to the authenticity of the permit, vessel should be held and confirmation secured from the originator of the permit.
6. All Masters failing to report themselves inward to the competent Naval authority at port of arrival within 24 hours of their arrival are liable to a minimum fine of Lire 4,000. For failing to report for voyage permits to be stamped outward's Owners are liable to confiscation of vessel. Any vessel sailing without a permit will be confiscated.
7. All schooners, excepting those used as Harbour craft, will be time chartered by the Royal Italian Government on the attached Charter party at uniform rates. Master will have a copy in his possession, which must be produced if required.
8. Schooners under 50 tons d.w. Those required for harbour work by NOICs etc., will be taken up on time charter by DSTO Italy. The remainder, after chartering by Royal Italian Government, will be handed over to CO.GE.NA. acting on their behalf, for operation. DSTO Italy reserves the right to take up any of these vessels at any time for the use of the Allied authorities. CO.GE.N.A. will be responsible for collection of freight, payment of hire and the issuing of voyage permits and all necessary Orders to Masters in order to comply with instructions as above. All voyage permits will be countersigned and stamped by the authorised A.C.C. representative (list to follow) giving approval to shipment of cargo.

9. Schooners over 50 tons d.w. These will be operated solely by DSTO Italy or his representative, who will issue all voyage permits: the following procedure to be adopted:-

(a) All demands for schooners will be made in accordance with Mov. A.A.I. Adm. Ech. Working Instruction No. 16.

(b) A.C.C. Will centralise all their demands through Transportation Sub Commission, excluding movement around Sicilian and Sardinian Coasts. Transportation Sub Commission will render Freight Form S. to Mov. A.A.I. Adm. Ech. in accordance with above working Instructions. In the case of coastal voyages around Sicily such demands will be centralised through the local Transportation Sub Commission representative who will refer such demands to the local STO in charge or his representative. In the case of coastal voyages around Sardinia A.C.C. civilian supply demands will be centralised through the Regional Commissioner who will refer such demands to the local STO in charge or his representative.

(c) All demands by Italian civilians which cannot be lifted by tonnage allocated as per clause 8 will be forwarded to CO.CE.NA. who will handle in accordance with sub-paragraph (b). No bids will be recognised unless stamped by appropriate A.C.C. authority.

10. Payment. All charter hires will be settled with owners by CO.CE.NA. or their representative and no individual payments should be made to Masters. DSTO Italy will be responsible for settlement with Repubblica Italiana Government.

11. It is requested that all signals sent by NCSO or other Authorities concerning movements of schooners should be repeated to DSTO Italy.

12. All STOs in charge to make a daily position signal of all schooners in their area. A weekly statement should also be forwarded with details of voyages authorised by them, stating whether military, A.C.C. or civilian, in order that freight can be collected against hire where applicable.

The above scheme should be in full operation by latest 15th May, 1944 and any vessel found trading and not complying with the above regulations will be stopped and the matter referred to DSTO Italy, for action.

13. Agreed and approved by C. in C. Mediterranean.

~~44~~
014/8

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

MI/ml

8 May 1944

ES/49

SUBJECT : Insurance of Vehicles in Road Haulage Scheme (Civilian).

TO : Allied Claims Commission

Ref ES/49 of 5 May 44, para 2 (d) please note the second sentence does not apply to the Road Haulage Scheme of Region II. SITA, the company operating the vehicles in Region II are entirely responsible for both vehicles and all claims arising from the use and operation of the vehicles.

Copy to:

Finance S.C.

Legal S.C.

Transportation (Roads) S.C.

Chief Counsel

Legal Section

LEGAL S.C. COMMISSION

CLO

DCLO

For Chief Staff Officer

[Signature]

17

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

MH/ml

ES/49

6 May 1944

SUBJECT : Motor Vehicle Insurance AGC Road Haulage Scheme.

TO : Finance Sub-Commission

Your INS/105/F/21 of 2 MAY 44.

1. The information given has been passed on to Region II, IV and V ~~also the Fifth and Eighth Divisions~~. It is presumed that you will reply to Reg III as suggested in para 5, your letter.
2. The basic rate for both 2½ and 3 ton vehicles will be 30 quintals.
3. Those concerned have been asked to communicate direct with you regarding insurance policies quoting INS/105/F/21 as reference.
4. The proposal in para 5, your letter, is approved.
5. The question of employers liability to employees should be considered also as these Coys are supposed to be self supporting on the rates charged for transportation of merchandise.
6. It is suggested you contact Lt. Col. MACQUESTON, Allied Claims Commission, NAPLES as they are definitely interested in the insurance of these vehicles.

LEGAL SUB-COMMISSION

CLO

S/O

Legal Counsel

For Chief Staff Officer

M. HAY

Capt RA

Staff Officer Economic Section

Copy to:

Regs I, II, III, IV, V, VI, VII

~~Reg VIII~~~~Reg IX~~

Legal Sub-Commission

For attn: Transportation Officer

16

RESTRICTED

4556

ACC MAIN (ECONOMIC SECTION, COL. ADAMS)

8 MAY 44

RESTRICTED

149

ROUTINE

ADAMS

ACC FIFTH ARMY
ACC EIGHTH ARMY

5/49 of 6 days

PLEASE CANCEL THIS HEADQUARTERS ES SLANT FOUR NINE OF SIX MAY FOUR FOUR
EIGHTH
PAREN TO ACC FIFTH ARMY RPT TO ACC EIGHTH ARMY FROM ACC MAIN FOR ADAMS
PAREN
SIGNED MACFARLANE/REFERENCE MOTOR VEHICLE INSURANCE

LEGAL SUB-COMMISSION	
CLO	☒
CLIO	☐
Chief Counsel	☐
CLT	☐
CLP	☐
CLM	☐
CLD	☐
CLC	☐
CLA	☐
CLB	☐

*Copy to
Legal Subcommission*

15

RESTRICTED

L.T. MONTAG, JR.
1st Lt. AGC
Adjutant

HEADQUARTERS
ALLIED OFFICERS' COMMISSION
ECONOMIC SECTION
APO 394

10/800

ES/49

6 May 44

SUBJECT: Motor Vehicle Insurance. ACC Road Haulage Scheme.

TO : Regions II, III, IV, V, VI, VII,)
 AMG Fifth Army, } attn: Transportation Officer
 AMG Eighth Army, }

1. Herewith copies of correspondence with Finance & Legal Sub-commissions regarding insurance of vehicles under the ACC Road Haulage Scheme.

2. No vehicles of 1001 C.T. Coy. (It) or 21/22 GM Truck Coys (It) will be insured; all such claims on these vehicles will be referred to the Italian Army, through Army Sub-commission, HQ. ACC.

3. Please get in touch direct with the Finance Sub-commission, Insurance Division to have the necessary policies issued, reporting action to this Section.

For Chief Staff Officer

h. shu
 Capt. RN

SAP Officer Transport Section

Copy to: Finance Sub-commission
 Legal Sub-commission
 Region I (ATTN: TRANSPORTATION OFFICER)

1. SUBCOMMISSION	
2. Chief Counsel	
3. Section	
4. CLERKS	

14

COPY

ECONOMIC SECTION

TO: Legal Sub-Commission

SUBJECT: Third Party Motor Insurance

DATE: 29 Apr 46.

1. Reference attached letter from Finance sub-commission, the Italian Boys and organizations (to whom the U.S. trucks are to be leased and later on, if authority is obtained, sold) are required to insure against third party risks only.
2. These will naturally be for claims payable under Italian law and as it is not known what owners and/or drivers liabilities are, may some idea be given so that the limit per vehicle of Lit. 500,000 can be judged to be sufficient or otherwise.
3. May the matter be treated as URGENT PLEASE.

/s/ M. RAY
/s/ M. RAY
Capt. RA
Staff Officer Economic Section

COPY

REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
Legal Subcommittee
APO 394

ART/gmf

ACC/4014/S/L

25 April 1944

SUBJECT: Third Party Motor Insurance.

TO : Economic Section, HQ ACC.

1. Ref your letter dated 22 April 1944.
2. It is understood from the above that it is desired to know what are owners' and/or drivers' liabilities under Italian law so that the compensation limited to L.500,000 per vehicle can be judged to be sufficient or otherwise under the terms of a policy of insurance against civil liability in the matter of "third party" risks.
3. The extent of these liabilities are defined under Articles 2054 et seq., of the Italian Civil Code which may be summarised as follows:
 - (a) The driver of a vehicle is liable for damages to persons or things caused by the circulation of his vehicle, if he is unable to prove that he did everything possible to avoid the accident;
 - (b) In the case of a collision between vehicles, it is presumed unless proved to the contrary, that each driver has contributed equally to causing the damage suffered by each vehicle;
 - (c) The owner of the vehicle, or in his place, the person having the right to the use of the vehicle is jointly responsible together with the driver, unless the former can prove that the circulation of the vehicle came about against his will;
 - (d) In all cases the persons indicated above are responsible for the damage occasioned through a defect in construction or failure in maintenance.
 - (e) If the damage is imputable to several persons all are held collectively responsible for compensation to the injured party;
 - (f) Evaluation of Damages: The compensation due to the injured party is determined on the basis of making good the loss sustained, either in kind or in cash. The amount of the monetary compensation is fixed by the judge.

S/ G. R. UPJOHN, Colonel
T/ G. R. UPJOHN, Colonel
Chief Legal Officer.

C.O.F.V

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION

INS/105/7/26

Subject : Third party motor insurance.

To : Economic Section.

1. Reference your AS/49 dated 18 April and subsequent conversations (Capt. BAI - Capt. SEYMUR), the insurance required can be arranged with Assicuratrice Italiana on the following terms:

(a) A single policy will be issued for all the trucks owned by the group, or by each group if more than one.

(b) Amount of insurance is limited to L. 500,000 for each vehicle. An unlimited insurance would be recommended but a larger amount than that quoted cannot be effected under present conditions.

(c) Premium per vehicle is L. 2500 per year, with 5% discount for duration not less than one year, and 5% for more than 5 vehicles. Inclusive of Italian taxes, total first year premium for 38 vehicles is L. 160,157.05

2. The company is a subsidiary of Riunione Adriatica di Sicurtà, and arranges its own reinsurance with other Companies.

3. A partially completed application form is attached, requiring completion by the Italian group on the front and back, and giving type or make (marca) of each vehicle, and registration numbers. A specimen policy is also attached for information which should be returned when finished with.

If completed proposal is returned to this Department the matter will be attended to. Issue of the policy would be within 3 days of receipt of proposal.

21 April 1944.

/s/ ? ? ?
Major R.A.S.C.
INSURANCE DEPARTMENT.

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C.O.-P.Y
HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION

INS/105/7/21

Subject: Third party motor vehicle insurance

To : Economic Section.

1. Reference year 25/49 dated 26 April, comparative quotations on the basis desired in your para 3 have now been obtained from both Assicurazioni d'Italia and Assicuratrice Italiana, and are identical. Inability to compare the rates on the specimen applications is due to different ways of setting out. We are informed that the same tariff rate is used by all companies.

2. For 30-quintal trucks the calculation is as follows:-

Basic tariff rate: L. 2415 per vehicle per year

increased 30% L. 3139

Less discounts: 5% for duration not less than 5 years
5% " more than 5 vehicles
5% " public utility.

Surcharge: 7.5% of resultant figure (tariff increase).

The whole is subject to a Government tax of 9.5% and sundry small additions for receipts etc.

For 25-quintal trucks basic tariff rate is L. 1984.

3. Under the circumstances it is immaterial which company is used from the point of view of rates. It is considered however that Assicuratrice Italiana are better equipped at the present time to handle the business, and any changes later necessitated by alteration of vehicles etc.

4. A completed proposal can be obtained for Region 5 on receipt of (a) the name and address of the insurers and details of the remaining vehicles. You have supplied details of 39 only out of an understood 54.

5. It is proposed to reply to Region 3 suggesting they use the same Company, and your agreement to this is requested. The other two policies proposed by Region 3 appear to be insurance for the employees of the firm and are not connected with the vehicle insurance. They are not legally essential.

6. Request for advice on the same subject has also been received from Region 2 who have been referred to the same company recommended above.

7. Your correspondence is returned herewith.

/a/ ? ? ?
Major R.A.S.C.
INSURANCE DEPARTMENT

2 May 1944.

HEADQUARTERS
ALLIED CLAIMS COMMISSION
ECONOMIC SECTION
APO 394

HE/asn

ES/49

5 May 1944

SUBJECT: Insurance of Vehicles in Road Haulage Scheme (Civilian)

TO : Allied Claims Commission (Lt. Col. Macqueston)

1. Reference conversation (Lt. Col. Macqueston - Captain Ray) on 1 May 44, the following is the situation as regards insuring the U.S. vehicles in the Road Haulage Scheme:

a. A total of 1120 British and U.S. U.S. trucks will ultimately be employed, made up as follows:-

420 British 3 ton trucks.
300 U.S. 2 1/2 ton trucks (for insurance purposes these are rated at 3 tons).
150 Captured Italian Army 10 ton FIAT trucks.
250 Trucks not yet allocated.

These will be distributed as follows:-

<u>420 British trucks</u>		
+	Region II Civilian Scheme	120
+	Region III " " "	150
+	Region V " " "	20
+	Region VII " " "	92
		<u>22</u>
		420
<u>300 U. S. trucks</u>		
	G-4, HQ. ACC	
	AF Fifth Army, 21/22 Ctr. Harbor Truck Coys (Italian Army)	10
	AF Fifth Army - directly under HQ but Italian civilian drivers	80
+	Region III Civilian Scheme	70
		<u>142</u>
		300

+ These trucks are managed and driven by Italian civilians.

150 Italian 10 ton FIAT trucks.

Not yet arrived from EIC-East but will be included in the Regions Civilian Schemes.

2. A copy of the original Road Haulage Scheme is attached. This has now been modified, however, and Regional Civilian Schemes are now on the following lines:-

a. The trucks are being leased to Italian Public Utility Coys which, however, are completely controlled by the Regional Transportation Officers. In each case there are Italian Managers or Supervisors and all maintenance and driver personnel will also be Italian. They will, of course, work under the supervision of U.S. or U.S. personnel but naturally Italian drivers will be on the road frequently on their own.

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These will be distributed as follows:-

420 British troops 1st British Army (1901. Gen. Tpt. Day/Ital. Army)		
+ Region VI Civilian Scheme		120
+ Region III "		150
+ Region V "		22
+ Region VII "		92
		420
500 U. S. troops 64, 10. ACE		10
1st Fifth Army, 21/22 Apr. Master Frank Boyd		30
(Italian Army)		
2nd Fifth Army - directly under AM but Italian		70
civilian drivers		
+ Region III Civilian Scheme		140
		300

+ These trucks are managed and driven by Italian civilians.

150 Italian 10 ton VWAF trucks.
Not yet arrived from Vic-East but will be included in the
Rebrens Civilian Scheme.

2. A copy of the original now available and Regional Civilian Sciences are now on the new been modified, however, and following lines:-

2. The trucks are being replaced by the Regional Transportation Authority, which, however, are completely controlled by the Regional Transportation Authority and all officers. In each case there are Italian managers or Supervisors and all officers. They will, of course, maintain and driver personnel will also be Italian. They will, of course, but naturally Italian work under the supervision of U.S. or U.N. personnel on their own. Drivers will be on the road frequently on their own.

b. These vehicles are operating on a tariff which has been agreed with the Italian Government and allows .500 lire per vehicle/kilometer run for insurance and under the lease agreement, the P.U. must insure the vehicles for Third Party Risks. The exact wording is as follows:-

- 2 -

"8. You will indemnify and save harmless the Allied Control Commission from all claims of any kind and description asserted against the Allied Control Commission arising or growing out of the use or operation of said vehicles.

"9. You will take out such insurance policies and in the amounts, as shall be specified by the Regional Transportation Officer (Roads), insuring the vehicle against property damage, theft and fire and insuring the Allied Control Commission against liability for damage to persons or property, third party and employee risks."

c. Finance and Legal Sub-commissions were consulted and copies of their letters are attached. All three Coms have now been advised to take out policies with the Assicurazioni di Italia for the full amount of Lire 500,000 per vehicle and they are now in process of doing so.

d. In the event of damage to the vehicles, they will be repaired either in the workshops of the P.U. Coys or in R.M. workshops where the P.U. Coys will be charged up with the cost of repairs and spare parts. Total loss of a vehicle, as long as the vehicles are leased, will be written off by W.D.

3. The scheme for which authority has been asked from ANM is to sell the vehicles outright to the Italian Government for cash or at least what amounts to cash at the present moment. The Italian Government will at once resell the vehicles to various haulage contractors who have the necessary financial backing, garage space and repair facilities. This resale will probably be on a 50% cash down and 50% over three years basis, sale price averaging Lit. 250,000 per vehicle.

4. As regards identification of the vehicles, it is proposed that all trucks will be specially and distinctively painted so as to become familiar on the roads as those sold by the Allied Government to assist the transportation of Italian Civilian Supplies.

5. If any further information is required, please ring Captain HAY, VARIOUR 27 and any documents required can be brought across to your office.

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Copy to:

Finance Sub-commission

Legal Sub-commission

Transportation Sub-commission (Roads)

For Chief Staff Officer

M. HAY

Capt RA

Staff Officer Economic Section

c. Finance and Legal Sub-commissions were consulted and copies of their letters are attached. All three Coys have now been advised to take out policies with the Assicurazioni d' Italia for the full amount of Lire 500,000 per vehicle and they are now in process of doing so.

d. In the event of damage to the vehicles, they will be repaired either in the workshops of the P.U. Coys or in R.M. workshops where the P.U. Coys will be charged up with the cost of repairs and spare parts. Total loss of a vehicle, as long as the vehicles are leased, will be written off by P.D.

3. The scheme for which authority has been asked from AFHQ is to sell the vehicles outright to the Italian Government for cash or at least what amounts to cash at the present moment. The Italian Government will at once resell the vehicles to various haulage contractors who have the necessary financial backing, garage space and repair facilities. This resale will probably be on a 50% cash down and 50% over three years basis, sale price averaging Lit. 250,000 per vehicle.

4. As regards identification of the vehicles, it is proposed that all trucks will be specially and distinctively painted so as to become familiar on the roads as those sold by the Allied Government to assist the transportation of Italian Civilian Supplies.

5. If any further information is required, please ring Captain MAY, VAFOR 27 and any documents required can be brought across to your office.

For Chief Staff Officer

M. MAY

Capt. RA

Staff Officer Economic Section

Copy to:

Finance Sub-commission

Legal Sub-commission

Transportation Sub-commission (Roads)

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

WH/adv

24 April 44.

25/49

SUBJECT: Transport for ACC Civilian Supplies.

TO : AHC, Military Government Section.

1. Reference AHC (Adv. Adm. Sec) 36/21/03 of 8 Feb 44. Transport for ACC, it is recommended that the British and American trucks allocated for the distribution of civilian supplies be sold for cash to the Italian Government at landed cost. Spare parts subsequently supplied will also be sold at landed cost. The total number of the trucks will ultimately be 1000 but a certain number of them, particularly in AMG territory, will probably be operated by, and remain the property of, ACC.

2. The sale of these vehicles is recommended for the following reasons:-

a. Owing to shortage of personnel, these trucks must be organized and run by Italian civilian organizations.

b. Maintenance and operational care will be at a minimum unless the profit motive can be introduced. Italian managers and drivers will not take maximum care of these vehicles if they are ACC property, particularly if all repairs are carried out, and spare parts supplied, without cost.

c. A Tariff on a quintal/kilometer basis for carrying goods has been agreed with the Italian Government for application at present in Region II King's Italy.

d. Should the sale of these vehicles to the Italian Government be approved they, in turn, will re-sell the vehicles to Italian civilian organizations on a basis of 50% cash and a three years' amortisation plan for the balance. Only organizations with pre-war experience in transportation will be given the opportunity of purchasing these trucks and they must possess garages equipped to carry out all repairs except possibly 4th or 5th Echelon. In time, however, even 4th and 5th Echelon repairs will be entirely carried out by the civil organizations under ACC supervision.

e. The Italian Government will still be held responsible to ACC for the condition and running of the trucks and will be required accordingly to have complete control over the private operators. ACC will continue to inspect the vehicles regularly, supervise all maintenance, control the location and movements of the trucks and keep up the standard of operation generally.

f. The contract of sale to private operators by the Italian Government will be subject to ACC approval. Such a sale will have the effect of re-

Cont'd fr pg 1, SUBJECT: Transport for ACC Civilian Supplies, dtd 24 April 44, MR/adv

ving private companies who were engaged in operating road haulage in preoccupation Italy. The State owns the majority of the railways but took no interest in road transport. If these private haulage companies can be re-activated, they will help to eliminate any break between the cessation of ACC transportation activities and takeover by the Italian Government.

g. Limited ACC transportation personnel will make supervision over a wide territory very difficult unless the Italian Government can be brought in and made responsible under the terms of the sale.

h. As already indicated in Para (b), lack of personal interest by the Italians concerned will probably result in rapid deterioration of the vehicles. If urgently needed for operational purposes, they are more likely to be in good condition if the Italian companies are called on to put up 50% of the cost of the trucks and have to guarantee re-payment of the balance over a period of three years.

i. Should the Allied Forces have urgent need for the vehicles, and consider such need outweighs the necessity of feeding the civilian population, the trucks can be requisitioned by the Allied Forces and repurchased by ACC from the Italian Government.

j. The sale of the vehicles has the economic advantage of helping to curb inflation as, when the Italian Government resells to private operators, the money paid will be withdrawn from circulation.

k. The sale of the vehicles to the Italian Government has a certain publicity value, as each truck can be specially painted and become familiar on the roads as those sold to the Italians by the Allied Governments.

3. Summing up, the sale of the vehicles through the Italian Government to Italian operating companies will result in more efficient operation, longer life of the trucks and equipment, and a monetary return to the Allies for material that must be expended in any case.

4. While Finance Sub-commission advises that the trucks should be sold, both Finance and Legal Sub-commissions state that the sale of these trucks and spare parts can only be made with approval from higher authority. It is, therefore, requested that a decision be forthcoming with the least possible delay so that this HQ may determine under what permanent arrangement the trucks are to be operated by the Italians.

For Lieutenant General MASON MACFARLANE:

Copies to:
Transportation Sub-commission
Finance Sub-commission
Legal Sub-commission

D. S. ADAMS,
Colonel, C.E.,
Executive Officer,
Economic Section.

REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
APO 394

26 April 1944

ACC/4014/8/L

SUBJECT : Army vehicles used for movement of civilian supplies.
TO : Chief Staff Officer, Economic Section .

1. This will supplement my letter of 14 April 1944 (ACC/4014/8/L) in which I called your attention to a contract entered into between Col. Adams on behalf of the Allied Control Commission and one Mr. Penna on behalf of a civilian transport agency, which I did not consider satisfactory and which had not been approved by the Legal Sub-Commission .

2. Meanwhile your Maj. May made an inquiry of us (2 April 1944) which indicates that it is now proposed to "lease" U.S. trucks under arrangements quite different than were discussed with this Sub-Commission or contemplated by the contract which it prepared at your request .

3. We again urge that on a matter as vital and involved as the loan of army vehicles, it is imperative that no contracts be entered into without the prior approval of the Legal Sub-Commission .

G. R. UPTON,
Colonel,
Chief Legal Officer.

FILE

4

REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
APO 394.

24 April, 1944.

REFERENCE : ACC/4014/8/L.
SUBJECT : Army Vehicles used for Civilian Transport.
TO : Chief Staff Officer, Economic Section.

1. While I was on tour in Region 2 I was shown a document which purported to be a contract dated 12 April 1944 and signed by Colonel Adams on behalf of the Allied Control Commission and by a Mr. Penna on behalf of some civilian transport agency relating to the loan of an unused number of army trucks for civilian purposes.

2. I thought that the contract was not a very satisfactory one and I noticed that it was not a contract which had been approved at any time by the Legal Sub-Commission. It is strongly urged that more use should be made of this Sub-Commission for advice and drafting assistance before such contracts are entered into.

3. The matter, as I am sure you will agree, is an extremely important one relating as it does to the loan of large numbers of Army vehicles which are on charge to and responsibility of A.C.C. to Italian authorities.

GERALD R. UPJOHN.
Colonel,
Chief Legal Officer.

GRU/wcw.

REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
Legal Subcommittee
APC 394

ANT/guf

25 April 1944

ACC/4014/B/L

SUBJECT: Third Party Motor Insurance.

TO: Economic Section, HQ ACC.

1. Ref your letter dated 22 April 1944.
2. It is understood from the above that it is desired to know what are owners' and/or drivers' liabilities under Italian law so that the compensation limited to 1,500,000 per vehicle can be judged to be sufficient or otherwise under the terms of a policy of insurance against civil liability in the matter of "third party" risks.
3. The extent of these liabilities are defined under articles 2054 et seq., of the Italian Civil Code which may be summarised as follows:
 - (a) The driver of a vehicle is liable for damages to persons or things caused by the circulation of his vehicle, if he is unable to prove that he did everything possible to avoid the accident;
 - (b) In the case of a collision between vehicles, it is presumed unless proved to the contrary, that each driver has contributed equally to causing the damage suffered by each vehicle;
 - (c) The owner of the vehicle, or in his place, the person having the right to the use of the vehicle is jointly responsible together with the driver, unless the former can prove that the circulation of the vehicle came about against his will;
 - (d) In all cases the persons indicated above are responsible for the damage occasioned through a defect in construction or failure in maintenance.
 - (e) If the damage is imputable to several persons all are held collectively responsible for compensation to the injured party;
 - (f) Evaluation of Damages: The compensation due to the injured party is determined on the basis of making good the loss sustained, either in kind or in cash. The amount of the monetary compensation is fixed by the judge.

G. R. UPJOHN, Colonel
Chief Legal Officer.

1786

COPY

ECONOMIC SECTION

TO: Legal Subcommittee.
SUBJECT: Third Party Motor Insurance.
DATE: 22 April 1944.

1. Reference attached letter from Finance Subcommittee, the Italian companies and organisations (to whom the V.D. trucks are to be leased and later on, if authority is obtained, sold) are required to insure against third party risks only.

2. These will naturally be for claims payable under Italian law and as it is not known what owners and/or drivers liabilities are, may some idea be given so that the limit per vehicle of lire 500,000 can be judged to be sufficient or otherwise.

3. May the matter be treated as URGENT please.

Sgt. M. Hay
M. HAY
Capt. RA.
Staff Officer Economic Section.

2

COPY

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUBCOMMISSION

HM/105/P/16

Subject: Third party motor insurance.

To : Economic Section.

1. Reference your HM/49 dated 18 April and subsequent conversation (Capt. HAY-Capt. SEVERY), the insurance required can be arranged with Assicuratrice Italiana on the following terms:

(a) A single policy will be issued for all the trucks owned by the group, or by each group if more than one.

(b) Amount of insurance is limited to L. 500,000 for each vehicle. An unlimited insurance would be recommended but a larger amount than that quoted cannot be effected under present conditions.

(c) Premium per vehicle is L. 2500 per year, with 5% discount for duration not less than one year, and 5% for more than 5 vehicles. Inclusive of Italian taxes, total first year premium for 50 vehicles is L. 120,157.65.

2. The company is a subsidiary of Rionda Assicurazioni di Sicurtà, and arranged its own reinsurance with other companies.

A partially completed application form is attached, requiring completion by the Italian group on the front and back, and giving type or make (marca) of each vehicle, and registration number. A specimen policy is also attached for information which should be returned when finished with.

If completed proposal is returned to this Department the matter will be attended to. Issue of the policy would be within 3 days of receipt of proposal.

Major R.A.S.C.
INSURANCE DEPARTMENT.

1788