Declassified E.O. 12356 Section 3.3/NND No. 785021

ACC 10000/148/191
(1 of 2 folders)

181/TN/1

MEETINGS - ECONOMIC STAFF

Jan. 1945 - Oct. 1946

Retard Ship

CONFIDENTIAL

Minutes of Economics Section Meeting held on 4 October '46 at 1600 hours.

PRESENT:

Lieut. Colonel	N.T.	BEARD	Finance
	J.E.	FODEN	Industry
	C.A.W.	STEPHENS	Commerce
Major	K.	COOPER	Economics (CHAIRMAN)
	R.C.	COX	Price Control
	F.H.J.	MATT	Food
	H.A.	HAYWARD	Telecommunications
	J.H.	HANNY	Transportation
	E.J.	SCICLUNA	Labour
	J.R.	SQUIRE	Public Works
Captain	S.H.	CONDICT	Gorizia Area Supply
	I.M.	CALVANESE	Supply
	J.F.	KELL	Trieste Area Supply
	L.T.	OAKLEY	Pola Area Supply
	L.H.	NEIL	Agriculture

Action by:

1. Major COOPER, Economics (CHAIRMAN).

PLANNING (SECRET).

The Chairman enquired what was the present status of the houses being constructed by the Labor Division's Vocational Training School.

Major SCICLUNA (Labour Division) replied that he was waiting only for the "go ahead" from the Commune officials. He hoped this would be forthcoming in a few days.

Major SQUIRE (Public Works) stated that there had been some question by the Commune as to the amount to be paid for the project. It was previously agreed that the San Sabba group of houses would be used as a guide. However, the bid submitted by the Schools contractor was plus 15%, which meant that the School would be charging 20% more for the work than was charged on the San Sabba project. The contractor had stated that there had been an increase in materials which justified an increase in the contract price. This was agreed if materials increased in cost; but it was stated by Price Control Division (Major COX) that there had been no authorized increases in building materials during recent months, except for timbers. The Chairman requested Public Works and Labor to clear this proposed project at the earliest date possible, and report when the School actually begins work. P. WORKS - LABOUR

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Major	K.	COOPER	Economics (CHAIRMAN)
	R.C.	COX	Price Control
	F.H.J.	HYATT	Food
	H.A.	HAYWARD	Telecommunications
	J.H.	HAINY	Transportation
	E.J.	SCICLUNA	Labour
	J.R.	SQUIRE	Public Works
Captain	S.H.	CONDICT	Gorizia Area Supply
	I.L.	CALVANESE	Supply
	J.F.	KELLY	Trieste Area Supply
	L.T.	OAKLEY	Pola Area Supply
	D.H.	NEIL	Agriculture

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P. WORKS - LABOUR

2. Lt.Col. STEPHENS, Commerce.

It is felt that greater latitude should be permitted this territory to allow more goods to be imported in order that there might be a revival of commercial activities in Venezia Giulia. It is also felt that there should be a review of the export - import policy for Venezia Giulia with a view in mind of allowing greater freedom to this territory in its commercial relations.

Lt.Col.BEARD (Finance) expressed the opinion that there should be a review of this question and a greater elasticity should be permitted by higher Headquarters.

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Action by:

The Chairman (Major Cooper) replied that this matter had already been brought forth and that a letter the subject of which is "Supply Policy - Venezia Giulia" had already been prepared and submitted for the approval by the SCAO before sending to ALCCH and AFHQ. The fact was pointed out to higher Headquarters that neither UNRRA nor the Combined Chiefs of Staff had furnished any rehabilitation to Venezia Giulia. The least that could be asked would be to permit private individuals and industries to make their own private arrangements under Government supervision. Likewise, it was felt that the Reserved Commodity List should be closely studied and that even though needed items did appear on such list, exceptions should be made to Venezia Giulia where it definitely appears that the materials are for use solely in this territory or for re-export. Naturally, it was stated, currency directives must be followed.

The first items that should be given consideration under the proposed change would be oil and coal used for bunkering ships. At present ships coming to Trieste must find other ports for these supplies. Previous to the war the supplies were furnished in Trieste; and unless they can now be furnished here shipping companies naturally will put into ports where they can obtain the necessary oil and coal.

Finance Division suggested that the refuelling ships could, in all probability, pay for the coal and fuel in dollars and sterlings. Certainly dollar and sterling credits could be used by this Territory to obtain needed items and materials. At present this territory is earning about 9000 pounds sterling credits, and much less in dollars.

Industry Division (Lt.Col.FODEN) stressed this point very strongly.

3. Captain OAKLEY, Pola Supply.

The question of unloading Arsa coal at Pola has recently caused some concern to the Supply Officer and Labor Officer. The stevedores contend that the coal should be unloaded entirely by hand, while the owners contend that if they used cranes for this purposes they could cut down the cost of the coal to the consumers. It definitely can be stated that the price of this coal unloaded by hand will be much greater than that unloaded by cranes. Negotiations are under way to settle this question.

Labor Division suggested that part of the savings effected by the use of cranes might be passed to the stevedores and the other part of the savings might be passed to the consumer.

Is it possible for Finance and Labor to do something toward rising the pay of AMG employees at Pola? Most of the employees in AMG offices are drawing less money than street-cleaners. Labor Division answered that AMG employees of this Territory are governed by the same rules as all Allied Forces employees throughout Italy. And consequently nothing pacifically could be done by this Headquarters to increase the pay of its employees. It was promised, however, by Finance and Labor Division that this matter would again be taken up with the Allied Authorities in Rome, at an early date.

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FINANCE -
LABOUR.

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FINANCE - 1854
LABOUR.

4. Captain CALVANESE, Supply.

Another ship should be arriving in port during this month bringing in coal. However, only 180 tons of this coal will go to AMG, the balance being for the U.S.Army. The 180 tons is to be considered as a loan from UNRRA, with repayment details to be worked out at a later date.

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Action by:

5. Major SCICLUNA, Labour.

In general Labour has been somewhat quiet during the past week. There seems to have been a lesser amount of political interference in labor manners. However there has been a considerable activity in connection with the bid for general increases of wages.

At present joint negotiations are in progress for wage increase settlement or arbitration with the Magazzini Generali. And negotiations are in progress for wage increases in Industry.

The strike in the Jutificio continues. However there is a good chance of a settlement of this question on the basis of a plan suggested by the Labor Office Director who is acting as mediator.

Both Trade Unions are requesting the Labor Division for payment of the "Premio della Repubblica". If not called the "Premio della Repubblica" some equivalent name is suggested. The Sindacati Unici tend to use the non-payment of the bonus as an argument in favour of higher wages being made immediately.

Major SCICLUNA handed report of Unemployment Situation and Work Relief Projects, attached as Appendix "A" to these minutes.

6. Lt.Col. FODEN, Industry.

There is a great need of lubricating oils by the industries of this territory. Some industries have asked that if they obtain the raw materials for furnishing their needs will there be any objection by the Allied Military Government?

The Chairman replied that this brings up the question of distribution of supplies obtained other than through the "Disease & Unrest" program. The question whether such supplies brought in by private individuals or firms should be distributed thru our agencies remains to be settled. For instance, it was asked by Industry should lubricating oils, obtained by imports, be distributed through EPT or directly to the consumer who will no doubt be a large industry?

It was agreed that where an industry is able to make its own arrangements for the needed materials the question of the amounts of further supplies or allocations from AMG will have to be determined by the Industry Division. Neither Commerce nor Finance saw any objections by passing distributing agencies set up by AMG so long as the essential users were supplied, and a fair priority system followed by Industry Division.

7. Major HAYWARD, Telecommunications.

The lack of supplies of telecommunication materials is very serious. ACEGAT is in dire need of wire for communal installations. Also ACEGAT, as well as SELVEG, needs financial assistance to pay for the supplies if and when received. If the supplies requested one year ago had been furnished the telecommunications of this territory would be very satisfactory today. However, these services are not satisfactory at the present time.

In order to enable the telephone companies to meet their current operating expenses and to furnish themselves with the minimum of needed replacements new prices on services should be authorized. Otherwise the companies will continue to operate at a

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In order to enable the telephone companies to meet their current operating expenses and to furnish themselves with the minimum of needed replacements new prices on services should be authorized. Otherwise the companies will continue to operate at a loss.

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8. Major KYATT, Food.

The Food situation remains unchanged from last week (see attached appendix "B").

KENNETH COOPER,
MAJOR F.A.,
DEPUTY CHIEF, ECONOMICS.

KC/vf/mv

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APPENDIX "A"

1. UNEMPLOYMENT SITUATION IN VENEZIA GIULIA AS OF 2 OCTOBER 1946.

TRIESTE AREA	17753	53.8	12109	36.8	3097	9.4	32959	78.7
GORIZIA AREA	3247	63.3	1541	30.1	339	6.6	5127	12.3
POLA AREA	1740	46.1	1896	50.1	144	3.8	3780	9
TOTALS V.G.	22740	54.3	15546	37.1	3580	8.6	41866	
	MEN	%	WOMEN	%	JUV.	%	TOTALS	%

2. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS AS OF 25.9.46

	TOTALS	(i) %
TRIESTE	15029	31.3
GORIZIA	2665	34.2
POLA	475	11.2
TOTAL	18169	30.3

3. IMPORTED LABOUR INCLUDED IN 2.

POLA	10
GORIZIA	261
TRIESTE	224
TOTALS	495
—	—

(i) Percentage of combined Totals of 1 and 2.

4. UNEMPLOYMENT SITUATION IN TRIESTE COMMUNE. PERCENTAGE ON TOTALS FOR VENEZIA GIULIA SHOWN IN 1.

MEN	%	WOMEN	%	JUV.	%	TOTALS	%
15012	66	10477	67.4	2484	69,4	27973	66.8

UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS TRIESTE COMMUNE	
TOTALS	(ii) %
6730	19.3

(ii) Percentage of combined Totals of unemployment and unemployed engaged

HEADS OF FAMILIES UNEMPLOYED AND RELATIVE PERCENTAGE

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TOTALS V.G.	22740	54.3	15546	37.1	3580	8.6	41866	
	MEN	%	WOMEN	%	JUV.	%	TOTALS	%

2.	UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS AS OF 25.9.46	
	TOTALS	(i) %
TRIESTE	15029	31.3
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TRIESTE	224
TOTALS	495
—	—

(i) Percentage of combined Totals of 1 and 2.

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4.	UNEMPLOYMENT SITUATION IN TRIESTE COMMUNE. PERCENTAGE ON TOTALS FOR VENEZIA GIULIA SHOWN IN 1.							
MEN	%	WOMEN	%	JUV.	%	TOTALS	%
15012	66	10477	67.4	2484	69,4	27973	66.8

UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS TRIESTE COMMUNE	
TOTALS	(ii) %
6730	19.3

(ii) Percentage of combined Totals of unemployment and unemployed engaged on work relief projects.

6.	HEADS OF FAMILIES UNEMPLOYED AND RELATIVE PERCENTAGE ON TOTALS FOR AREAS AS SHOWN IN 1 AND 4.	
	TOTALS	%
TRIESTE AREA	9842	29.9
GORIZIA AREA	1228	23.9
POLA AREA	1004	26.6
TOTALS VENEZIA GIULIA	12074	28.8
TRIESTE COMMUNE	7911	28.2

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APPENDIX "B"

W E E K L Y F O O D R E P O R T

Situation as of 4 October 1946.

	Tons	Bread				Pasta	
		Tons	Subsistence days	till	Tons	Subsistence covering	
1. Flour (White) Stock on Hand	10.061	5961	51	24 Nov	4.100	September (balance) Oct.Nov.46.	
Trieste: 4.016 Gorizia: 1.328 Pola : 617 5.961							
Wheat Stock on Hand	1.267	1267	10	4 Dec	---	---	

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HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

Ref.: ES/1.27

1 October 1946

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

PRESENT:

Economic Section	Col. H.M. Walker Lt. Col. C.G. Webster Jr.
CEM Branch	Lt. Col. F.G. Green
Food, Agriculture & A.M.G. Supply Branch	Capt. Gilbert Mellin Capt. M.H. Cazel
Commerce (FT) Branch	Maj. G.A.F. Rothey

Meeting opened at 1600 hours. Col. Walker presided.

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

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

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

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

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

1650

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

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

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

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

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

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

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

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

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

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

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

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

1019

Capt. Mellin reported that UNRRA is talking of raising the per day caloric diet for the first half of 1947 and again for the second half and our food figures may need to be increased to keep up with Italy proper. We are importing only enough for 950 calories a day in Venezia Giulia.

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

The meeting adjourned at 1630 hours.

Carlos G Webster

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

Trans & Shipping

HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

Ref.: ES/1.27 23 September 1946

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

PRESENT:

Economic Section	Col. H.M. Walker Lt. Col. C.G. Webster Jr. Maj. M.E. Devey
CEM Branch	Lt. Col. F.G. Green
Food, Agriculture & A.M.G. Supply Branch	Lt. Col. Paul Graves
Transportation & Shipping Branch	Lt. Col. A.H. Street
Commerce (FT) Branch	Maj. C.M.F. Rothey

Meeting opened at 1610 hours. Col. Walker presided.

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

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

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

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

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

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

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

1618

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

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	Maj. M.M. Davey
CEM Branch	Lt. Col. F.G. Green
Food, Agriculture & A.M.G. Supply Branch	Lt. Col. Paul Graves
Transportation & Shipping Branch	Lt. Col. A.H. Street
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Meeting opened at 1610 hours. Col. Walker presided.

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

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

The S.S. Nikl arrived the middle of this month carrying approximately 8,000 tons of flour, 730 tons of which were loaned to the American Military account, which will be repayable within 30 days.

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

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

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

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

1028

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

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

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

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

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

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

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

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

The meeting adjourned at 1640 hours.

Carlos G. Webster Jr.

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

Ref.: ES/1.27 16 September 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 16 SEPT. 1946

PRESENT:

Economic Section	Col. H. M. Walker Capt. Delos De John
CEM Branch	Lt. Col. F. G. Green
Food, Agriculture & A.M.G. Supply Branch	Lt. Col. Paul Graves
Transportation & Shipping	Lt. Col. A. H. Street

Meeting opened at 1600 hours, Col. Walker presided.

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

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

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

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

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

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

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

1946

The electricity situation is still grim. Droughts are still per-

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Transportation & Shipping — Lt. Col. A. H. Street

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

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1846

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

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

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

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

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

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

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

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

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

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

The meeting adjourned at 1630 hours.

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

CONFIDENTIAL

Ispettorato

Minutes of Economics Section Meeting held on 6 Sept. 1946 at 1600 hours.

PRESENT:

Lieut. Col.	D.S.	BICKERSTETH	Economics (CHAIRMAN)
	C.A.W.	STEPHENS	Commerce
	F.W.	RICE	Transportation
Major	R.H.	RICHARDSON	Public Works
	K.	COOPER	Economics
	R.E.	HUGHES	Finance
	H.A.	HAYWARD	Telecommunications
Captain	J.F.	KELM	Trieste Supply
	N.A.	HOLSTEIN	Labour
	L.W.	OAKLEY	Pola Supply
	L.H.	WEIL	Agriculture
	S.H.	CONDICT	Gorizia Supply
	G.L.	MARKER	Industry
	H.T.	COKER	Trieste Area
	I.M.	CALVANESE	Supply
	N.J.	LISTER	L.O. 13 Corps

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1. ECONOMIC POLICY IN VENEZIA GIULIA.

Lieut. Col. BICKERSTETH (Economics). Action by:

Rehabilitation of Industry and Autostrada. Letter from A.F.H.Q. - Projects considered but neither approved - too long a project. Work on maximum employment but short term. They suggest new roads to keep within territorial entities - i.e. a link between roads 14 and 55. Reconstruction of dwellings and buildings important. Estimates of employment on projects etc. to be sent to A.F.H.Q. Industry and Public Works to cooperate in every way possible. Areas to study for new industries and concessions of Public Works project possibilities.

ENOSSEY - PUBLIC WORKS. 1015

2. BUSES. PROPOSALS THAT OUR BUSES GO ONLY TO PADOVA AND VENICE.

Lt. Col. RICE, (Transportation).

First meeting on this subject with Ispettorato was held this morning, another one in 2 weeks with Italian Government. The idea being to conserve rubber and fuels, by preventing

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Major	R.H.	RICHARDSON	Public Works
	K.	COOPER	Economics
	R.E.	HUGHES	Finance
	H.A.	HAYWARD	Telecommunications
Captain	J.F.	KELL	Trieste Supply
	N.A.	HOLSTEN	Labour
	L.W.	OAKLEY	Pola Supply
	L.H.	WEIL	Agriculture
	S.H.	CONDICT	Gorizia Supply
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INDUSTRY - PUBLIC WORKS. 12.5

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Lt. Col. RICE, (Transportation).

First meeting on this subject with Ispettorato was held this morning, another one in 2 weeks with Italian Government. The idea being to conserve rubber and fuels, by preventing lines from running half empty.

3. TYRES FOR USE OF REQUISITIONED VEHICLES OF A.M.G.

Lt. Col. RICE, (Transportation).

Milan UNRRA, from Comitato, says that no civilian tyres are to be used on A.M.G. or Police vehicles.

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Action by:

Lt. Col. STEPHENS, (Commerce).

Our requisitioned cars must be, and will be converted to use jeep tyres and Ordnance will supply tyres.

Lt. Col. BICKERSTETH, (Economics).

Economics, Transportation and Commerce will have a meeting next week to decide policy on tyres and get A.F.H.Q. straightened out on our needs. — ECONOMICS, TRANSPORTATION, COMMERCE.

4. Capt. WEIL, (Agriculture).

Police Forestry people are not being allowed to function as they are being used on other police duties.
Esperiments with spoiled wheat for beer not completely successfull but some of this wheat will be used for beer if possible, while the majority will be used for cattle fodder.

Indian corn and Sunflower seeds - UDINE allowed prices to go free, with result that they pinched all ours. Can we subsidize prices?

Lt. Col. BICKERSTETH, (Economics), replied: No.

5. Captain MARKER, (Industry) - NIL.

6. Capt. CALVANESE, (Supply).

We must not be too optimistic on our supply position; we may produce justification, but still be out on our supplies. A.F.H.Q. are sticking very close to "Disease and Unrest" formula. We cannot increase our demands for more supplies for rehabilitation.

7. COAL.

Lt. Col. STEPHENS, (Commerce).

On August we have only received 8,000 tons of coal against 20,000 tons approved by A.F.H.Q. It was agreed that a further letter be written to A.F.H.Q. on this subject.

8. Major RICHARDSON, (Public Works).

Some CAOs are not reading all directives relative to Public Works and consequently this is causing delay on some Public Works projects. (Area Supply Officers will please request CAOs to become acquainted with all Public Works directives).

Bomb disposal is not entirely satisfactory. Many orders come from CRE Corps verbally. There is a dump at DUINO, and no one knows who is responsible. V.G.Police are guarding. I have written letter requesting clarification of responsibility in this matter. — AREA SUPPLY OFFICERS.

1844

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4. Capt. HALL, (Agriculture).

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Esperiments with spoiled wheat for beer not completely successfull but some of this wheat will be used for beer if possible, while the majority will be used for cattle fodder.

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Lt. Col. BICKERSTETH, (Economics), replied: No.

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1814

AREA SUPPLY OFFICERS.

9. Captain CONDICT, (Gorizia Supply).

Area Order blocking movement of wood is to check up on legitimate contracts and movement of wood generally.

Lt. Col. BICKERSTETH, (Economics) replied that no blocking Order should be put into effect without this HQ's authority.

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Action by:

10. Capt. KEIM, (Trieste Supply). IMPORTANT.

Population figure Capt. KEIM gave the other day was 346,360 for Trieste Area and not Trieste City as stated.

11. Capt. OAKLEY, (Pola Supply).

Funerals are cheaper in Pola than in Trieste. Gen. Order 106 on dismissals does finish on Sept.10. What has been done to replace it?

Capt. HOLSTEIN, (Labour).

Order signed extending it from September to end October.

Capt. OAKLEY, (Pola Supply).

At present businessmen cannot meet their payrolls. Can there be a special dispensation made for POLA?

Lt. Col. BICKERSTETH, (Economics), replied - Each case must be gone into by Industry Division, Economics and Finance.

Major HUGHES, (Finance).

An order signed a few days ago sets up a Commission on Loans who examine each case. Will all Divisions please give brief report to Finance where its functions are not working. ALL DIVISIONS.

Capt. OAKLEY, (Pola Supply).

Is there any possibility of ships being sent to POLA for repair?

Lt. Col. BICKERSTETH (Economics).

Was refused, but we will take up again.

12. Capt. COKER, (Trieste Area).

A.M.G. cotton cloth sale in Trieste has increased. Trieste merchants have bought up large stocks as the prices are lower than in other parts of Italy and they think A.M.G. will have to increase prices.

Lt. Col. BICKERSTETH, (Economics).

They will have the shock of their lives. I am going to reduce price of cotton cloth (as cotton mill costs are too high compared with Britain and U.S.A.).

13. Lt. Col. BICKERSTETH, (Economics).

Price Control - There has been a serious rise in

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13. Lt. Col. BICKERSTETH, (Economics).

Price Control - There has been a serious rise in prices. We have sent two delegates of Price Fixing Commission to MILAN, to ascertain what they are doing. There is no justification for such a rise and we believe the Italian Government must make some effort to stop this speculation. I would like to stabilize all prices from 7 September 1946, but this must depend on what we hear from Milan.

14. Capt.HOLSTEIN, (Labour).

Unemployment increased 400 for Venezia Giulia last month.

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Action by:

I will carry out extensive check on Zone "A" employees. 7,000 heads of family are still unemployed.

15. TELECOMMUNICATIONS.

Major HAYWARD, (Telecommunications).

May a policy on the employment of ex soldiers ex POW's be given here?

Major COOPER, (Economics).

Major SCICLUNA (Labour) has written a report on this subject. The status seems to be that all industries in Venezia Giulia have voluntarily complied with the essential parts and there is no need of publishing the order. Also there remains to be settled in this Area the question of who constitutes ex-soldiers.

UNEMPLOYMENT SITUATION IN VENEZIA GIULIA AS OF 31.8.1946

AREA	MEN	%	WOMEN	%	JUVEN.	%	TOTAL	%
TRIESTE	17261	55,2	11112	35,6	2867	9,2	31240	77,5
GORIZIA	3427	62,1	1746	31,6	346	6,3	5519	13,7
POLA	1654	46,6	1756	49,4	143	4	3553	8,8
TOTAL	22342		14614		3356		40312	

1012

D.S.BICKERSTETH,
LIEUT.COLONEL,
CHIEF, ECONOMICS.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Major COOPER, (Economics).

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1812

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LIEUT.COLONEL,
CHIEF, ECONOMICS.

DSB/mv

Declassified E.O. 12356 Section 3.3/NND No. 785021

APPENDIX "A"

WEEKLY FOOD REPORT.

Situation as of 6 Sept. 1946.

1. Wheat, Stock on Hand :

A) Imported : 476 Tons, for Bread
subsistence 4 days, till 8th Sept.

B) Ammassi : 2065 " for Bread
subsistence 15 days, till 23rd Sept.

C) Loan from Udine : 1242 Tons, for Bread
subsistence 10 days, till 3rd Oct.

2. Stock on Hand : 1242 Tons, August ration

3. General Subsistence :

for Bread : till 3 October
" Pasta : August ration

4. Expected arrivals : S/S "NIKI", ETA 15 September with
8000 Tons of flour.

1011

Declassified E.O. 12356 Section 3.3/NND No. 785021

Econ. Sect.

HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

Ref.: EA/1.27

10 September 1946

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

PRESENT:

Economic Section	Brig. M. Carr Capt. Delos De John
Industry & Utilities Branch	Col. H.M. Walker Maj. T. G. Elliott
CEM Branch	Lt. Col. F. C. Green Maj. F.C.C. Bates
Food, Agriculture & A.M.G. Supply Branch	Lt. Col. Paul Graves Lt. Col. R.R. Snapp Lt. Gilbert Mellin
Transportation & Shipping	Lt. Col. A.H. Street

1840

Meeting opened at 1600 hours. Brig. Carr Presided.

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

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

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

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

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

UNRRA	871,320 long tons

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The following quantities of food have been distributed to Children's

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less than the minimum reported during the past years. There are about 74 millions of KWH in storage at the Sila reservoir.

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

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Powd. Milk	5,243 "
Corn Sirup	3,105 "

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

Preserved Meat	46.5 tons
Canned fish	80.7 "

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

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

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

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

The meeting adjourned at 1645 hours.

DELOS DE JOIN
Capt., Infantry (Arm'd)
Staff Officer

1839

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CONFIDENTIAL

Minutes of Economics Section Meeting held on

30 Aug. '46 at 1600 hrs.

PRESENT:

Lieut. Colonel	D.S.	BICKERSTETH	Economics (CHAIRMAN)
	C.A.W.	STEPHENS	Commerce
	N.T.	BEARD	Finance
Major	K.	COOPER	Economics
	R.C.	COX	Price Control
	R.H.	RICHARDSON	Public Works
	H.F.J.	MYATT	Food
	H.A.	HAYWARD	Telecommunications
	E.J.	SCICLUNA	Labour
	J.H.	HANNY	Transportation
	H.	COKER	Trieste Area Supply
	L.W.	OAKLEY	Pola Area Supply
	J.J.	CANTILLI	Labour
	I.M.	CALVANESE	Supply
	S.H.	CONDICT	Gorizia Area Supply
	L.H.	WEIL	Agriculture

1. Lt.Col. STEPHENS, Commerce. Action by:

A request was made that the supply Division put a supplementary bid to the Combined Chief of Staff for an allocation of raw-rubber to supply the necessary tyres for Venezia Giulia.

After discussing the advisability of this request, Major COOPER ruled that Supply Division should prepare the supplementary bid. All Divisions requested to submit to Lt. Col.STEPHENS their future needs. In public works there has been an extremely large increase in the number of trucks employed by that Division. Three months ago there were approximately 120 trucks used by the Public Works, while today 200 trucks are used.

ALL DIVISIONS

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It was further requested by Lt.Col. STEPHENS that a 200.- lire per ton charge be authorized on all coal imported under the Disease & Unrest programme. This would be used as a floating fund to cover all expenses incurred in discharging the coals, which are normally not anticipated as unloading charges for example. Major COOPER ruled that Price Control Division should make a full report on this matter and that unless there are good reasons to the contrary, the 200.- lire per ton charge would be assessed to all users.

ALL DIVISIONS

PRICE CONT

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Action by:

Lt.Col. FODEN, Industry.

May an allocation of wheat be made from the sunken S/S "William Penn" to the Cotton Mill for shipping flour. This flour is needed in the process of manufacturing cloth. Attempts have been made to secure wheat or a substitute but no supplies have heretofore been found. All attempts to secure these from Italian sources have failed. It was ruled by Major COOPER that whatever amount the mill needed would be allocated. And it was suggested that the mill stock up with as much of this wheat as possible.

A request has been received from the S.C.A.O. regarding the necessity of future rationing of electricity during the coming winter months. However, at this time it is impossible for me to give a reply to this question because the supply of electricity depends on the amount of water in the rivers. This cannot be determined until the winter conditions are known.

Capt. CONDICT, Gorizia Area Supply.

It appears that the military of 13 Corps are at present obtaining fire and fuel wood in the Gorizia Area. As Supply Officer, I have not been contacted by any of the military Authorities. It is felt that the cutting of fuelwoods are to be tied up with AMG's programme for furnishing the civilian needs. Apparently Udine AMG Supply Officer was consulted in this matter but there was no attempt to co-ordinate the supplies between Udine and Gorizia. Major COOPER directed that the Area Commissioner of Gorizia should initiate a letter on this matter to the S.C.A.O. In the meantime Commerce Division was requested to do what it could to tie up the matter with the proper authorities of 13 Corps. — AREA COMMISSIONER GORIZIA COMMERCE

Captain [illegible] Pola Area Supply.

It is felt that all Divisions should keep the Pola Area Supply Officer fully informed of all matters pertaining to Supplies in the Area. This is especially true in regard to Public Works and to Commerce. Some difficulties have arisen in regards to P.O.L. distribution at Pola. This is because Area Supply Officer's office has not been advised of the exact allocation in the various Divisions such as Public Works and Welfare. The Chairman requested all Divisions to keep Captain Oakley fully informed of the activities in Pola effecting supplies. — ALL DIVISIONS

1837

Captain WEIL, Agriculture.

A request has been received from RCHE for permission of the Assistant to the Ministry of Agriculture to enter Venezia Giulia. It appears that he has had some difficulty in getting

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AREA COMMISSIONER GORIZIA
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ALL DIVISIONS

1037

5. Captain WEIL, Agriculture.

A request has been received from RCME for permission of the Assistant to the Ministry of Agriculture to enter Venezia Giulia. It appears that he has had some difficulty in getting permission to come here. His presence is very much needed for consultation regarding Agriculture problems in Zone "A". He was directed by Major COOPER that this question should be brought to the attention of the Security Section, Venezia Giulia Police Force.

The latest report indicates that there are approximately 3½ million small trees available in Italy for our forestry projects in Zone "A". In a few days it is hoped that contracts will have been completed to secure these needed trees. When this is completed this will be reported to the people concerned.

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Action by:

6. Major COX, Price Control.

A recent investigation by the Price Enforcement Commission brought to light several irregularities in handling the fruit & vegetable market. Invoices were incomplete; prices and weights were changed and profits to the majority of the retailers were in excess of 100 %, and in two cases as much as 400 %. Two meetings have been held between the Council, the Commune, the vegetable and fruit market representatives and the Price Enforcement Commission. Corrective steps to correct these abuses have already been taken. Those include an increased number of price checkers, proper invoices, and price signs to be displayed by all merchants. And it had been proposed to turn the present co-operative into a model fruit & vegetable market. In this connection it has been proposed to publish daily prices offered by the Cooperative Operaie.

A similar case has arisen in regards to the fish market as now exist in the fruit & vegetable market, above mentioned. Similar action has been taken and a full report will be given later. It might be stated that one day last week 20 tons of fish were dumped back into the sea to maintain the present prices on fish. However this will not occur again.

7. Major RICHARDSON, Public Works.

Should the Public Works Division look upon the projects that it sponsores from an economic point of view or should it be looked upon as a labour project to give employment? In most cases approval of the project should be given to the lowest bidder. However at times the contractor offering the lowest price will not necessarily give the same labour considerations. For instance, when a contractor is required to put on his payroll, people who have completed Labour Division's Training School studies, the price of his contract will naturally be higher than if he were free to choose his own employees. On this point some difficulties arisen. All contracts have in them a labour clause which has been submitted by an Officer from the Labour Division. He seems to be satisfied with this labour clause.

Both Lt.Col. BEARD and Lt.Col. BICKERSTETH stated that all projects should be combined with both economic and labour aims in view. All projects, they feel, should receive the consideration of both the Public Works Division and Labour Division. And each case should be decided on its individual merits.

PUBLIC WORKS
LABOUR
1936

Major SCICLUNA, Labour Division, stated that about five months ago the Building Training School had been set up to train additional men for the building trades since there was a shortage of these people in Venezia Giulia; and it was not desired to import labourers from outside of Venezia Giulia. At that time it was realized by all Divisions of Economics Section that contractors employing the students would be unable to contract for the same price as they would if they possessed skilled workmen. Then the Finance Officer and the Chief of

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After a further discussion it was ruled by the Chief of Economics and the Chief Finance Officer that the original school-scheme for employment [illegible] from the school would be carried out. It was agreed that an additional allowance should be given contractors working on projects employing students graduating from Building Training School run by Labour Division, as Labour desired. A further meeting will be held on this point between Finance, Labour, P. Works and Economics.

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Action by:

UNEMPLOYMENT SITUATION IN VENEZIA GIULIA AS OF 27.8.1946

AREA	MEN	%	WOMEN	%	JUVEN.	%	TOTAL	%
TRIESTE	16970	55.1	10696	34.8	3125	10.1	30791	77.1
GORIZIA	3384	61.1	1814	32.9	334	6	5532	13.8
POLA	1669	46.1	1779	49.1	174	4.8	3622	9.1
TOTAL	22023	/	14289	/	3633	/	39945	/

WEEKLY FOOD REPORT

1. Situation as of 30th August 1946.

2. Wheat, stock on hand:

A) Imported : 2076 tons, broken down as follows:

476 " for Bread
1600 " for Pasta

Subsistence for Bread: 4 days, till 3 September.
" Pasta: August ration

B) From the Ammassi :
2065 tons, only for Bread
Subsistence :
further 15 days, till 18 September.

C) Borrowed from Udine :
2000 tons,
Subsistence further 15 days, for Bread.

3. General Subsistence:
for Bread : till 3rd October 1946,
for Pasta : August ration.

4. Expected arrivals : S/S "NIKI", ETA : 14th September, with 8157 tons wheat/flour.

1035

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D.S.BICKERSTETH,
LIEUT. COLONEL,
CHIEF, ECONOMICS.

KC/mw

Declassified E.O. 12356 Section 3.3/NND No. 785021

Istituto Sloveno

CONFIDENTIAL

Minutes of Economic Section Meeting held on 23 August 1946

at 1600 Hours.

PRESENT:

GUEST: Mr. W.J. SULLIVAN, British POLAD.

Lt.Col.	D.S.	BICKERSTETH	Economics (CHAIRMAN)
	C.A.W.	STEPHENS	Commerce
	N.T.	BEARD	Finance
	F.W.	RICE	Transportation
Major	K.	COOPER	Economics
	R.C.	COX	Price Control
	R.H.	RICHARDSON	Public Works
	H.F.J.	MYATT	Food
	H.A.	HAYWARD	Telecommunications
	E.J.	SCIOLINA	Labour
Captain	J.F.	KEIM	Trieste Area Supply
	L.W.	OAKLEY	Pola Area Supply
	N.J.	LISTER	AMG L.O. 13 Corps
	J.J.	CANTILLI	Labour
	I.M.	CALVANESE	Supply

ACTION BY:

1. Lt.Col. BICKERSTETH, (Economics) - 1834

made a statement on AMG policy in the Economic field and pointed out how that policy had been justified and how with the assistance particularly of Public Works, Industry, Agriculture, and not least Finance a major Economic crisis had been averted. He went on to say that given the maintenance of law and order he believed the worst of the Economic situation was passed.

Mr. SULLIVAN, (Br. POLAD) -

added that there was certainly a series of attacks being levelled by the foreign press against Allied [illegible] Economic policy in Venezia Giulia.

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added that there was certainly a series of attacks being levelled by the foreign press against Allied Military Government's Economic policy in Venezia Giulia. These attacks are especially strong in Trieste. Most of these attacks however, are political in nature. Could the Economic Section produce a list of its achievements in order to refute these attacks. Lt.Col. BICKERSTETH undertook to do this.

ECONOMICS

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ACTION BY:

2. RESPONSIBILITY FOR IMPORT SUPPLIES.

Capt. CALVARESE (Supply). - All Divisions are reminded that they are responsible for the supplies they indented for from shipside onwards. Certain reports must be signed for and turned over to the shipping agencies. Will all Divisions please make sure that this matter is carried out. ALL DIVISIONS

Lt.Col. BICKERSTETH (Economics) - ruled that there should be one agency to handle all miscellaneous supplies, such as SEPRAL for Food, EPT for POL etc. It was suggested that the goods should be taken on consignment - with the firm taking the goods at ships-side. Finance Division recommended this action be taken as soon as possible, especially for the benefit of accountancy records.

3. P.O.L. SITUATION.

Lt.Col. STEPHENS (Commerce), - stressed the need for all Divisions to produce complete justification for their bids as our supplies are now being even more strictly controlled. P.O.L. is now a G-5 AFHQ supply and not a military one through 13 Corps as it has been to date.

4. CHANNELS OF COMMUNICATION.

Major COOPER (Economics), - Some Divisions have approached AC and AFHQ direct on supply problems. This is most irregular and in future all queries on supply matters will be addressed to Supply Division this Headquarters. ALL DIVISIONS

1033

5. TYRE SUPPLIES.

Lt.Col. STEPHENS (Commerce). - Civilian supplies of tyres is still unsatisfactory and I have spoken to AC when in Rome to try and improve it. I have been informed by Capt. Hoinson Ordnance 13 Corps that tyres for military and requisitioned vehicles of AMG would be supplied by Ordnance.

6. BLANKETS.

Lt.Col. STEPHENS (Commerce), - continued: Consorzio Agrario have asked for 10,000 blankets for Agricultural [illegible] and sesame. Should they be allowed

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Fill all Divisions please [illegible]
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Lt.Col. STEPHENS (Commerce), - continued: Consorzio Agrario have asked for 10,000 blankets for Agricultural labourers in Ronchi, Grado and Sesana. Should they be allowed to act as both wholesaler and retailer and thus obtain both profits?

Lt.Col. BICKERSTETH (Economics), - ruled that they should be permitted to do so though naturally they would pay all taxes.

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ACTION BY:

7. INSTALLATION OF TELEPHONE EQUIPMENT BY CONTRACTORS.

Major HAYWARD (Telecommunications), - stated that Public Works contractors were installing telephone equipment which they were not qualified to do. TELVE will make an inspection and the risk was run that they would declare such equipment as unsatisfactory.

It was agreed that Public Works and Telecommunications would liaise.

8. ENTE PETROLIO TRIESTINO.

Lt.Col. BEARD (Finance), - A considerable profit, in the neighbourhood of 80,000,000 lire has been made by this body, who wish to pay bonuses to their employés.

ECONOMIC

Lt.Col. BICKERSTETH (Economics), - promised to investigate.

9. PUBLIC WORKS SITUATION.

Major RICHARDSON (Public Works). -

Employment: 15,523 workers are now employed on Public Works Projects.

Forestry: Bids open today on the Forestry Project.

Pola Explosion: An officer from Public Works has been to Pola and has submitted his report. As the mines in question were War Booty their safeguarding was a military and not an AMG commitment. Incidentally the mines had been inspected and rendered safe by Bomb Disposal. Material damage in Pola as a result of the explosion was estimated at 5 million lire.

Transport: is still very difficult for engineers etc. who have to travel all over the Zone visiting projects. Can not something be done to improve the situation?

1832

Lt.Col. BICKERSTETH (Economics), - instructed Major COOPER to study the whole question of transportation and submit recommendations.

ECONOMICS

Professional Workers: Major RICHARDSON (Public Works), stated that the maximum AMG vote was not high enough for a prominent engineer. Can an increase be considered?

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Lt.Col. BICKERSTETH (Economics), - instructed Major COOPER to study the whole question of transportation and submit recommendations.

Professional Workers: Major RICHARDSON (Public Works), stated that the maximum AMG vote was not high enough for a prominent engineer. Can an increase be considered?

Major SCICLUNA (Labour), - stated that wages were fixed by the AFHQ Labour Committee but if Major RICHARDSON put up a case for an increased salary (i.e. above AMG maximum) as was done for the Chief Finance Civilian Executive, the matter would be considered.

Declassified E.O. 12356 Section 3.3/NND No. 745021

ACTION BY.

10. POPULATION OF TRIESTE.

Capt. KEIM (Trieste Area), - stated that the latest population figure for Trieste was 346,000 which is 1000 less than 12 months ago.

Lt.Col. BICKERSTETH (Economics), - stated that as a number of people were in all probability living in Trieste without ration cards, this figure should be further investigated. Labour Division were working on this. LABOUR

11. POLA - ECONOMIC SITUATION.

Capt. OAKLEY (Supply Officer Pola), - outlined points of situation as follows:

Summer Camp for Children. Area Commissioner wishes to extend period of Camp from 10 Sept. 46 to end Sept. 46. Would there be any objection from a Food and Finance point of view?

Lt.Col. BICKERSTETH (Economics), - directed that Welfare Division be consulted.

Clothing and Shoe Factory. Present administration was unsatisfactory and contract would probably be cancelled. Cooperative Generali (Yugoslav) have asked for the contract and they have been directed to submit a comprehensive plan for consideration.

It was agreed by the Meeting that distribution of finished products must be controlled by AMG.

1031

13. LABOUR SITUATION.

Major SCICLUNA (Labour), - stated that the situation in general was quiet, with the exception of Monfalcone where the Sindacati Unici workers have been attacking the Italian members of the Camera del Lavoro.

Disputes. No progress has been made as yet on Bread-makers [illegible], while in the dispute regarding Porters,

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Disputes. No progress has been made as yet on Bread-makers question, while in the dispute regarding Porters, proprietors have decided to call an assembly for Sept. 1st, to open negotiations. The disputes on Cost of Living Contingency was settled by AMG arbitration.

Trade School. Lt.Col. BICKERSTETH asked Labour and Public Works to submit a plan for the Trade Schools obtaining a contract for building Communal apartments. LABOUR PUBLIC WORKS

Declassified E.O. 12356 Sect 3.3/NND No. 785021

UNEMPLOYMENT SITUATION IN VENEZIA GIULIA AS OF 20.8.1946

AREA	MEN	%	WOMEN	%	JUVEN.	%	TOTAL	%
TRIESTE	16761	55^3	10498	34^6	3073	10^1	30332	77^3
GORIZIA	3297	61^1	1771	32^9	321	6	5389	13^7
POLA	1593	45^2	1760	50	168	4^8	3521	9
TOTAL	21651	/	14029	/	3562	/	39242	/

D.S. BICKERSTETH,
LIEUT COLONEL,
CHIEF, ECONOMIC SECTION.

DSB/gl

Declassified E.O. 12356 Section 3.3/NND No. 785021

APPENDIX "A".

WEEKLY FOOD REPORT.

1. Situation as of 22nd August 1946.

2. Flour.

Stock on Hand: 88 Tons

3. Pasta (already manufactured) 548 Tons

July - ration (balance)

4. Wheat:

A. Reserve : 3066 Tons, broken down as follows:

for Bread : 1466 Tons
" Pasta : 1600 "

Subsistence : for Bread : 12 days, till 3 Septe46.
" Pasta : August ration.

B. From "AMMASSI" : 2065 Tons, all for Bread subsistence; further 15 days.

5. General Subsistence :

for Bread : till 3rd October 1946
" Pasta : July and August ration.
No September ration available.

1039

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Declassified E.O. 12356 Section 3.3/NND No. 785021

0465

Declassified E.O. 12356 Section 3.3/NND No. 785021

Dip. of Shipping

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: ES/1.27

27 August 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 26 AUGUST 1946

PRESENT:

Economic Section	Brig. M. Carr
	Lt. Col.C.G.Webster Jr
	Capt.Delos De John
	Lt. Gilbert Mellin
Industry & Utilities Branch	Major T.G. Elliott
CEU Branch	Lt/ Col. J.T.Campbell
Food & Agriculture Branch	Lt. Col. R.R.Snapp
Commerce (FT) Branch	Maj. G.A.F.Rothey

Meeting opened at 1600 hours. Brig. Carr presided.

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

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

Brig. Carr announced that he was seeing all 1228
correspondence and when papers were passed out from the A/VP's
office for action by Branches of the Economic Section, this
action must be followed up to the final preparation of letter.
It can be put, if necessary, in draft form (double spade)
for consideration but not in the form of notes for the drafting

0465

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

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

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

Amassing - Collections during the week ending 2 August were 106,958 tons or nearly twice those of the previous week. The low figure reported last week is apparently due to the mid- summer holidays observed in many provinces on 15-16-17 August. Total collections to 22 August were 1,970,285 metric tons or 82.8 per cent of estimated goal.

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

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

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

0467

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

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

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

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

6. Maj. Rothey announced that he had been receiving requests from the Ministry of Industry and Commerce and Ministry of Foreign Commerce to assist the Italian firms who have made contracts with German firms for supplying certain materials, for example generators, looms. None of these materials have been partially paid for. Lt. Col. Campbell felt that in cases like these the deal was between two firms and did not concern A.C. Brig;Carr requested Lt.Col. Campbell and Major Rothey to discuss the matter further and it may be necessary to draft a letter to AFHQ to find out what the policy is.

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

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

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

The meeting adjourned at 1700 hours.

CARLOS G. WEBSTER JR.
Lt.Col. FA
Chief Steff Officer.

0469

Declassified E.O. 12356 Section 3.3/NND No. 785021

HEADQUARTERS ALLIED COMMISSION
APO 794
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Declassified E.O. 12356 Section 3.3/NND No. 785021

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0471

Declassified E.O. 12356 Section 3.3/NND No. 785021

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1825

0472

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

The meeting adjourned at 1700 hours.

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

Trieste + Ships
1477/1

CONFIDENTIAL.

Minutes of Economics Section Meeting held on 16 August 1946
at 1600 hours.

PRESENT:

Lieut. Colonel	D.S.	BICKERSTETH	Economics (CHAIRMAN)
	J.E.	FODEN	Industry & Utilities
	C.A.W.	STEPHENS	Commerce
	C.B.D.	DOCKMEJIAN	Supply
Major	K.	COOPER	Economics
	R.C.	COX	Price Control
	E.J.	SOICLUNA	Babour
	J.H.	HANNY	Transportation
	R.H.	RICHARDSON	Public Works
Captain	L.H.	WEIL	Agriculture
	I.M.	CALVANESE	Supply
	J.F.	KEIL	Trieste Area Supply
	N.J.	LISTER	AMG L.C. 13 Corps
	H.	COKER	Trieste City Area
Lieutenant	J.C.	FREELAND	Supply

1824

ACTION BY:

1. Lt. Col. STEPHENS, Commerce.

(a) Our trip to Vienna was not successful. We did succeed however in arranging a meeting that took place yesterday in Tarvisio, between Trieste and Austrian merchants on timber.

We met Major DAVIS and Col. GUY from Austria, together with his merchants and a State Forest man to discuss a scheme for lumberjack to be sent to Austria. One by one all the numerous difficulties were dissolved and the plan should be able to operate next spring; there is only a few weeks of cutting time left this year.

(b) Trade items were discussed, and A.C. Austria are to

Declassified E.O. 12356 Section 3.3/NND No. 785021

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	R.C.	COX	Price Control
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(b) Trade items were discussed, and A.C. Austria are to produce a list of items in demand, with a view to our furnishing them some of these on a compensation basis.

(c) Regarding P.O.L., discussed in Minute NO.9 of last week's meeting (subject: Corps not to furnish last 4 months P.O.L.), I want to point out that I must have full, complete justification from all Divisions requiring P.O.L., otherwise you will not receive your requirements.

(d) The problem of coal ship's demurrage, which was put up to AFHQ has been taken up with CCS. As ships entering have different charters full reports are being kept for submission to AFHQ.

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ACTION BY:

2. Captain WEIL, Agriculture.

I have received several replies to my letters on tree procurement; total is 683,000 trees, with prices about the same as last spring. Expect to have 2,000,000 for autumn delivery.

3. Captain CALVANESE, Supply.

(a) The 1947 Supply Program for Jan/Jun is being prepared by us for forwarding.

(b) About 45,000 blankets have been sold so far.

4. Captain KELM, Trieste Area Supply.

(a) To date 1409 circulation permits have been issued.

(b) New permits are due September 30; I think it would be well merely to issue a stamp of prolongation to the end of the year.

(c) It has also been brought up that tyre application forms should be further screened by the Petrol Screening Commission.

5. Major COX, Price Control.

(a) The Price Control Enforcement Commission has made 45 arrests, with 25 convictions, since 1 June '46. The convictions netted at the most 500 lire fines! At this rate, a person making hundreds of thousands of lire could afford this without any effect whatsoever.

1823

(b) In the Fruit and Vegetable Market there are still many cases of forgeries, phoney bills, etc, to keep prices high. This condition is being checked into, and a report will be forthcoming.

(c) The Area Commissioner allowed communal employee cooperatives to purchase AMG blankets at cost; now HQ AMG employees wonder why they cannot do likewise.

Lt. Col. BICKERSTETH, Economics.

I feel that AMG employees should not be allowed these special opportunities and privileges, which would bring discredit upon us.

6. Major HANNY, Transportation.

Nothing to report.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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6. Major HANNY, Transportation.

Nothing to report.

7. Major SCICLUNA, Labour.

I. GENERAL SITUATION.

The "Sindacati Unici" have shown a more co-operative attitude in the last week and in this connection not the least important feature has been the willingness with which they have collaborated with representatives of the Camera del Lavoro in connection with joint negotiations of outstanding industrial labour disputes.

Declassified E.O. 12356 Section 3.3/NND No. 785021

II. SPECIFIC PROBLEMS. ACTION BY:

(a) Public Works Project at Punta Sdobba.

Workers from both C.R.D.A. and unemployed registered into the labour placement office will be returning to work on this public works project formerly suspended on the action of the "Sindacati Unioi".

(b) Piece-Work Tariffs in C.R.D.A.

Direct negotiations between CRDA Management and representatives of the workers in connection with the fixation of a piece-work tariffs have broken down and the contracting parties have now asked the Labour Office to take over the problem for purposes of conciliation and eventual arbitration.

(c) Cost of Living Bonus.

No agreement has been possible between Industry and Labour representatives over the major issue but, on the initiative of the Labour Office, it has been possible to effect a compromise.

The contracting parties excepted the idea of fixing a "Cost of Living" bonus that would enter into temporary operation pending further negotiations over the problem taken as whole. As no agreement was reached on the "ceiling" of this bonus, this matter was referred to arbitration.

(d) Bread-Makers Wage Adjustement.

S.C.A.O. has agreed to allow the price of bread to be increased to a maximum of 21 lire/kg, and to increase the subsidisation to not more than 50 centesimi per kg in order to enable Labour Division to seek a way out of the present deadlock. The Price Control Division has provided all the "costings" for bread-making in respect of various ceilings of wages and increased costs of insurance contributions and of Rents, water, taxes, etc. At a meeting with the Labour representatives it was made clear that their claim for 480.- lire would have to be reduced and, while no definite arrangements have been made, there is some likelyhood of an early settlement of this complex problem.

1822

III. UNEMPLOYMENT SITUATION IN VENEZIA GIULIA AS OF 10 AUG.46

AREA	MEN	%	WOMEN	%	JUVEN	%	TOTAL	%
TRIESTE	16521	55 4/5	10297	34 1/2	3009	10 1/2	29827	77 1/2

Declassified E.O. 12356 Section 3.3/NND No. 785021

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1822

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TRIESTE	16521	55.4	10297	34.5	3009	10.1	29827	77.3
GORIZIA	3268	60.8	1784	33.2	323	6	5375	13.9
POLA	1514	44.4	1734	50.9	162	4.7	3410	8.8
TOTAL	21303		13815		2494		38612	

8. Captain COKER, Trieste City Area.

Nothing to report.

Declassified E.O. 12356 Section 3.3/NND No. 785021

ACTION BY:

9. Major RICHARDSON, Public Works.

(a) The Public Works Employment figure is now 15,500 , with an additional 1,000 on Port repair. This does not include the Forestry Project and other projected programs.

Lt. Col. BICKERSTETH, Economics.

I would like to have from Public Works an estimate of the number of persons employed at the end of each month through January 1947.

10. Lt. Col. FODEN, Industry & Utilities.

Nothing to report.

11. Weekly Food Report attached as Appendix "A" to these Minutes.

D.S. BICKERSTETH ,
LIEUT. COLONEL ,
CHIEF, ECONOMICS.

1321

DSB/mv

Declassified E.O. 12356 Section 3.3/NND No. 785021

APPENDIX 'A'

WEEKLY FOOD REPORT.

1. Situation as of 16th August 1946.

2. Flour.

A. Stock on Hand : 390 Tons, broken down as follows:

for Bread :

Trieste	:	190 Tons
Gorizia	:	50 "
Pola	:	150 "
		390 Tons

B. Subsistence :

for Bread : 3 days, till 19 August 1946.

3. Pasta : (already manufactured) 825 Tons.
July ration (balance)

4. Wheat : 3066 Tons (Reserve)

A. for Bread : 1.466 Tons
for Pasta : 1.600 "

B. Subsistence :

for Bread : further 12 days
for Pasta : August ration

5. General subsistence :

for Bread : till 31 August 1946
for Pasta : July & August ration.

1820

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

25

Trans + Ship

25 JULY 45.

MINUTES

1. The fifteenth meeting of the Joint Economic Committee was held at 10.00 hours, on 25 JULY 45, in the Main Conference Room at Hq AMG 15 Corps, TRIESTE.

PRESENT:

Chairman

Brigadier G.E.K. BARTIN, OBE,
Brigadier i/c Admin, 15 Corps.

Members

Colonel C.H. BARTLETT
DD SI, TRIESTE.

Lt.Col. A.F. HEARD
GTO, AMG 15 Corps.

Lt.Col. P.S. DICKENSON,
Economist AMG 15 Corps.

Lt.Col. A.S. HELLMAN,
G5 (Gov), 15 Corps.

Lt.Col. F.H. FOULI,
Dep. Civilians,
AMG 15 Corps.

Lt.Col. LEDIAC, V.
Chief of Jugoslav Delegation.

Ing. KOVACIC, M,
Industry, Jugoslavia.

Major GOLOB, M,
Transportation, Jugoslavia.

Mr. DESICIC, P,
Finance, Jugoslavia.

In Attendance

Lt.Col. W.A.W. STEELE
Chief Civil Affairs Officer,
AMG 15 Corps.

Major K. COCHEL,
Economics, AMG 15 Corps.

1819

2. MINUTES OF THE FOURTEENTH MEETING OF THE INDUSTRIAL & COMMERCIAL SUB-COMMITTEE.

The a/m minutes were received.

3. MACHINERY REMOVED FROM THE COTTON MILL AT PODGORA.

Lt.Col. DICKENSON handed to the Jugoslav Delegation a list of machinery removed from the cotton mill at Podgora, and also a list of machinery put in the mill in replacement.
Lt.Col. LEDIAC expressed his satisfaction and stated that his

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

Members

Colonel C.I. BARTLET
HQ AI, TRIESTE.

Lt.Col. M.T. BEARD
CTO, AIG 13 Corps.

Lt. Col. D.S. DICKINSON,
Economics AMG 13 Corps.

Lt.Col. A.S. HILLMAN,
A/Q (Mov), 13 Corps.

Lt.Col. J.S. FORAN,
Int. & Militia,
AMG 13 Corps.

Lt. Col. LEBAC, M.
Chief of Jugoslav Delegation.

Ing. KOVACIC, M,
Industry, Jugoslavia.

Major GOLOB, R,
Transportation, Jugoslavia.

Mr. MOSKOC, P,
Finance, Jugoslavia.

In Attendance

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

Major K. COOPER,
Economics, AMG 13 Corps.

1819

3/. MINUTES OF THE FOURTEENTH MEETING OF THE LIAISON & CONTACT SUB-COMMITTEE.

The a/m minutes were received.

4/. MACHINERY REMOVED FROM THE COTTON MILL AT PODGORA.

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

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

5/. MACHINERY REMOVED FROM SICCIOLE, ARSA AND FIUME.

Lt.Col. DICKINSON asked if the Jugoslav Delegation would prepare for him a list of machinery removed from the mine at Sicciole, the mine at Arsa, and the ROMSA installation at Fiume.

Lt.Col. LEBAC replied that the Sicciole mine was the property of Arsa. If machinery had been moved from one mine of Arsa to another mine of Arsa, it was entirely an internal matter which was the concern of that Company only.

Lt.Col. DICKINSON ...../

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325. (contd).

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

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

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

Lt.Col. LEVAC replied that he would produce lists and even ask permission before any machinery was moved out of Zone "B", but he did not consider it necessary to do so when the movement was not out of the Zone. He asked that it should be recorded in the minutes that movement of machinery in Zone "B" to anywhere else in Zone "B", or of machinery in Zone "A" to anywhere else in Zone "A" was not outside the Morgan - Jovanovic agreement.

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

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

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

326. GOODS IN TRANSIT FROM ITALY.

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

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

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

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

Major GOLOB said that he would mention this to Centropro and UNRRA.

327. ARSA COAL.

Lt.Col. STEPHENS, referring to Minute 197 of the Industry and Commerce Sub-Committee, said that AMG are placing orders for coal in UNRRA in the same manner as everyone else.

1818

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Lt.Col. LEMAC replied that [illegible] Zone "B", but he did not consider it necessary to do so when the movement was not out of the Zone. He asked that it should be recorded in the minutes that movement of machinery in Zone "B" to anywhere else in Zone "B", or of machinery in Zone "A" to anywhere else in Zone "A" was not outside the Morgan - Jovanovich agreement.

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

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

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

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Major GOLOB said that he would mention this to Centropros and UNRRA.

327. ARSA COAL.

Lt.Col. STEPHENS, referring to Minute 197 of the Industry and Commerce Sub-Committee, said that AMG are placing orders for coal with UNRRA in the same manner as everyone else.

328. POSTAL FACILITIES FOR JUGOSLAVIA IN ZONE "A".

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

The Chairman stated that on the trains the Jugoslavs had their own guards provided from the Jugoslav detachment.

Lt.Col. MILMAN said that trains consisted chiefly of armed goods and included a Postal van. It was the duty of the Jugoslav guard to look after the whole of the train.

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

1818

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330. RETURN OF 40-TON CRANE TO ZONE "B".

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

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

Colonel BARNETT replied that he had gone carefully into the matter. The crane was used chiefly for heavy lifts from ships and he could not alter his reply.

331. REPAIRS TO THE CARSIC AQUEDUCT "OTTAVE".

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

332. ARTICLES REQUISITIONED BY G.M.D. POLA.

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

333. MOVEMENT OF FARM PRODUCE ACROSS THE MORGAN LINE.

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

Major GOLOB considered that the limit should be 5 kilometres.

Lt.Col. BIDERSTETH said that a general limit of 5 kms. could not be given but if, where the 1 Km. limit was insufficient, the matter were reported to the CAO of the Commune, the limit could be extended by him.

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

Lt.Col. BIDERSTETH said he would do so.

334. FINANCE SUB-COMMITTEE.

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

335. GOODS IMPORTED FROM ZONE B.

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

Mr. URSICIC said he would furnish details. 1817

336. REAL ESTATE AND TAXATION RECORDS.

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

337. YUGOSLAV OCCUPATION LIRE ACCEPTED BY BUS COMPANIES.

Lt.Col. LENAC stated that he now agreed to exchange the Jugoslav occupation lire taken by the bus companies.

338. YUGOSLAV OCCUPATION LIRE AND DINARS FROM ZONE 'A' AND

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

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Major GOLDE considered that the limit should be 5 kilometres.

Lt.Col. DICKERSETH said that a general limit of 5 kms. could not be given but if, where the 1 Km. limit was insufficient, the matter were reported to the CAO of the Command, the limit could be extended by him.

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

Lt.Col. DICKERSETH said he would do so.

333. FINANCE SUB-COMMITTEE.

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

334. DISPLACED WORKERS FROM ZONE B.

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

1817

Mr. URSIC said he would furnish details.

335. REAL ESTATE AND TAXATION RECORDS.

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

336. JUGOSLAV OCCUPATION LIRE ACQUIRED BY BUS COMPANIES.

Lt.Col. LENAC stated that he now agreed to exchange the Jugoslav occupation lire taken by the bus companies.

337. JUGOSLAV OCCUPATION LIRE AND DINARS BROUGHT INTO ZONE "A" AND CONFISCATED.

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

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

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[illegible]. APPLICATION OF JUGOSLAV INSURANCE CO. ACT IN TRIESTE.

Mr. MUSICIC reported that he had received a request fr[illegible] a Jugoslav Insurance Company for permission to open an office in Trieste.

Lt.Col. SMITH asked for a written application giving name of Company, details of class of business proposed and financial position of the Company. The matter would then be considered.

[illegible]. [illegible] OF THE SHIPPING CONFERENCE.

Lt. Col. HOLMES stated that the amendment proposed by the Jugoslavs to the minutes of the Shipping Conference were not accepted by the British-American delegation.

Lt.Col. LEAO asked that this be not dealt with at this meeting as the competent official was not present.

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

[illegible]. RIGHTS OF ART. 79 POLA.

Lt.Col. LEAO asked if the British-American delegation knew what works of art are being removed from the museum at Pola.

The Chairman stated that the matter would be investigated.

[illegible]. DATE OF NEXT MEETING.

It was decided that no date be fixed for the next meeting of either of the Sub-Committees, but that when either the British-American delegations consider a meeting necessary, they will inform the Secretary who will then arrange a suitable date.

The Secretary to arrange a meeting of the Main Committee when requested to do so by either of the Sub-Committees.

T.H.R. BURROWS,
Major, RA[illegible],
Secretary,
Joint Economic Committee.

1816

[illegible]/[illegible]

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-DISTRIBUTION-

1. CAO, AFHQ.
2. D/CAO, AFHQ.
3/6. G-5, AFHQ.
7. G-4, MTOUSA.
8. Q (Maint), G-4, CMF.
9. M & TN, AFHQ.
10. US POLAD, AFHQ.
11. RESIDN, AFHQ.
12. TN (MAIN) ROME, CMF.
13. G.O.C., 13 Corps.
14/16. D. & A.G, 13 Corps.
17. A/G (Gov), 13 Corps.
18. Chief Commissioner, AMGOT.
19. HQ AMGOT.
20/29. Economic Section, AMGOT.
30. Industry & Utilities Sub-Commission, AMGOT.
(att: Chief, Electrical Division)
31. Industry & Utilities Sub-Commission, AMGOT,
(att: Coal Division)
32. Industry & Utilities Sub-Commission, AMGOT.
33. Finance Sub-Commission, AMGOT,
34. American Embassy, ROME.
35. British Embassy, ROME.
36. SCAO, AMG 13 Corps.
37/38. D/SCAO, AMG 13 Corps.
39. Economic Adviser, AMG 13 Corps.
40. Public Relations Officer, AMG 13 Corps.
41. Legal, AMG 13 Corps.
42. Finance, AMG 13 Corps.
43/44. Supplies, AMG 13 Corps.
45. Transportation, AMG 13 Corps.
46. Labour, AMG 13 Corps.
47. Public Works, AMG 13 Corps.
48/67. Jugoslav Delegation.
68. Commerce, AMG 13 Corps.
69. Col. C.H. BARRETT, DD.Tn, TRIESTE.
70. G-II, AMG 13 Corps.
71. Ind & Utilities, AMG 13 Corps.
72. G-II (B) Main 13 Corps.
73/100. Spares.

---oOo---

1815

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A-451

COPY NO. 28

Trans + Ship

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

22 JUL 46.

JOINT ECONOMIC COMMITTEE - AGENDA

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

1. Minutes of the fourteenth meeting held on 6 JUN 1946.

2. To consider the minutes of the meetings of the following Sub-Committees :- 1814

   a) Industry & Commerce and Fuel & Power Sub-Committee meeting of 10 JUL 46. (Appx A)

   b) Finance Sub-Committee meeting of 10 JUL 46. (Appx B)

3. Any other business.

4. To set a date for the next meeting.

Kenneth Copeland Way
H St G French

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

LVW

ATTACHMENTS:

Appendices "A" & "B".

Declassified E.O. 12356 Section 3.3/NND No. 785021

JOINT ECONOMIC COMMITTEE - AGENDA

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

1. Minutes of the fourteenth meeting held on 6 JUN 1946.

2. To consider the minutes of the meetings of the following Sub-Committees :-

   a) Industry & Commerce and Fuel & Power Sub-Committee meeting of 10 JUL 46. (Appx A)

   b) Finance Sub-Committee meeting of 10 JUL 46. (Appx B)

3. Any other business.

4. To set a date for the next meeting.

Kenneth Cope. Maj
H St C French

H. ST.C. FRENCH,
Major, DAQMG,
Secretary,
Joint Economic Committee.

LVM

ATTACHMENTS:

Appendices "A" & "B".

1814

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ANEX A

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

10 JULY 46

MINUTES.

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

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

PRESENT:

Chairman

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

Members

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

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

In Attendance

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

194. CONTROL OF GOODS CROSSING THE MORGAN LINE.

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

195. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORA.

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

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

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

1813

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Fuel & Power Sub-Committee was held at 10.00 hours, 10 JUL 45, in the Economic Section, HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

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

Members

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

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

In Attendance

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

1813

194. CONTROL OF GOODS CROSSING THE MORGAN LINE.

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195. MACHINERY EXPORTED FROM THE COTTON MILL AT FODCORA.

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

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

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

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

196. GOODS IN TRANSIT FROM ITALY.

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

The Jugoslavs said they would hasten the matter.

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197. ARSA COAL.

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

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

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

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

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

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

198. POSTAL FACILITIES FOR JUGOSLAVS IN ZONE A.

Lt.Col. BICKERSTETH said that both UNRRA and the Post Office were satisfied with the present position, and there was no need for a Jugoslav official. 1812

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

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

199. ASSAULTS ON JUGOSLAV FUNCTIONARIES.

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

200. CONSORZIO PER LA BONIFICA DELL'ISTRIA.

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

201. REMOVAL OF COPPER TO LUBLJNA.

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

202. "THE TIMES".

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202. TUG "NETTUNO".

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

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

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

204...../

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204. GRAZING FOR CATTLE.

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

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

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

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

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

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

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

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

207. CONFERENCE ON SHIPPING.

1611

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

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

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

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

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

209. MOVEMENT OF FARM PRODUCE ACROSS THE MORGAN LINE.

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

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

210. DATE OF THE NEXT MEETING.

0495

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but the main difficulties were caused by the lack of plans and particulars. Could AMG supply plans of the aqueducts - Istria, Nanos, Huber and Vipacco?

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

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

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

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

207. CONFERENCE ON SHIPPING.

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

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

210. DATE OF THE NEXT MEETING.

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

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

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

HSTGF/LVW

Declassified E.O. 12356 Section 3.3/NND No. 785021

APPX "B"

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

10 JUL 46.

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

PRESENT:

Chairman

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

Members

Ing. KOVACIC, M.)
Mr. URSICIC, P.) Jugoslavia.
Major RJELIS, ?.)

76. DISMISSED WORKERS FROM ZONE B.

Referring to the payment of unemployment benefits to insured workers, the Jugoslavs asked what action had been taken by AMG. They said the question had now been outstanding for a considerable time, and workers without financial means were suffering hardship. Since Lt.Col. HEAD had agreed that insured workmen were entitled to unemployment benefits, it should now only be necessary to confirm with the insurance companies that the premiums had been duly paid.
The Jugoslavs emphasized that an answer to this question was less important than appropriate action in the matter.

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

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

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

77. PAYMENT OF CHARGES FOR ELECTRIC CURRENT.

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

Major RJELIS replied that SELVEG had agreed to remove the meters from OPICINA and instal them in DIVACCA, but the Anglo-American side had refused permission.

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

78. BRITISH OWNED PROPERTY IN ZONE B.

With reference to proposed visits to Zone B by property owners,

1819

Declassified E.O. 12356 Section 3.3/NND No. 785021

Members

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

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78. BRITISH OWNED PROPERTY IN ZONE B.

With reference to proposed visits to Zone B by property owners, the Jugoslavs said it would first be necessary to establish proof of ownership. They had not yet received notice of any proposed visits.
A letter from AMG Property Control was read, which stated that an accredited representative of the Societa Anonima Mineraria Triestina (S.A.M.T.) would shortly be making application for permission to visit the company's mines and works.

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

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

79...../

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79. REAL ESTATE AND TAXATION RECORDS.

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

80. CARGO TAX ON VESSELS.

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

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

81. CLAIMS.

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

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

1809

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

HSTGF/LVW

Enclosure:

Appendix "A" - AMENDMENTS.

Declassified E.O. 12356 Section 3.3/NND No. 785021

APPENDIX "A"

AMENDMENTS TO MINUTES.

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

Para. 3. a) Delete the words "from the Americans".

b) Delete "did not wish"
Substitute "was not able".

c) For 100% read 300%.

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

1818

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: ES/ I.27

16 August 1946

MINUTES OF MEETING WITH COLONEL BRIGHT

PRESENT:

Col. Bright
Col. Walker
Lt.Col. Snapp
Lt.Col. Street
Maj. Bates
Maj. Rothey
Lt. Arensberg

1. Distribution of Foodstuffs. After discussion with Colonel Bright it was agreed that he utilize the surplus stocks in Udine, by such distribution arrangements and price appropriate in his judgment, to assist him in alleviating labor and unrest,and to assist in the distribution of the surpluses. Colonel Walton recommended that no increase be made in the cereal ration in view of the world shortage and criticism of the present Italian Government ration.

2. Coal. No commitment could be given Colonel Bright to assure the necessary 6,000 tons. Inquiry is now being made as to what future prospects will be. Lt. Arensberg will inform Colonel Bright as to the past receipts and allocations,which should be on a proprtionate basis with arrivals. Colonel Bright indicated that it would make no difference where these coal ships arrived, either Venice or Trieste. 1807

3. POL. The POL situation is satisfactory except that sometimes it is received quite late in the month. Currently AFHQ has given approval for increase in second-half year's requirements. (Should there be non-approval from Washington reimbursement will be made at a later date.) There is no doubt about POL supply continuing as this comes from military sources,and is distributed by CIP only as agent.

4. CEM. No specific problems. The captured enemy horses in Udine have been divided into two classes and are being sold for 24,000 lire (the average price in Venezia Giulia being 23,000 lire) and 30,000 lire. For old, lame or blind horses a special arrangement is made whereby these are put up to auction.

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Maj. Bates
Maj. Rothey
Lt. Arensberg

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5. Transport. Colonel Bright wishes to utilize his present truck pool, charging lower tarriff rates, to assist the cooperatives in transporting foodstuffs from outside Udine to the cooperatives. Allied Commission has had nothing to do with setting rates for over a year,and this is a matter to be handled entirely by ANG Udine.

6. Commerce. Colonel Bright stated there is a large reserve of zinc and lead in Udine for which they cannot find a market. This matter will be reported in detail to Major Rothey who will attempt to make helpful suggestions about either an internal market,which is said to exist,or other means of trade for these products. We will support any proposal for lightening trade barriers with Austria.

7. Merging of ANG Udine and XIII Corps. Colonel Walton informed Colonel Bright that he had supported the idea of merging the ANG Udine and XIII Corps. Colonel Bright agreed that from the supply angle this would be satisfactory, but for other matters they would not want to deal through the Venezia Giulia staff officers.

1806

8. War Damages. Colonel Bright reported two large plants which are in need of remunerations from the Italian Government for war damages in order to keep running and thus relieve unemployment. Colonel Walton pointed out that this is entirely an Italian Government problem and there is very little A.C., can do except to pass on requests.

9. Public Works. Colonel Bright reported on commitments made by Ministers for funds for various projects in Udine. Colonel stated that A.C. would be glad to follow-up on these commitments should this become necessary,and provided the basic information is furnished. Colonel Bright stated that one of the biggest hindrances in these projects,which are intended to alleviate unemployment, is the internal time lag within the Italian agencies.

10. Post-War Assistance. Colonel Bright stated there are some 20 villages in this Province in which the war damage is considerable and no reconstruction has be started because of funds. They have now been assured of 90 million lire, a part of which has already been received. Actually they had asked for 300 million lire for reconstructing houses.

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Chief Staff Officer.

Declassified E.O. 12356 Section 3.3/NND No. 785021

HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

Trans of Shipping

Ref: ES/1.27

20 August 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 19 AUGUST 1946

PRESENT:

Economic Section	Col. Charles W. Walton Lt. Col. C.G. Webster Jr. Capt. Delos Do John Lt. Gilbert Mellin
Industry & Utilities Branch	Col. H.M. Walker Major T. G. Elliott
CEM Branch	Lt. Col. J.W. Campbell
Food & Agriculture Branch	Lt. Col. R.R. Snapp
Commerce (FT) Branch	Maj. G.A.F. Rothey
Transportation & Shipping	Lt. Col. A.H. Street
Public Relations Officer	Col. Montague Capt. Judinkin Brig. M. Carr

Meeting opened at 1600 hours. Colonel Walton presided.

1805

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

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

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

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

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

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Industry & Utilities Branch	Col. H.M. Walker Major T. G. Elliott
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5. Maj. Elliott reported that there has been no change in the coal situatio as outlined in last week's report. Approximately 700,000 tons are due to arrive this month as follows:

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

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

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

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

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

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

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

The authority granted by the Ministry of Food for officers to buy olive oil in the olive producing sections has been repealed. Farmers who had complied with the amassing decree claimed that they were discriminated against as they had received prices much below those in effect now. Consumers complained that the black market price of oil has increased due to heavy purchases of oil by the Provincial Food Officers. 1004

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

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

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

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

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

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

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

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

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

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

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

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

The meeting adjourned at 1700 hours.

1803

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

Ref: ES/1.27

20 August 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 19 AUGUST 1946

PRESENT:

Economic Section	Col. Charles W. Walton Lt. Col. C.G. Webster Jr. Capt. Delos De John Lt. Gilbert Mellin
Industry & Utilities Branch	Col. H.M. Walker Major T. G. Elliott
CEM Branch	Lt. Col. J.W. Campbell
Food & Agriculture Branch	Lt. Col. R.R. Snapp
Commerce (FT) Branch	Maj. G.A.F. Rothey
Transportation & Shipping	Lt. Col. A.H. Street
Public Relations Officer	Col. Montague Capt. Judinkin Brig. M. Carr

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

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

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

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

1802

Declassified E.O. 12356 Section 3.3/NND No. 785021

	Lt. Gilbert Mallin
Industry & Utilities Branch	Col. H.M. Walker Major T. G. Elliott
CEM Branch	Lt. Col. J.W. Campbell
Food & Agriculture Branch	Lt. Col. R.R. Snapp
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2. Col. Walton stated that this was his last meeting with the Economic Section as he would be leaving shortly for a new assignment and that it had been a great pleasure to work with each member present.

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

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

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

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

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

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

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

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

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

6. Lt. Col. Snapp announced that the wheat situation is about the same as last week. Deliveries of wheat to the ammasso for the week were only 52,700 tons On 15 August the total collections were 1,863,327 metric tons, or 78.3 per cent of the initial goal. There are rumors now that the goal may soon be increased to 2,500,000 (now it is 2,379,352.)

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

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

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

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

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

9. 9. Lt. Col. Street announced there is a shortage of 54,000 wagons to move expected traffic for October as heavy traffic was expected including coal, wheat, sugar beet to the factories and Italian military traffic. He stated that he was attending a meeting at UNRRA the next day and would inform us of the

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

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

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

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

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

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

The meeting adjourned at 1700 hours.

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

1809

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Iran - Shipping

MEDITERRANEAN ALLIED COMMISSION
AFC 754
ECONOMIC SECTION

Ref: ES/1.27

13 August 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 12 AUGUST 1946

PRESENT:

Economic Section	Col.Charles W.Walton Lt.Col.C.G.Webster Jr. Capt.Delos De John Lt. Gilbert Mellin
Industry & Utilities Branch	Col.H.M. Walker Major T.G. Elliott
CEM Branch	Lt.Col. J.W.Campbell
Food & Agriculture Branch	Lt.Col. R.R. Snapp
Commerce (FT) Branch	Maj. G.A.F. Rothey

Meeting opened at 1600 hours. Colonel Walton presided.

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

There is no significant change in the oil situation. Stocks continue as at the present 60 day level. 1799

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

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	Capt.Delos De John Lt. Gilbert Mellin
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Food & Agriculture Branch	Lt.Col. R.R. Snapp
Commerce (FT) Branch	Maj. G.A.F. Rothey

Meeting opened at 1600 hours. Colonel Welton presided.

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

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

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

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

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

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

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

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

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

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

Prices for olive oil have increased in the last few weeks. This is due to permission granted Northern Provinces to go to Southern olive producing areas and buy oil wherever they can find it. Official quotations for Rome and Naples are as follows:

	1st week May	2nd week July	1st week August
Rome	460	520	570
Naples	480	450	530

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

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

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

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

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

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

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

8. Col.Walton commented on the repair of vessels in Italian yards and payment therefore. Any Allied vessel involved in

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

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

The meeting adjourned at 1700 hours.

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

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CONFIDENTIAL

- 1 -

Minutes of Economics Section Meeting held on 9 August 1946 at 1600 hours.

PRESENT:

Lieut. Colonel	F.W.	RICE	Transportation
	J.E.	FODEN	Industry & Utilities
Major	K.	COOPER	Economics (CHAIRMAN)
	F.H.J.	WYATT	Food
	R.C.	COX	Price Control
	H.A.	HAYWARD	Telecommunications
	E.H.	RICHARDSON	Public Works
	E.J.	SCICLUNA	Labour
Captain	L.H.	WEIL	Agriculture
	T.M.	CALVANESE	Supply
	J.F.	KELLY	Trieste Area Supply
	H.	COKER	Trieste City Area
	N.J.	LISTER	Pola Area Supply
Lieutenant	J.C.	FREELAND	Supply
Flying Officer	E.H.	LLOYD	Commerce

1. Captain CALVANESE, Supply Division. Action by: 1,97

I would like to remind all Divisions concerned that tomorrow the tenth, is the deadline set for turning in civil import requirements for the January/June 1947 period.

2. Lt.Col. FODEN, Industry & Utilities.

(a) I have received a request from a local Importer to import 100 tons of rosin from the United States. They have a cable from a firm in the States verifying that the firm has an export licence for this. I am agreeable to this, and I would like the comments of other Divisions.

Flying Officer LLOYD, Commerce Division.

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	I.M.	CALVANESE	Supply
	J.F.	KELM	Trieste Area Supply
	H.	COKER	Trieste City Area
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Flying Officer LLOYD, Commerce Division.

I believe this item is on the control commodity list of C.C.S., but I will check with Rome about it.
(Passed to Flying Officer Lloyd for follow-up).

(b) The gas supply has now been extended to the whole of Trieste, excepted Barcola and Opcina areas. The daily periods have also been increased to two hours in the morning and one hour in the evening, a 100% increase.

(c) Another point of interest is that buyers have been found for six small ships of about 400 tons each, laid down by CFDA to give employment.

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Action by:

3. Lt. Col. RICE, Transportation Division.

I am submitting an urgent request for some tyres and a few parts for trucks. Our German trucks are in need of parts, which I am afraid will be difficult to obtain.

4. Captain KEIM, Trieste Area Economics & Supply.

(a) The distribution of Bicycle Tyres and tubes has been suspended until all requirements of industrial workers are received.

(b) A list of equipment needs was forwarded to me from ACEGAT; I will send the list on to Industry Division.

5. Major COX, Price Control Division.

Nothing to report.

6. Major MYATT, Food Division.

(a) I am expecting a shipment of about 9000 tons of grain in early September. However, Udine will tide us over if this fails to arrive in time.

(b) Weekly Food Report submitted, Appendix "A" to these minutes.

7. Captain WEIL, Agriculture Division.

On comparing our Grain Amassing with that of Italy I note that ours is three to four hundred per cent above Italy's, and is also four times greater than last year for this area.

8. Major HAYWARD, Telecommunications Division.

It may be of interest that I am responsible for Udine Province, and as such will includs Udine in my January/June 1947 Supply Indent.

1796

9. Flying Officer LLOYL, Commerce Division.

Corps has notified us that they will not allot us fuel oil for the last four months of 1946, due to our ever-increasing demands. We will therefore have to submit demands through Civil Affairs.

Major COOPER, Economics Division.

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Major COOPER, Economics Division.

I believe it would be well if you obtained a statement to that effect from Corps to submit to Civil Affairs with the indent.

10. Major RICHARDSON, Public Works Division.

(a) I have rejected all bids on the Forestry Project because I feel all was not right on the bidding. Invitations were sent to 68 various contractors to bid on 18 different sections of the Project. A maximum of only seven bids were received on any one section.

The bids will be resubmitted, which will entail altogether about one week's delay.

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Action by:

(b) Negotiations are being carried out to obtain some prefabricated houses possibly for the families of officers and enlisted men.
An initial order of 20 is being negotiated, with the proviso that up to 60 be obtained at a later date. This is being worked out in collaboration with City Planning, who are looking for suitable sites now.

(c) The Debris-Clearing Project at the Monfalcone Yards has been agreed to by Finance. This will employ 500 men for 2 ½ months.

11. Major SCICLUNA, Labour Division.

I - GENERAL

The situation appears to be gradually returning to normal and of particular importance is the fact that the "Sindacati Unici" are beginning to make some positive contribution towards the "temporary" settlement of some labour relation problems.

II - SPECIFIC PROBLEMS

(a) The question of carrying out the Public Works Project at Punta Sdobba with C.R.D.A. surplus workers has now been settled with the "Comitato di Fabbrica" (Sindacati Unici) who have made an agreement with the Management on lines suggested by this Division.

(b) The "Mezzadria" question is still being kept very much alive by the "Sindacati Unici" but as they have not yet answered some specific questions put to them by this Division any delay is now their responsibility.

(c) The "Cost of Living Bonus" dispute between Industrial Employers and Labour representatives of the two Trade Unions may find a "temporary" solution through Arbitration. This will mean a respite, during which the whole question of wages will be tackled under the supervision of the Labour Office.

1795

(d) The "Breadmakers" claim for higher wages and other matters effecting conditions of work has reached its climax and, though agreement has been reached on all points, the question now revolves on what wage concessions can be made in the light of either increasing the cost of bread or subsidising further the cost of flour in order to maintain the present political price. The matter is one for the consideration and decision of S.C.A.O. "Economic Section" ruled that the matter be brought up at a special Conference on Monday 12 August.

(e) The Court has given its decision with regards to the

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(e) The Court has given its decision with regards to the premises of the Previdenza Sociale now occupied by U.A.I.S. and the occupants have been ordered to vacate within 10 days and pay court costs and attorney fees.

(f) The Management of the SOLVAY plant at Monfalcone has submitted a summary of their inquiry into the incidents which recently took place in their establishment, when certain clerical workers were assaulted. The disciplinary measures which they intend to adopt would involve the dismissal of 5 workers involved in the assault and the suspension for 3 days of 3 workers. The question has been put to this Division whether such an action will be fully supported by A.M.G. in the event of repercussions.

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Action by:

The matter is one of some consequence and is being referred to S.C.A.O. for decision.

III - UNEMPLOYMENT SITUATION.

AREA	MEN	%	WOMEN	%	JUVEN.	%	TOTAL	%
TRIESTE	16526	55 5	10269	34 4	3001	10 1	29796	76 1
GORIZIA	3733	62 4	1938	32 3	320	5 3	5991	15 3
POLA	1468	43 8	1720	51 4	160	4 8	3348	8 5
TOTAL	21735		13927		3481		39135	

12. Captain COKER, Trieste City.

Contracts have been signed for 60,000 quintals of firewood, and also charcoal.

13. Captain LISTER, Pola Area Supply.

(a) In the issuing of circulation permits it is shown that there are sixty cars less in Pola than a month ago.

(b) The three fuelwood merchants want a guarantee before they purchase their wood for the season that there will be a market for it, so that they will not be obliged to stand losses from their own pockets.

(c) The shoe and clothing factory is to change management as present direction is unsatisfactory to A.M.G.

1794

Declassified E.O. 12356 Section 3.3/NND No. 785021

AREA	MEN	%	WOMEN	%	JUVEN.	%	TOTAL	%
TRIESTE	16526	55⅝	10269	34¼	3001	10⅛	29796	76⅛
GORIZIA	3733	62¼	1938	32⅜	320	5⅜	5991	15⅜
POLA	1468	43⅜	1720	51¼	160	4⅜	3348	8⅝
TOTAL	21735		13927		3481		39135	

12. Captain COKER, Trieste City.

Contracts have been signed for 60,000 quintals of firewood, and also charcoal.

13. Captain LISTER, Pola Area Supply.

(a) In the issuing of circulation permits it is shown that there are sixty cars less in Pola than a month ago.

(b) The three fuelwood merchants want a guarantee before they purchase their wood for the season that there will be a market for it, so that they will not be obliged to stand losses from their own pockets.

(c) The shoe and clothing factory is to change management as present direction is unsatisfactory to A.M.G.

1794

Kenneth Cooper

KENNETH COOPER,
MAJOR F.A.,
DEPUTY CHIEF, ECONOMICS.

KC/mv

Declassified E.O. 12356 Section 3.3/NND No. 785021

APENDIX "A"

WEEKLY FOOD REPORT.

1. Situation as of 8th August 1946.

2. Flour.

A. Stock on Hand : 1184 Tons, broken down as follows:

For Bread :

Trieste	:	826 Tons
Gorizia	:	108 "
Pola	:	50 "
		984 Tons
For Pasta	:	900 "
Total		1884 Tons

B. Subsistence :

For Braad : 8 days, till 16 August 1946

For Pasta : July ration (balance)

3. Wheat: 3066 Tons (Reserve)

A. For Bread : 1566 Tons

For Pasta : 1500 "

B. Subsistence :

For Bread : further 12 days

For Pasta : August ration

4. General Subsistence :

1733

Declassified E.O. 12356 Section 3.3/NND No. 785021

1. Situation as of 8th August 1946.

2. Flour.

A. Stock on Hand : 1184 Tons, broken down as follows:

For Bread :

Trieste	:	826 Tons
Gorizia	:	108 "
Pola	:	50 "
		984 Tons
For Pasta	:	900 "
Total		1884 Tons

B. Subsistence :

For Bread : 8 days, till 16 August 1946

For Pasta : July ration (balance)

3. Wheat: 3066 Tons (Reserve)

A. For Bread : 1566 Tons

For Pasta : 1500 "

B. Subsistence :

For Bread : further 12 days

For Pasta : August ration

4. General Subsistence :

For Bread : till 28th August

For Pasta : July & August ration.

---o-O-o---

1793

Declassified E.O. 12356 Section 3.3/NND No. 785021

Ports & Ships

CONFIDENTIAL

Minutes of the Economics Section Meeting held on 2 August 1946 at 1600 hours.

PRESENT:

Lieut. Colonel	D.S.	HICKERSTETH	Economics
	F.W.	RICE	Transportation
	C.A.W.	STEPHENS	Commerce
	J.E.	FODEN	Industry
Major	E.J.	SCICLUNA	Labour
	F.H.J.	MYATT	Food
	H.A.	HAYWARD	Commerce
	K.	COOPER	Economics
	R.E.	HUGHES	Finance
Captain	T.E.	COCKERHAM	Public Works
	N.J.	LISTER	Pola Area Supply
	L.H.	WEIL	Agriculture
	I.M.	CALVANESE	Supply
	H.J.	COKER	Trieste City Area
	J.F.	KEIM	Trieste Area Supply
Lieutenant	J.C.	FREELAND	Supply

Action by:

1. Lt. Col. HICKERSTETH, Economics.

(a) - The handover to the civilian management of the shipyards has gone smoothly and without major incident. Almost all troops have been withdrawn, and the AMG officers are now only "observers" of the yards.

(b) - Col. STEPHENS and I are going to Austria shortly to discuss trade relations with the Allied Commission there. If anyone has anything they wish to have taken up we shall be glad to do so. ALL DIVISIONS.

2. Lt.Col.FODEN, Industry and Utilities.

(a) - The project at the Monfalcone shipyards for the removal of debris and reconstructing buildings will be under way shortly. The project consists of two parts housing and plant repair.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

Lieut. Colonel	D.S.	BICKERSTETH	Economics
	F.W.	RICE	Transportation
	C.A.W.	STEPHENS	Commerce
	J.E.	FODEN	Industry
Major	E.J.	SCICLUNA	Labour
	F.H.J.	MYATT	Food
	H.A.	HAYWARD	Commerce
	K.	COOPER	Economics
	R.E.	HUGHES	Finance
Captain	T.E.	COCKERHAM	Public Works
	N.J.	LISTER	Pola Area Supply
	L.H.	WEIL	Agriculture
	I.M.	CALVANESE	Supply
	H.J.	COKER	Trieste City Area
	J.F.	KEIM	Trieste Area Supply
Lieutenant	J.C.	FREELAND	Supply

Action by:

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(b) - Col. STEPHENS and I are going to Austria shortly to discuss trade relations with the Allied Commission there. If anyone has anything they wish to have taken up we shall be glad to do so. ALL DIVISIONS.

2. Lt.Col.FODEN, Industry and Utilities.

(a) - The Project at the Monfalcone Shipyards for the removal of debris and reconstructing buildings will be under way shortly. The project consists of two parts housing and plant repair.

(b) - As regards the general situation at the shipyards, two minor incidents did occur while discussions on the handback to the owners were taking place. Workers at noon yesterday tore down a section of fence between two parts of the plant. To-day the "Camera del Lavoro" offices were ransacked. I might also mention that all pro-Jugoslav flags have been removed from the streets around Monfalcone; possibly to give the impression that any demonstrations as a result of the Peace Conference is put forward as a people, regardless of political feeling.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Action by:

The more reasonable elements have been weakened by our withdrawal, and hardly seem to have the spirit to support their own interests.

(c) - I understand our attempts to obtain tin plate from Italy have not been successful, and that our bid for 200 tons on the July-December Supply Programme rests in AFHQ. It we could get this allocation it would certainly go a long way in assisting the fish canning industry. Could Supply Division review to determine the status of this item. SUPPLY.

(d) - Out of the six large plants in the area three have managed on their own initiative to commence work on a small scale.

3. Lt.Col.STEPHENS, Commerce.

In one month now we have had requests for 950 tons of coal from our meager stocks for bunkering of two ships. 350 tons was authorized for one ship and 150 tons for the other.

The problem is that we are being asked, and probably will continue to be asked, for coal for bunkering. Therefore, in my Jan-June 1947 civil supply bid I am going to intend for an additional 4000 tons of coal as a reserve against requests for bunkering and tug services in the port.

4. Capt. OCKER, Trieste City.

The firewood situation has dragged out considerably more than necessary due to haggling over the price of wood. Pressure is being put on the Commune President to secure supplies without further delay.

5. Lt. Col. RICE, Transportation.

I would like to know the present position in the derequisitioning of civilian vehicles.

Maj. HUGHES, Finance Division.

- There has been set up an appeal Commission for this, which will be ready to operate shortly, to deal with appeals from civilians.

6. Capt. CALVANESE, Supply Division.

(a) - The Ministry of Transport has an additional surplus of some 20 tons of foodstuffs in Venice, which they have offered us. I have sent letters on this to interested divisions.

On their first surplus offer, it has been found that the prices are too high. They are trying to get authority from Naples to sell at a price more in line.

1791

Declassified E.O. 12356 Section 3.3/NND No. 785021

(d) - Out of the six large plants [illegible] on their own initiative to commence work on a small scale.

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On their first surplus offer, it has been found that the prices are too high. They are trying to get authority from Naples to sell at a price more in line.

(b) - I will remind all divisions that their indents for January-June 1947 Civil Supplies must be in my office by 10 August, 1946. ALL DIVISIONS.

7. Capt. KELL, Trieste Area.

(a) - We are trying to work out a fair distribution plan for bicycle tyres and tubes. We only lack reports on needs from the shipyards. Gorizia has received a separate allotment.

(b) - The Chamber of Commerce has worked out a very good scheme for the distribution of blankets. This work is proceeding satisfactorily.

Declassified E.O. 12356 Sect 3.3/NND No. 785021

Action by;

8. Captain LISTER, Pola Area Supply.

(a) - All civilian garages have left except one, which we are keeping open; it is very difficult to get repairs at this time.

(b) - There are foodstocks in the city until 12 August, and more is expected.

9. Captain WEIL, Agriculture Division.

The amassing continues well, with Gorizia showing better results daily but still behind expectations.

10. Major HUGHES, Finance Division.

The AMG Trade and Currency Control Board will be in operation monday, 5 August.

11. Major SCICLUNA, Labour Division.

I. GENERAL SITUATION.

An apparent improvement in the labour has been noted though the "Sindacati Unici" press continues in its agitation policy. The absence of leading labour leaders appears to be a very serious consideration to their substitutes who have not come up to the expectations of UAIS. There is no indication of an early return of the former who are obviously reluctant to appear before the Military Court to answer for the charges listed in their respective citations.

II. LABOUR DISPUTES.

Three important labour disputes are being attended to by the Trieste Labour Office, namely:

(a) Request for an increase of the "Cost of Living" bonus for all industrial workers. The initiative came from the Camera del Lavoro in June; they put up a claim for 30 lire, which was supported by Juraga (Sindacati Unici) and accepted as a basis of discussion by Employers. Negotiations were suspended owing to the General Strike and on resumption of bargaining Muslin, who replaced Juraga, has put in a claim for 60 lire, which the Employers regard as unjustified.

(b) Bread-makers and their employers have found a compromise on all but one of the requests made by the former. No agreement can be reached on the claim for a uniform wage ceiling of 480 lire, as this is regarded by the employers as far above what is paid to the same workers in any other city in

1799

Declassified E.O. 12356 Section 3.3/NND No. 785021

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(b) Bread-makers and their employers have found a compromise on all but one of the requests made by the former. No agreement can be reached on the claim for a uniform wage ceiling of 480 lire, as this is regarded by the employers as far above what is paid to the same workers in any other city in Italy and to any other skilled worker in Zone "A". The Director of the Labour Office suggested fixing a date for retroactivity for any eventual agreement and postponing joint negotiations pending an agreement being reached in the controversy outlined in (a) above. The Sindacati Unici spokesman quiesced in the suggestion, reserving the right of referring this to the Central Committee, but a net refusal was forthcoming later. A meeting has been fixed of all interested parties for August 2nd, when a represent-

1799

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Action by:

ative of the Food Division will be present. An increase in the cost of bread or of subsidisation will have to be authorized, in order to settle this dispute.

(c) The "Sindacati Unici" have taken exception to the system of receipts issued in the joint name of the landowner and the mezzadro, thus once more raising the question of new mezzadria contracts. The Labour Division has suggested to the landowners the stipulation of a preliminary agreement whereby the two interested parties would undertake to consider the decision of the Italian Ministry - expected in the very near future on this problem - as binding terms for a definitive agreement. The landowners have accepted this plan but no answer has yet been given by the Sindacati Unici.

III. PUBLIC WORKS PROJECT AT PUNTA SDOBBA.

The Public Works project at Punta Sdobba allocated to CRDA was suspended as a result of "Sindacati Unici" action. A compromise has been found by Labour Division but its effective application is tied up with the expeditions allocation of "debris clearance" projects in the Monfalcone shipyards. Lt. Col. FOLEN undertook to give his early attention to this matter.

UNEMPLOYMENT SITUATION IN VENEZIA GIULIA AS OF 31 JULY 1946

AREA	MEN	%	WOMEN	%	JUVENILES	%	TOTAL	%
TRIESTE	16559	55.5	10254	34.3	3016	10.2	29829	76.4
GORIZIA	3741	62.3	1934	32.2	336	5.5	6011	15.4
POLA	1373	42.6	1691	52.6	154	4.8	3218	8.2
TOTAL							39058	

12. Major MYATT, Food.

Produced the Weekly Food Report, Appendix "A" to these minutes. 1789

Declassified E.O. 12356 Section 3.3/NND No. 785021

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POLA	1373	42.6	1691	52.6	154	4.8	3218	8.2
TOTAL							39058	

12. Major MYATT. Food.

Produced the Weekly Food Report, Appendix "A" to these minutes. 1759

D.S. BICKERSTETH,
LIEUT. COLONEL,
CHIEF, ECONOMICS.

DSB/mv

Declassified E.O. 12356 Section 3.3/NND No. 785021

APPENDIX "A"

WEEKLY FOOD REPORT.

1. Situation as of 31st July 1946

2. Flour:

A. Stock on Hand : 2809 Tons, broken down as follows:

For Bread :		
Trieste	:	1.779 Tons
Gorizia	:	27 "
Pola	:	103 "
		1.909 Tons
For Pasta :		900 "
Total		2.809 Tons

B. Subsistence :

for Bread 15 days : till 15 August 1946

" Pasta - July issue.

3. Wheat :

In transit Venice : 3066 Tons reserve.

1788

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Declassified E.O. 12356 Section 3.3/NND No. 785021

01 Water Shipping

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

2 August 1946

Ref: 1.27/ES

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 31 JULY 1946

Correction to minute no.6

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

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

1767

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Declassified E.O. 12356 Section 3.3/NND No. 785021

C.C. Transportation

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

31 July 1946

Ref: 1.27/ES

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 29 JULY 1946

PRESENT:

Economic Section	Col. Charles W.Walton
	lt. Col. C.G.Webster Jr
	Capt. Delos De John
	Lt. Gilbert Mellin
Industry & Utilities Branch	Col.H.M. Walker
	Maj. L.W.Laughlin
	Maj.T.G.Elliott
CEM Branch	Lt. Col. J.N. Campbell
Food & Agriculture Branch	Lt. Col. R.R. Snapp
Transportation & Shipping Branch	Lt. Col. A.H. Street
Commerce (FT) Branch	Maj. G.A.F. Rothey
VG/Udine Sup. Opns. Branch	Lt. J.M. Arensberg

Meetingopened at 1630 hours. Colonel Walton presided.

1. Colonel Walton reported that the concensus of opinion, expressed in a paper from AFHQ following a discussion on the mid-shift meal for Italian civilian employees of the Allied Forces, was that the bread ration should be reduced from 11 ozs to 9 ozs. He asked Lt. Col. Snapp to check the figures set out in the paper from AFHQ against the known ration figures for Italian civilian employees, and also to submit a report on the table of allowances for the mid-shift meal for Italian employees of the Allied Forces.

2. Colonel Walton asked each Director to study the letter "Requisition for War Department Civilians", dated 26 July 46 issued by 2675th Regiment. If U.S. War Department

1706

Declassified E.O. 12356 Section 3.3/NND No. 785021

civilians are needed to replace officer or enlisted personnel in any Branch, proper requisitions should be submitted without delay.

3. It was announced that Lt. Durber has returned to the United States, and Lt. Gilbert Mellin will take over his Personnel duties.

4. Colonel Walton stated that the problem of non-distribution of medical supplies turned over to ENDIMEA is again receiving attention. The plan submitted several months ago and acquiesed in by Public Health Sub-Commission has not gone forward. Efforts are now being made to get this plan into operation.

5. Colonel Walker stated there was little change in the coal situation. Arrivals expected for July still stand at about 450,000 tons. Allocations for August loadings are about 600,000 toms. It is reported that there have been a few small shipments of commercial coal imported in addition to allocations. Some 120,000 tons of coal have been received from the Ruhr during July Ruhr allocation for August is 116,000 tons, but this may not be filled because of the scarcity of coal in that area

Efforts are being made to have the coal requirements for Triestesupplied from Germany. Failing this the British and Americans will be asked to furnish the coal half and half.

The Polish delegation is now in Rome and negotiations are underway with the Italian Government for coal from Poland. This probably will be a barter agreement between the Poles and Italiens, and no details of progress or the possible final settlement are available.

The VG/Udine coal supply is momentarily good, but the future outlook is unkown. Lt. Arensberg stated that three ships carrying coal have arrived during the last three weeks which places this region in good supply at the present time. Colonel Walton asked that Colonel Walker take up the matter of future requirements and supply with G-5,AFHQ, and arrive at some planned schedule.

There is little change in the POL situation. The 60-5 day level is still being maintained, and the critical situation

0544

Unclassified E.O. 12356 Section 3.3/NND No. 785021

existing in heavy motor lubricants has now been alleviated through receipt of these products.

Settlement of the CIP strike resulted in raising the price of gasoline 2 lire per litre and kerosene and gas oil 2 lire per kilogram.

The problem of getting refining plants into operation, is the lack of storage place. None of the plants have adequate storage space for even a month's operation and this is necessary before the plants are started up.

Colonel Walton requested that Colonel Walker contact Colonel Eyles about the problem of obtaining the necessary gasoline for Commander King-Hall's trip done through Italy. Colonel Walker will report directly to Colonel Walton so that the information may be passed to the Chief Commissioner. Eyles has made arrangements 7/31

The proposed cut of heavy fuel oil is now definite. There will be a 400,000 barrel cut in August which will necessitate the shuttling of oil from storage areas to areas of need. The Italians do not have proper tankers, but the British have offered two tankers, and the Italian Government is now negotiating for these tankers. In response to the question of Colonel Walton, Colonel Walker stated that UNRRA would not utilize balance of funds arising from the cut backs since the price on heavy fuel oil has doubled and no additional fund will be available.

6. Major Laughlin stated that the meeting on electric power resulted in a cut of 13% in the allocation of electric power as compared with June. This is due to drought conditions and will no doubt last through the rest of this year, since the heavy rains do not start until November. This reduction is due entirely to lack of kilowatt hours resulting from the drought. It is planned that in Rome the city wil be divided into 6 equal parts and the reduction effected by shutting off power 4 hours out of each 24 in each section. The hours will be rotated each week. Railroads and traction lines will not be affected.

7. Colonel Walton announced that Major Laughlin is leaving for TDY in the States. He expressed appreciation to Major Laughlin for his fine work in the Economic Section,

1764

0545

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8. Major Elliott reported that the Alfa Romeo works at Bari has been derequisitioned. In response to a question by Colonel Walton, Major Elliott stated he felt it would be possible for him to combine the de-requisitioning work being done by Capt. De John with his own, thereby freeing Capt. De John for other duties in the Economic Section.

9. Capt. De John stated that the individual de-requisitioning requests that he has been receiving are falling off. The requests from the Foreign Ministry have also fallen off, but this is credited to the fact that the Italian Government has been holding back hoping for a change in AFHQ policy.

10. Lt. Col. Campbell stated that as a result of the AFHQ meeting he has received three draft copies of a proposed program for the disposal of CEI property.

11. Lt. Col. Snapp stated that the wheat situation is very good. The ammassi goal has not yet been announced. Udine reports enough flour on hand to last until 11 February. The Venezia Giulia report has not been received for this week. Last week they reported 4,000 tons of wheat on hand which would last about 40 days.

UNRRA and the Ministry of Food, as well as other interested Ministries, have formed a commission for the inspection of port warehouses. This should eliminate further problems of spoilage and wastage of food stored in warehouses. This commission has full authority for immediate sale or distribution of any foods in danger of spoiling. There is very little change in the price situation. The price of black market bread remains stable. There has been no report as yet from Trieste/Udine answering the assertions regarding the slow movement of food supplies.

12. Lt. Col. Street states that some new rail lines have been opened up in the sugar beet districts. These are very important just now because of the need for ready access to the sugar factories.

13. In answer to Colonel Walton's question Major Rothey said he didn't think it would be advisable to close up Commerce 3 Branch entirely, but with adequate clerical assistance he could move down to Economic Section and work on some of the more pressing financial problems in conjunction with his present duties

3540

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14. Lt. Mellin submitted a tabulation on the numbers of Italian civilian employees in the Economic Section, to - gether with the Branch Directors' reports on each employee and his duties indicating a 26% cut since 15 June. Colonel Walton expects to review these reports personally with each Branch Director.

Lt. Mellin stated that another translator will be needed for Economic Section. Colonel Walton instructed that there should be no hiring, but present personnel both in Economic Section, and if possible in other Branches, should be utilized.

The meeting adjourned at 1715 hors.

Carlos G. Webster Jr.

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

Trade + Shipping

CONFIDENTIAL

Minutes of Economic Section Meeting held on 26 July 1946 at 1600 Hours.

PRESENT:

GUEST: Mr. W.E.COLE, Representative U.S.POLAD.

Lieut Colonel	D.S.	BICKERSTETH	Economics
	F.W.	RICE	Transportation
	C.A.W.	STEPHENS	Commerce
	J.E.	FODEN	Industry
Major	R.H.	RICHARDSON	Public Works
	H.A.	HAYWARD	Telecommunications
	F.H.J.	MYATT	Food
	E.J.	SCICLUNA	Labour
Captain	N.J.	LISTER	Pola Area Supply
	L.	WEIL	Agriculture
	J.J.	CANTILLI	Labour
	J.F.	KEIM	Trieste Area Supply
Lieutenant	J.C.	FREELAND	Supply

Action by: 1761

1. Lt.Col.BICKERSTETH, Economics.

Brought up the subject of machinery removal from Pola, saying that a letter asking for a review of their previous decision was sent to AFHQ, in view of the precedent set by the Jugoslav Military Government in Zone "B".

2. Maj.RICHARDSON, Public Works.

We have received authority to go ahead with the Forestry Project, which amounts to 5,500,000 Trees. I feel that we should not prepare ground for more trees than we can count on for this fall and next Spring.

Capt.WEIL, Agriculture.

Declassified E.O. 12356 Section 3.3/NND No. 785021

GUEST: Mr. W.E.COLE, Representative U.S.POLAD.

Lieut Colonel	D.S.	BICKERSTETH	Economics
	F.W.	RICE	Transportation
	C.A.W.	STEPHENS	Commerce
	J.E.	FODEN	Industry
Major	R.H.	RICHARDSON	Public Works
	H.A.	HAYWARD	Telecommunications
	F.H.J.	MYATT	Food
	E.J.	SCICLUNA	Labour
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	L.	WEIL	Agriculture
	J.J.	CANTILLI	Labour
	J.F.	KEIM	Trieste Area Supply
Lieutenant	J.C.	FREELAND	Supply

Action by: 1781

1. Lt.Col.BICKERSTETH, Economics.

Brought up the subject of machinery removal from Pola, saying that a letter asking for a review of their previous decision was sent to AFHQ, in view of the precedent set by the Jugoslav Military Covernment in Zone "B".

2. Maj.RICHARDSON, Public Works.

We have received authority to go ahead with the Forestry Project, which amounts to 5,500,000 Trees. I feel that we should not prepare ground for more trees than we can count on for this fall and next Spring.

Capt.WEIL, Agriculture.

There are available at present 800,000 trees. We can count on at least two million trees from Italian sources.

Maj.RICHARDSON, Public Works.

I had a meeting with the CRDA people about the project to clear rubble and reconstruct plant and housing facilities. If their plan is approved it will absorb all their idle workers for one years' time.

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Action by:

3. Maj.MYATT, Food Div.

Food Report submitted as Appendix "A".

4. Lt.Col.RICE, Transportation.

The AMG Truck Pool must be used only for extreme necessity, as the gasoline and oil rations are way below amounts previously planned for. Also, tires on the trucks are steadily wearing out, with no sign of replacements.

I might add that private truckers watch every move made by the AMG Pool, in order to assure that they will not be operating in competition with the "at cost" prices maintained by AMG, so we must make sure the Pool is only used for its intended purpose.

5. Maj.HAYWARD, Telecommunications.

I would appreciate it if any applications for moving "Telveg" equipment received by other Divisions were forwarded to my office. ALL DIVISIONS

6. Capt.KEIM, Trieste Area Supply.

Nothing to report.

7. Lt.Col.FODEN, Industry & Utilities.

At the Shipyards the normal numbers of workers are at their jobs, and seem to be reasonably cheerful. No serious difficulties have come up.

At one building illegal foodstores were confiscated, since the stores were a contravention of rules and regulations in force. There has been no serious reaction to this.

1760

8. Lt.Col.STEPHENS, Commerce Div.

We have received an offer of 250 tons of unwashed wool from UNRRA in exchange for 60,000 blankets. Will follow this up, of course. We do have authority to make such exchange providing the goods we receive are used to prevent Disease and Unrest.

Regarding the Civil Supplies Import Program, January-June 1947, my view is that all Commerce Division will indent for is raw cotton, coal, and POL. The smaller, more numerous items will be omitted.

9. Capt.LISTER, Pola Area Supply.

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9. Capt.LISTER, Pola Area Supply.

The amassing of grain is 100% over last year, continuing at a good rate.

10. Capt.WEIL, Agriculture Div.

The grain amassing is, on the whole, 70% above 1945. Figures are as follows:

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Action by:

Area	Amount (Qtls.)	at (date)
TRIESTE	28,135	24 July
GORIZIA	3,642	20 July
POLA	1,429	24 July
TOTAL (Qtls)	33,206	-

11. Maj.SCICLUNA, Labour Div.

1. It has been quiet on the surface but seething underneath.

Sindacati Unici continue in their policy of fanning up all labour problems still unsolved and are still making no positive contribution toward the solution of any.

2. The main labour disputed on which they appear to count are the following:

(a) Report from Camera del Lavoro and Sindacati Unici for a revision of the Cost of Living Bonus. Labour Office is mediating but progress is slow especially in view of the fact that the June request for a 30 lire increase put up by Juraga and was accepted by Employers as a working basis has now been stepped up by Muslin who is replacing Juraga.

1779

(b) Bread-makers request for very substantial increase in wages. The Labour Office is mediating between Employers and workers but the Sindacati Unici have now refused to accept the suggestion of the Labour Office to put off the negotiations until an agreement is reached over the "Cost of Living Bonus".

(c) Request by Sindacati Unici for a revision of the Mezzadria contracts, Muslin recently insisting that the issue of receipts in the joint name of both land-owner and mezzadra must be suspended by the "Inspectorate of Agriculture" if the remainder of the wheat is to be brought to the Amassi.

3. Sindacati Unici are unduly active in instigating

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3. Sindacati Unici are unduly active in instigating agitation both through indoor meetings of Employees in Industry and Public Utilities as well as through an intensive press campaigne. Slovene newspaper have brought into prominance, instigating agitation, the following problems:

(I) Better messing facilities for Industrial Workers;
(II) The injustice of an increase in Rents;
(III) Urgency of increased wages for:

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1779

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Action by:

(a) Post & Telegraph workers
(b) Bread-makers
(c) Hall-Porters (Portinai)
(d) Clerical Employees in Banks and Private Industry
(e) State Employees in general
(f) Hospital workers in general
(g) Street cleaners.

(IV) Arrears due to Employees of municipalised concerns.
(V) Revision of piece-work tariffs in CRDA.
(VI) Better opportunities for co-operative workers.
(VII) The urgency of providing for the re-employment of State Employees dismissed during the Fascist Regime.

Aftermath of General Strike.

1. Policy laid down by SCAO in connection with:

(a) the non-payment of any wages or any form of cash advances in respect of Strikers and/Or involuntary strikers;
(b) the conditions for the continued Employment in Provincial or Statal Depts. of absentees during the Strike.

2. In connection with the "Camera del Lavoro" are pressing for payment of wages to members of their "Trade Union" on the score that anyone absenting himself did so under duress. Labour Division has ruled that no such payments will be paid since this would expose individual employers to undue pressure from Sindacati Unici for the payment of wages to all workers. This may also be used as a pretext to stage another wide-spread agitation. The Management of P.T.O. CRDA in the meantime have taken their own decisions ignoring Labour Division and existing AMG control regulations.

1778

3. In connection with (b), the suggestion has been made that the scheme adopted is likely to lead to considerable dismissals which would be undesirable because (I) it would lower excessively the efficiency of certain departments and (II) it would create further cause for discontent amongst Slovene Elements. A final directive on this policy is being recommended to SCAO for approval, suggesting that, while the outlined procedure remains in operation, the actual dismissals should be made the exception and anyone fund wanting should be merely served with a written repremand.

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(g) Street cleaners.

(IV) Arrears due to Employees of municipalised concerns.
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Lumberjacks for Austria.

In Zone "A" unemployed lumberjacks amount to less than 100 but some 2000 are available. If Economic Section is interested in working an Emigration scheme with a view to receiving Austrian Exports in exchange for labour, it is suggested that interested Divisions be called in for a special conference.

ECONOMIC SECTION

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Action by:

Shop Stewards Committees.

The Advance has been put up for SCAO signature but it is not intended to promulgate the ordinance immediately in view of the present situation.

Unemployment.

UNEMPLOYMENT SITUATION IN VENEZIA GIULIA AS OF 20 JULY 1946.

Area	Men	%	Women	%	Juvenilos	%	Total	%
TRIESTE	16990	56,1	10187	33,7	3076	10,2	30253	76,7
GORIZIA	3847	64,0	1831	30,4	339	5,6	6017	15,2
POLA	1394	43,5	1657	51,8	149	4,7	3200	8,1
TOTAL	22231	-	13675	-	3564	-	39470	-

1777

D.S. BICKERSTETH,
LIEUT COLONEL,
CHIEF, ECONOMIC SECTION.

Declassified E.O. 12356 Section 3.3/NND No. 785021

APPENDIX "A"

WEEKLY FOOD REPORT.

1. Situation as of 25th July 1946.

2. Flour.

A. Stock on hand : 3,594 Tons, broken down as follows:

For bread :

Trieste	:	2,354 Tons
Gorizia	:	200 "
Pola	:	140 "
		2,694 Tons

For Pasta : 900 "

Total 3,594 Tons

1776

B. Subsistence :

For bread 24 days: till 17 August 1946
For pasta : July issue.

3. Wheat :

In transit Venice : 3066 Tons, reserve.

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Transportation Shipping

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES 24 July 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 22 JULY 1946

PRESENT:

Economic Section	Col. Charles W.Wal Lt.Col.C.G.Webster Capt.Delos De John
Industry & Utilities Branch	Col. H.M. Walker Maj. L.W. Laughlin Maj. T.G.Elliott
CEM Branch	Lt. Col. J.A.Campb
Food & Agriculture Branch	Lt. Col. R.R.Snapp
Public Relations Office	Lt. Col. L.Montagu

Meeting opened at 1630 hours. Colonel Walton presided. 1775

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

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

3. Colonel Walker reported that the CIP strike ended Saturday afternoon, and that most workers were back on the job today.

The coal situation has improved, the estimated arrivals for July now standing at 450,000 tons instead of the

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3. Colonel Walker reported that the CIP strike ended Saturday afternoon, and that most workers were back on the job today.

The coal situation has improved, the estimated arrivals for July now standing at 450,000 tons instead of the 400,000 tons reported earlier. The ECO allocation for the period 29 July to 1 September is 596,500 tons plus 30,000 tons

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from Poland. This is exclusive of military arrivals.

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

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

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

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

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

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

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

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

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

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

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

8. Colonel Walton reviewed the status of the files of each Branch. Most of the directors reported that the team of 4 American soldiers had already been working on these files.

9. Colonel Walton referred to Office Memorandum No. 8 of 8 July 46, on correspondence and filing, and asked that all Directors familiarize themselves with it. Questions on deviatio and non-compliance with this memorandum whould be taken up through Lt. Durber.

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

11. Colonel Walton reminded all Directors that he expects

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

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each Director.

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

The meeting adjourned at 17:10 hours.

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

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20 Inf & Ship

CONFIDENTIAL

Minutes of Economic Section Meeting held on 19 July 1946 at 1600 hours.

PRESENT:

GUEST: Mr. W.E. COLE, Representative U.S. POLAD.

Lieut Colonel	D.S.	BICKERSTETH	Economics
	F.W.	RICE	Transportation
Major	F.H.J.	MYATT	Food
	J.R.	SQUIRE	Public Works
	E.J.	SCICLUNA	Labour
Captain	H.A.	HAYWARD	Telecommunications
	I.M.	CALVANESE	Supply
	J.W.	BUTCHER	Industry
	J.F.	KEIM	Trieste Area Supply
	N.J.	LISTER	Pola Area Supply
	L.	WEIL	Agriculture
Lieutenant	J.C.	FREELAND	Supply
F/O	E.H.	LLOYD	Commerce

Action by:

1. Lt.Col.BICKERSTETH, Economics.

(a) - AMG has taken over Cantieri Riuniti dell'Adriatico (CRDA) as of today. The lockout called by the management arose from the recent disorders at the shipyard, so AMG took over since the management could not maintain order.

(b) - The Autostrada proposal has been submitted to Corps Comd. and Comd. 88 Div. for comment. It is the view of G-5 that a "Caretaker" Government AMG could not go into long-term projects.

1773
PUBLIC WORKS

2. Capt.CALVANESE, Supply.

The prices of blankets have definitely been established and under our direction the 50.000 American blankets are being classified. Withdrawals can be made at any time, as the job will be finished shortly. With the British blankets received in June the prices will be established shortly. Will Supply Division be responsible for classifying this shipment of blankets?

Lt.Col.BICKERSTETH, Economics -

I have always felt that we need a civilian agency to do this work, much the same as Sepral works for Food Division, Consorzio Agrario for Agriculture, and similar arrangements.

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Major	F.H.J.	MYATT	Food
	J.R.	SQUIRE	Public Works
	E.J.	SCICLUNA	Labour
Captain	H.A.	HAYWARD	Telecommunications
	I.M.	CALVANESE	Supply
	J.W.	BUTCHER	Industry
	J.F.	KEIM	Trieste Area Supply
	N.J.	LISTER	Pola Area Supply
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Lt.Col.BICKERSTETH, Economics -

I have always felt that we need a civilian agency to do this work, much the same as Sepral works for Food Division, Consorzio Agrario for Agriculture, and similar arrangements. I realise that when the first blankets arrived no such agency has been found, so in order to expedite the sale of blankets, Supply Division worked directly on this.

Since no civilian agency has been directed to do this kind of work for us, that is, the handling of commercial items such as blankets, underwear, shoes, etc., Supply Division will go ahead and classify the blankets recently arrived.

On this problem and also the general receipt of supplies I wish to call a meeting of the Chief Finance Officer, the Supply Accountant, Transportation, Public Health, Supply Officer, Telecommunications, Commerce, Supply, and Economics Section at 0930 hours Tuesday, 23 July.

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Action by:

3. Major HYATT, Food Div.

(a) - It seems that the increase in the bread ration was decided without prior consultation with Food Division, or the Economic Section. We managed to stop a radio announcement of this increase.
We certainly did not want a run on the bakers, demanding the increase until we were certain it could be afforded.

(b) - Attached as Appendix "A" is the Weekly Food Report.

Lt.Col.BICKERSTETH, Economics -

On the subject of Food there will be a meeting 0930 hours, Wednesday 24 July, of Economic Section, Food, Finance, Commerce, and Industry Divisions, in order to discuss the problem of the Sugar distribution.

4. Capt.LISTER, Pola Area Supply.

Raised the question of policy regarding the movement of Italians from Pola.

Lt.Col.BICKERSTETH, Economics -

ruled that Transportation Division will send a representative to Pola in order to collaborate with Pola Officer on drawing up a plan of movements when this becomes necessary. TRANSPORTATIO

5. Maj.SCICLUNA, Labour Div.

1772

I. The outstanding events of the week were:

(a) the sudden suspension of the general strike at midnight of 12 July;
(b) the outbreak of acts of violence in the Shipyards on the resumption of work and
(c) the unexpected declaration of a "lockout" in the Monfalcone and San Marco Shipyards.

The "Suspension" of the strike appears to be the result of a policy dictated from above to the local Slovene organisations.
The declaration of the "lockout" was done without previous consultation with AMG.
S.C.A.O. adopted the recommendations of Economics Section, in consultation with Industry and Labour Divisions, for taking over the Shipyards under "lockout" with a view to suspending the lockout and guaranteeing the maintenance of law and order in these establishments through Police and Military patrols.

II. Representatives of the Camera del Lavoro and of the Sindacati Unici were received by the Labour Division at their own request on the declaration of the "lockout". The Camera del

Declassified E.O. 12356 Section 3.3/NND No. 763031

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The declaration of the "lockout" was done without previous consultation with AMG.

S.C.A.O. adopted the recommendations of Economics Section, in consultation with Industry and Labour Divisions, for taking over the Shipyards under "lockout" with a view to suspending the lockout and guaranteeing the maintenance of law and order in these establishments through Police and Military patrols.

II. Representatives of the Camera del Lavoro and of the Sindacati Unici were received by the Labour Division at their own request on the declaration of the "lockout". The Camera del Lavoro urged AMG for vigorous measures to protect the individual against acts of violence. The Sindacati Unici, on the grounds of protesting against the "flimsy pretexts" on which CRDA management had declared a "lockout", proceeded to make tactful inquiry into the question of what stand AMG was proposing to take. It became more than obvious that the Sindacati Unici were at a loss to decide what their next move should be in view of the unexpected situation that had developed.

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Action by:

III. There are indications that Sindacati Unici are gathering their strength in order to state a return to a more effective general strike on economic grounds. Any of the joint-negotiations now going on might be used to start the ball rolling. The requests put up by the workers in the bread-making industry or the requests for a general increase of wages or the Mezzadria question may all be potential leads for the "Sindacati Unici".

IV. Unemployment Situation in Venezia Giulia as of 19 July 1946.

AREA	MEN	%	WOMEN	%	JUVENILES	%	TOTALS	%
TRIESTE	16975	56.1	10192	33.7	3051	10.2	30218	76.4
GORIZIA	3853	64.3	1793	29.0	343	5.7	5989	15.1
POLA	1264	38.2	1863	56.3	179	5.5	3306	8.5
TOTALS	22092		13848		3573		39513	

Action by:

6. Maj. HAYWARD, Telecommunications.

Against the January-June 1946 requisition for civil supplies I find that my receipts are the lowest, being only about 10%. Can anything be done to remedy this situation, as the supplies should be moved.

1771

Lt.Col.BICKERSTETH, Economics -

Give me a full report on this, and I will take it up with AFHQ.

TELECOMMUNICATIO

7. Capt.KERR, Trieste Area Supply.

Vehicle Circulation Permits are being prepared and will be on time.

The new Board of Directors of A.C.F.C.A.T. has met, and from all indications seems to work smoothly and efficiently.

The Commune wood situation is now in good shape.

8. Capt.WEIL. Agriculture.

(a) We are 50% over the quota on the wheat amassing; 30.000 quintals instead of the 20.000 quintal quota. However, means must be found to move and store the grain centrally, otherwise losses are likely to occur. The farmers are already talking of disposing of it in "other ways". We will set a date when all farmers must have their wheat

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		%		%	OVER-ILES	%	TOTALS	%
TRIESTE	16975	56.1	10192	33.7	3051	10.2	30218	76.4
GORIZIA	3853	64.3	1793	29.0	343	5.7	5989	15.1
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Lt.Col.DICKERSTETH, Economics -

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(b) On the Forestry Project, there have been several replies to our enquiries on our letters requesting young trees, but not enough to warrant action yet. We must search deeper into European sources.

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Action by:

9. Flying Officer LLOYD, Commerce.

It is not clear to me *why* it is necessary for us to endorse rail bids for the movement of UNRRA goods, as we know nothing of their shipments. It seems unnecessary.

The UNRRA Jugoslavia forwarding Agent wants a licence to move mail bags.

Maj.HAYWARD, Telecommunications -

I suggest you tell them that is supposed to come through the Trieste Post-Office.

D.S. BICKERSTETH,
LIEUT COLONEL,
CHIEF, ECONOMICS SECTION.

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APPENDIX 'A'.

WEEKLY FOOD REPORT.

Situation as of 18 July 1946.

Flour for bread making :

A. Stock on hand ..... 904 Tons broken down as follows:

Trieste	212	Tons
Gorizia	455	"
Pola	237	"
	904	Tons

B. In Port .....2.873 Tons

Total: 3.777 Tons

C. Subsistence for bread 40 days, till 27th August.

Wheat for bread making:

A. In transit, Venice : 3.066 Tons

B. Subsistence, further 30 days.

General subsistence for Bread, till 27 September.

Flour for Pasta : 900 Tons, July issue.

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

17 July 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 15 JULY 1946

PRESENT:

Economic Section	Col. Charles W. Walton Lt.Col. Carlos G.Webster,Jr. Capt. Delos De John Lt. J.W. Durber
Industry & Utilities Branch	Col. H.M. Walker Maj. L.W. Laughlin Maj. T.G. Elliott
CEM Branch	Lt.Col. J.A. Campbell
Commerce (ET) Branch	Maj. G.A.F. Rothey
Transportation & Shipping Branch	Lt.Col. A.H. Street
VG/Udine Sup. Opns. Branch	Lt. J.M. Arensberg
Public Relations Office	Lt.Col. L. Montague

Meeting opened at 1630 hours. Colonel Walton presided.

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

2. Colonel Walton asked that Branch Directors in sending cables to AFHQ conform with latest instructions and not include "Attention of" in the address of the cable. 1,768

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

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

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

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

Capt. De John stated that AFHQ has replied to the Executive Com-

Declassified E.O. 12356 Section 3.3/NND No. 785021

Industry & Utilities Branch	Col. H.M. Walker Maj. L.W. Laughlin Maj. T.G. Elliott
CMM Branch	Lt.Col. J.A. Campbell
Commerce (FT) Branch	Maj. G.A.F. Rothey
Transportation & Shipping Branch	Lt.Col. A.H. Street
VG/Udine Sup. Opns. Branch	Lt. J.W. Arensberg
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5. Lt.Col. Campbell reported that the Milan Office is cutting down and making progress toward final closing. Closing held up temporarily.

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

Capt. De John stated that AFHQ has replied to the Executive Commissioner's letter suggesting a central de-requisitioning board. At the present AFHQ is not in favor of such a plan. A new request is being forwarded to AFHQ, which, it is hoped, will bring some affirmative action.

7. Lt.Col. Street reported that ENAC is closing down and its functions will be assumed by the Ministry of Transport.

8. Colonel Walton suggested that all Branch Directors obtain appointment to meet new Italian Ministers. Colonel Walton will be glad to accompany Directors for this meeting.

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

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

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

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

The meeting adjourned at 1700 hours.

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

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REF: 1.27/ES.

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

8 July 1946

PRESENT: MINUTES OF THE ECONOMIC SECTION

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

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

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

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

1766

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

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

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

The coal stocks as of 1 July were 350,000 tons, estimated arrivals were 400,000 tons, allocations for the month are 475,000 tons, and the estimated stock as of 1 August 275,000 tons. Sardinian coal production was 77,975 tons, a drop of 11,000 tons under May production, and this was due to the fact that some of the miners stayed home to harvest their crops. It is hoped that production will reach 85,000 tons in July.

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	Maj. T.C. Elliott
Food & Agriculture Branch	Lt.Col. R.R. Snapp
CEM Branch	Maj. F.C.G. Bates
Commerce (FT) Branch	Maj. G.A.F. Rothey
Transportation & Shipping Branch	Lt.Col. A.H. Street
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2. Major Laughlin reported that the power station reservoirs of Northern Italy are now 64% of being filled. This places them in a position similar to that which existed at this same time last year. Melting snows in the Alps will continue to fill the reservoirs during the months of July, August and September.

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

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

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

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

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

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

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

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

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

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

Meeting adjourned at 17:00 hours.

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

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

1 July 1946

REF: 1.27/ES.

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 1 JULY 1946

PRESENT:

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

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

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

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

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

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

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

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

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

It was reported that prices have not changed much.

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

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

1764

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Meeting adjourned at 16:45 hours.

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

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HEADQUARTERS
NATEES LIAISON GROUP
ALLIED COMMISSION
APO 794

29 June 1946.

Ref. : NLG/131/714

SUBJECT : Train Tickets.

TO : HQ. A.C.
(att: Transportation and Shipping Branch.)

1. Reference your AC/195/Tn.1 dated 17 June 46.

2. Herewith counterfoile of train tickets as requested.

For the Chief Liaison Officer :

R. a Gazzano
ROSARIO A. GAZZANO
Captain Inf.
Liaison Officer.

June 28, 1946

Vol. I, No. 24

In + Ship

ECONOMIC NOTES

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino, 78, Rome —

CONTENTS

1. Rationing World Supplies
2. Transport Survey
3. Tanning Tenders Invited
4. Movements of Ships

RATIONING WORLD SUPPLIES

New and simplified procedure has been established in Washington for the procurement of «reserved commodities» which are subject to international allocation by the Combined Allocation Authorities known as the «Combined Boards». (The Combined Food Board has now been superseded by the International Emergency Food Council, according to reports from Washington). This procedure affects those commodities in short supply which appear on the international Reserved Commodity List. Its purpose is to define the respective spheres of UNRRA and the different governments in relation to the Boards.

Allocations by the Combined Boards are made to UNRRA or the governments—not, in any circumstances, to individual importers. In Italy, the Ministry for Foreign Trade handles all import enquiries for R.C.L. commodities. Italian firms and private individuals should, therefore, make any application, bid or query relating to these commodities direct to the Ministry for Foreign Trade and under no circumstances to UNRRA Italy Mission or its Regional Offices. The Mission is constantly receiving such enquiries, but can take no action as these must, in every case, be channelled through the proper Italian authorities.

The list of reserved commodities covers the following items:

hides (skins and leathers), coal and coke, and certain textiles.

The world supply of these products falls far short of world requirements, and a system virtually tantamount to international rationing has, therefore, had to be introduced. The allocations of these staple commodities has accordingly been entrusted to international agencies known as Combined Boards, or Committees, whose duty it is to ensure equitable world distribution of insufficient stocks. UNRRA, in fulfilment of its obligations towards assisted nations, has to submit its requests to the Combined Boards like any other receiving country, and endeavour to obtain the utmost share of allocations, in competition with other claimants.

UNRRA Obiectives

UNRRA's primary object in this connection has been the procurement of vitally needed supplies for which the nations receiving relief and rehabilitation have no means of paying, owing to their lack of foreign assets, gold or barter commodities to offer in exchange. Now that urgent relief and "first aid" rehabilitation have in some measure been achieved, assisted nations are beginning to resume international trade and conclude commercial treaties and barter agreements. They thus have an opportunity to submit their own

Declassified E.O. 12356 Section 3.3/NND No. 785021

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino, 78, Rome —

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The list of reserved commodities covers the following items:

Food and Agriculture: Animal feeding stuffs, cereals, cocoa, dairy products, fats and oils, fertilizers, fish, fruit, meat, pulses, seeds, spices, sugar, tea, and edible nuts.

Industry and General: Soap, tin, rubber, hides (skins and leathers), coal and coke, and certain textiles.

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The new procedure

This development—a wholesome sign of economic improvement in war-stricken countries—had given rise to a certain amount of confusion. The matter has now been settled by an agreement lately reached in Washington between the U.S. State Department, UNRRA Head Office, UNRRA Italy Mission and the Italian Technical Delegation in Washington. The procedure henceforth to be adopted will be as follows:

(1) All supplies specifically for the Italian Armed Forces are claimed for before the Boards, and procured, by the Italian Government;

(2) With that sole exception, the total Italian requirements of all commodities which appear in the UNRRA Program of Operations will be claimed for by UNRRA, even if they are over and above what UNRRA will actually be able to pay for;

(3) All other commodities that do not appear in the UNRRA Program of Operations will be claimed for directly by the Italian Government;

(4) If the Italian Government wishes, in the case of an UNRRA commodity, to buy some part of the allocation with its own Italian Government funds, or have it bought through commercial channels, the arrangement to that end will be handled as an UNRRA sub-allocation to the Italian Government. The reverse procedure applies for commodities required by UNRRA and claimed for before the Boards by the Government.

Arrangements under this agreement and any amendments of it with regard to particular commodities will be made direct between the Italian Government and the UNRRA Italy Mission in Rome.

Point (4) aims at simplifying procedure in the event of the Italian Government wishing to make its own payment arrangements for a commodity, or portion thereof, listed on the UNRRA program and already allocated to UNRRA by the Combined Boards. In this case, UNRRA will sub-allocate the item concall for an item already allocated to the Italian Government, the latter may sub-allocate to UNRRA, and the item will then be procured as part of the relief and rehabilitation program. Italy has everything to gain by supporting and protecting the world allocation system, and everything to lose by evading it.

TRANSPORT SURVEY

A comprehensive survey of Italy's transport situation is being made by the Inland Transport Division of the UNRRA Italy Mission, to ascertain the present and future carrying capacity of Italy's road and rail transport, and to assess more accurately fuel requirements and allocations of petroleum products.

The UNRRA Mission is also developing recommendations based on this survey for the consideration of the Italian Government. The general objectives are to assure maximum utilization by the transportation services of the materials imported by UNRRA and to develop programs for the production of transportation equipment that will be more closely related to actual requirements. Some of the pertinent facts revealed by the survey are given in this preliminary review.

The enquiry has revealed that the operation both of road and rail transport is still far inferior to that of pre-war years. Railroad permanent way, rolling stock and communication equipment have all suffered from direct war damage and lack of maintenance and renewal due to the war. Roads have suffered from inadequate maintenance and heavy war traffic. A large percentage of the road bridges was destroyed. Fuel for the railways and road transport, for which Italy is almost exclusively dependent on UNRRA, is not adequate for all the traffic requirements of the country, although sufficient for essential purposes.

There were 89,593 load-carrying vehicles in circulation in 1939, with a capacity of 191,975 tons. The corresponding figures in March 1946 were 105,646 with a capacity of 211,688 tons. There were, moreover, approximately 40,000 trucks obtained from Allied military surplus and captured enemy materials of which an estimated 50 per cent. can eventu-

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between the U.S. State Department, UNRRA Head Office, UNRRA Italy Mission and the Italian Technical Delegation in Washington. The procedure henceforth to be adopted will be as follows:

(1) All supplies specifically for the Italian Armed Forces are claimed for before the Boards, and procured, by the Italian Government;

(2) With that sole exception, the total Italian requirements of all commodities which appear in the UNRRA Program of Operations will be claimed for by UNRRA, even if they are over and above what UNRRA will actually be able to pay for;

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Point (4) aims at simplifying procedure in the event of the Italian Government wishing to make its own payment arrangements for a commodity, or portion thereof, listed on the UNRRA program and already allocated to UNRRA by the Combined Boards. In this case, UNRRA will sub-allocate the item concerned to the Italian Government and the UNRRA funds thus released will be used for some other Italian requirement. Conversely, should the fulfilment of the UNRRA program

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There were 89,593 load-carrying vehicles in circulation in 1939, with a capacity of 191,975 tons. The corresponding figures in March 1946 were 165,646 with a capacity of 211,688 tons. There were, moreover, approximately 40,000 trucks obtained from Allied military surplus and captured enemy materials of which an estimated 50 per cent. can eventually be placed in operating condition. These are now held by ARAR (the Italian Government Agency for the reception and disposal of war-surplus), but are not in circulation.

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Present handicaps

The numerical increase over the 1939 figure is not reflected in increased haulage, since lack of loads, high operating costs and the shortage and consequent high cost of tyres, tubes and spare parts handicap maximum utilization. A large number of the vehicles in use are inherently unsuited for commercial truck haulage since they are former Army vehicles built for speed and durability without regard to running costs. Many of them are designed to run on high octane non-commercial motor spirit. In the course of the UNRRA survey detailed investigation of 3,300 trucks throughout Italy, and a cross-section poll of 19 trucking firms in the Rome area, revealed that only 2,142 of the trucks were operationally efficient, while no more than about 50 per cent. of the operating capacity was used.

Buses in public service have, on the other hand, dropped from 6,928 (1939) to 3,830 (March 1946), passenger cars from 287,962 to 97,709, and motor cycles from 149,490 to 40,648. The general level of operating efficiency in these categories is low.

A noteworthy reversal of the trend generally apparent before the war is the successful competition of railroad transport with road haulage. Comparative rates for short trips and for quality items such as shoes do not differ greatly. For bulk items and essential commodities such as wheat, wheat flour and pasta, road transport cannot compete with the special rail tariffs.

The present excess of road transport facilities over requirements is expected to last until the surplus is absorbed by increased transport requirements resulting from industrial and commercial rehabilitation and the normal replacement of less efficient units. Italy's planned vehicle production for 1946 is:

	units per year
Heavy trucks (over 6 tons) .	16,000
Medium trucks (3 to 6 tons)	18,000
Passenger cars	35,000
Heavy trailers	15,000
Medium trailers	9,000

To date, production has been far below schedule. Fulfilment of the Italian manufacturing, but stock movement is retarded to some extent by high prices. Spare parts for vehicles of Allied origin (approximately 10 per cent. of the country's load carrying potential) have been in short supply. The Italian Government has however recently received from American and British surplus disposal a stock of spare parts (estimated to be worth 8,000,000 dollars). This stock consists of surplus items remaining after the dismantling of Army depots. They are what has been left over from Army requirements and will need careful selection and classification before they are available for distribution some months hence.

UNRRA Program

The tyre situation is unsatisfactory and that of tubes still more so. Standard American and British sizes are unsuited to Italian large trucks and small passenger cars, while there is limited production of Italian sizes in the United States and in the United Kingdom. The UNRRA Italy Mission has budgeted for raw materials for the manufacture of tyres in Italian factories, but the program does not include the importation of the completed tyres or tubes. The program aims at covering all materials required to utilise existing plant capacity for an expected production of 600,000 tyres and tubes for trucks and buses, 380,000 tyres and tubes for passenger cars and 30,000 tyres and tubes for motorcycles.

The program is seriously delayed owing to the lack of coal supplies and also to such factors as the need for conserving grain for food, instead of using it as an essential ingredient in the manufacture of synthetic rubber. In fact, none of the synthetic rubber for this program has been received.

Restrictions on the use of petroleum products for passenger cars and buses have resulted in the conversion of large numbers of passenger cars for trucking purposes. Simultaneously, large profits have been earned by truck operators unlawfully using their vehicles to carry passengers at exorbitant rates.

Issues of UNRRA-imported fuel during May were as follows:

	Gasoline (tons)	*Diesel Oil* (tons)

Declassified E.O. 12356 Section 3.3/NND No. 785031

age and consequent high cost of tyres, tubes and spare parts handicap maximum utilization. A large number of the vehicles in use are inherently unsuited for commercial truck haulage since they are former Army vehicles built for speed and durability without regard to running costs. Many of them are designed to run on high octane non-commercial motor spirit. In the course of the UNRRA survey detailed investigation of 3,300 trucks throughout Italy, and a cross-section poll of 19 trucking firms in the Rome area, revealed that only 2,142 of the trucks were operationally efficient, while no more than about 50 per cent. of the operating capacity was used.

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To date, production has been far below schedule. Fulfilment of the Italian manufacturing program is largely dependent on the importation of raw materials and coal, included in the UNRRA program.

The position in regard to spare parts for Italian trucks and cars is constantly improving. Government has however recently received from American and British surplus disposal a stock of spare parts (estimated to be worth 8,000,000 dollars). This stock consists of surplus items remaining after the dismantling of Army depots. They are what has been left over from Army requirements and will need careful selection and classification before they are available for distribution some months hence.

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	Gasoline (tons)	*Diesel Oil* (tons)
Passenger cars . . .	3,680	300
Buses	1,351	1,800
Civilan trucks . . .	9,789	7,316
Italian State Railways	1,419	1,150

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Supplies of fuel and tyres for the black market are obtained from the pilferage of military stores, from enemy dumps, and by way of illegal diversions from authorised distribution channels. Three main groups are involved in this illegal traffic:

a) truck operators engaged in black market activities, involving road movement of essential or rationed commodities;

b) truck operators transporting luxury or speculative items for which fuel is not legally allocated;

c) private motorists using black market fuel and tyres for non-essential purposes.

The highway system requires extensive repairing, particularly in central and southern Italy. Of the 805 steel road bridges existing in 1939, 630 were destroyed, as were 12,930 of the 22,670 other bridges. To implement highway rehabilitation, UNRRA plans to supply 100,000 tons of asphalt at an estimated cost of 3,500,000 dollars (£875,000 sterling) excluding freight.

Italian State Railways

The Italian State Railways have prepared a five-part reconstruction program, designed to be carried through in 10 years at an anticipated cost of 400,000 million lire. Italian ingenuity and Allied co-operation have already achieved a remarkable measure of railway rehabilitation (see *Economic Notes* of April 19), but even on the assumption that raw materials are readily available and Italy has the necessary foreign assets, at least five years will be required to restore the Italian railroad system to pre-war efficiency.

Freight haulage has now reached about 60 per cent. of the pre-war average. The figures for steam and electric locomotives and diesel cars in service show a decrease from 5,533 in June 1939 to 2,037 in March, 1946. But while more than 50 per cent. of the pre-war locomotives and diesel cars are in service, the condition of some of them is such that

Rolling Stock

Serviceable passenger rolling stock is less than one third of the 1939 figure (1,722 against 6,350), and effective carrying capacity is little more than 10 per cent of pre-war, owing to reductions in speed.

The total number of freight cars has decreased from 125,936 in 1939 to 79,850 in March 1946, due to bombing, German looting and other war damage. At the present time there are some 40,000 damaged freight cars which could be put back into service but present workshop facilities only permit of repairs to 2,000 cars a month. Given additional coal, this number could be greatly increased.

The very short supply of railroad freight cars has been aggravated by the necessity for converting closed cars into passenger coaches to meet the heavy demand for passenger services. Stocks of tarpaulin sheets for goods wagons have been reduced from 40,000 pre-war, to about 3,000 now, thus necessitating the use of more closed cars.

Though Italian State Railway rates have been increased roughly by 400 per cent. and more, over pre-war figures, existing tariffs do not cover costs, and the operation of the system is a constant drain on the Italian Treasury. The fact that railroads have not increased in proportion to the general level of prices, has made abnormal demands on the very limited railroad facilities.

Railroad efficiency is further hampered by single line working in place of pre-war double track, and the removal—for more urgent use elsewhere—of track from sidings and marshalling yards. In some instances the whole track has been removed, and the original railbed used as a highway. Repairs carried out under the stress of military necessity and civilian urgency were in the nature of makeshifts, completely inadequate from the standpoint of permanent reconstruction. In the North, where track damage was less, most of the

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TANNING TENDERS INVITED

Tanneries in Campania have already been invited to submit bids for the tanning of 544 tons of raw hides, imported by UNRRA and now in Naples warehouses. Payment will be made in lire and imported tanning extract will be supplied. Closing date for bids is 30 June.

This is the first importation of UNRRA hides. They are to help to provide shoes for needy groups of the population. It represents also another project in the UNRRA program to further industrial rehabilitation by promoting wherever possible the manufacture of UNRRA materials in Italy.

Tanners bidding for the work are required personally to inspect the hides before submitting bids. Transportation of the hides from the warehouses to the tanneries and free storage for the finished leather for a maximum of three months after completion of the contract must be included in the bids. Payment will be made after testing and approval of the finished leather upon receipt of notice that it is ready for delivery.

Tenders must also include the following information: (1) the exact yield of finished leather to be produced; (2) the quantity of dry tanning extract needed; (3) the price per kilogram for tanning; (4) the date of completion of deliveries.

UNRRA reserves the right to reject any bids from firms which, in the judgment of UNRRA officials, are not capable of guaranteeing satisfactory performance.

MOVEMENTS OF SHIPS

(JUNE 17 - 23 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	QUANTITY
Fort Bambino	Naples	17 June	UNRRA	Miners' Pit Helmets	—
John Holland	Naples - Genoa *	" "	"	Wheat flour	6,615 tons
				Cotton	743 "
Foreland	Naples	" "	"	General	—
Silver Star	"	" "	"	"	—
Bridgepool	Castellamare - T. Annunz. *	" "	"	Oats	7,113 tons
Cattaro	Naples	18 "	"	Med. Supplies	13 "
John Hathorn	Castellamare - T. Annunz. *	" "	"	Wheat	8,049 "
Thompson Lykes	Genoa	" "	It. Govt. - UNRRA	General	4,000 "
Langlee Gale	"	19 "	UNRRA	Oats	8,501 "
Fort McLaughlin	"	" "	UNRRA - Comml.	General	7,000 "
Almira Lykes	"	" "	It. Govt. - UNRRA	General - Comml.	4,085 "
Pelorum	Catania - Palermo *	21 "	UNRRA	Wheat	7,251 "
Fort Boise	Naples	" "	"	General - Food	1,760 "
Reuben Tipton	Genoa	22 "	UNRRA - Comml.	General	3,325 "
Margaret Brent	Castellamare-Civitevecchia *	23 "	UNRRA	Oats	8,244 "

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Fort Boise	Naples	" "	"	General - Food	1,760 "
Reuben Tipton	Genoa	22 "	UNRRA - Comml.	General	3,845 "
Margaret Brent	Castellamare-Civitavecchia *	23 "	UNRRA	Oats	8,244 "
Erria	Genoa	" "	"	General	5,393 "

** Arrived at first-named port on the date shown; discharging at the second port later*

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

24 June 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 21 JUNE 1946

Present:

Economic Section	Col. C. W. Walton Lt. Col. R.E.Horn Lt. Joseph W. Dunber
Industry and Utilities Branch	Major L.W. Loughlin Major T.G. Elliott
CCM Branch	Lt. Col. J. A. Campbell
Transportation and Shipping Branch	Lt. Col. W.P. Scoggins
Commerce (FT) Branch	Major G.A.F. Rothey
Wdg/Bldng Sup. Opns. Branch	Lt. J.M. Arensberg Lt. Gilbert Mellin

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

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

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

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

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

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

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

6. Major Laughlin reported that the P.O.L. situation remains the same as for last week with the exception of gas oil which has been increased from 45 to 60 days' supply. This increase now places all P.O.L. stocks in a satisfactory condition.

With regard to the C.I.P. petroleum workers' strike, conferences have been held and a formal meeting is to take place at the end of June 1946.

The coal allocations for July are set at 390,000 tons. This compares with the June allocations totaling 435,000 tons.

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

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

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

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

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

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

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

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

The meeting adjourned at 4:45 p.m.

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

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Fin. & Shipp

17 June 1946

Ref: 1.27/ES

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 17 JUNE 1946

Present:

Economic Section

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

Industry and Utilities Branch

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

CEM Branch

Lt.H.D.Phillips

Transportation and Shipping Branch

Lt.Col.W.P.Scoggins

Food & Agriculture Branch

Lt.Col.R.R.Snapp

Commerce (FT) Branch

Major G.A.F.Rothey

VG/Udine Sup. Opns. Branch

Lt.J.M.Arensberg
Lt.Gilbert M.Mellin

Executive Commissioner's Office

Capt.Delos DeJohn

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The meeting adjourned at 5:15 p.m.

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

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

10 June 1946

Ref: 1.27/ES

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 10 JUNE 1946

Present:

Economic Section	Col. C.W. Walton Lt.Col. C.G. Webster, Jr., Lt.Col. F.E. Horn Lt. J.W. Durber
Industry & Utilities Branch	Col. H.M. Walker Maj. L.W. Laughlin
Food & Agriculture Branch	Lt.Col. R.R. Snapp
Transportation & Shipping Branch	Lt.Col. W.P. Scoggins
Commerce (FT) Branch	Maj. G.A.F. Rothey
VG/Udine Sup. Opns. Branch	Lt. J.M. Arensberg

Col. Walton presided:

1. Col. Walton reported that Lt.Col. Horn is working out with the Italian Government the provision of guards for the various types of property taken over from the British and U.S. Army surplus, and captured enemy material, on which the Italians are having a difficult time. The determination of what the Italians are doing with the guards they have now will be necessary before trying to get additional guards from the Ministries for MMIB and the Air Force Sub-Commission.

2. Col. Walton stated that Major Harrison is ready to take any files for archives as soon as they are completed. All Branches reported that their files are being worked on.

3. Maj. Laughlin reported that the P.O.L. situation remains the same as for last week:

Motor gas	60 days' supply
Kerosene	70 days' supply
Fuel oil	60 days' supply
Gas oil	30 days' supply

Endeavors are being made to bring the gas oil stock up to at least a 60 days' supply. No change has been reported in the continuance of the petroleum worker's strike, and further action will not be taken until 15 June, when

reopened. Industry [illegible] to follow up on this matter.

The coal stocks as of 1 June are about 600,000 tons. The June estimated arrivals from all sources are 300,000 tons. The allocations permitted for this month are set at 425,000 tons leaving an estimated stock of 475,000 tons at the beginning of July. No news is available as yet on actual shipments from the U.S., but it has been reported that loadings have been resumed. Sardinian coal production for May was 88,854 tons.

4. Maj. Laughlin reported that the representative from the CIELI Co. (Italy) had returned from Paris where he had been attending a meeting regarding the French contract for sale of power to France. The surcharge was settled on a basis of 175%; whereas the CIELI Co. has been charging its other customers 200%. The contract for the sale of power to France was tentatively extended for an additional 6 months from 30 June 1946. In about a week's time information should be available on how the differences were worked out on the lire exchange for services due the Italian Company prior to 31 December 1945. The power plants are located in one of the formerly disputed areas near the French Italian border.

The main storage reservoirs in Northern Italy supplying water for the bulk of power required, are 15% filled. The real filling starts in April and continues during the summer, from melting snows in the Alps. The reservoirs in the Adriatic area are now full. In Southern Italy the Sila Reservoirs show storage of 232,000,000 KWH or about 80% of full capacity and not much more filling is expected. The reservoirs started off last year at full capacity, however, the deficiency will be offset somewhat by restored generating plants and power coming from Central and Northern Italy. In Central Italy the storage reservoir position has shown no improvement.

Some rationing will be necessary this coming fall and winter. After the coming winter is past the electrical situation will be much better as more plants will have been rehabilitated in the meantime. Drought conditions will then be the only factor having an adverse effect on Italian power supplies.

5. Lt.Col. Snapp reported on the food situation. According to UNRRA's figures for June there is a deficit of 15,000 tons and they have estimated a very low amount to come in from the new harvest. There is no likelihood of a bread famine despite the rumors, as the black market price has not increased. The Supreme Command at Caserta stated that 3,500 people reported they were entirely out of bread. UNRRA investigated this and found that the Province as a whole had 16 days' supply, but the Prefect had interpreted the Government's Decree that if the Commune did not turn in its share for amassing it would not get any help.

The new amassing plan calls for certain payments in Rome for wheat. The gross returns from wheat may be expected to be as high as $106.00 an acre (2.4 acres in a hectare) and the crop for June is good. The estimated wheat crop is 6 mission tons and the amassing goal this year should be about 3 missions. The estimated increase over last year in corn and barley, wheat and rye, except rice, will be the equivalent of more than one ship load a day for a year. The current wheat situation in Venezia Giulia is not good. Arrangements are being made by G-5 to borrow flour from the British Army until shipments of wheat arrive for Venezia Giulia.

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6. Lt.Col. Scoggins reported that 91% of pre-war railway lines are now in operation, though some of the double tracks are only temporarily repaired. Probably no more than 60% pre-war line capacity if available.

7. Maj. Bothey reported that British officers about Rome on official business are badly off with regard to transport and Col. Welton stated that he would look into the matter.

8. Lt. Arensberg reported that a VG/Udine ship will arrive about the 24th of June carrying flour. He stated that the wheat stocks for Udine will last until about 14 June.

9. Lt.Col. Webster stated that 16 June has been set as the dead line for turning in the final reports as to the number of Italian civilians needed in A.C.

The meeting adjourned at 1640 hours.

CARLOS C. WEBSTER, Jr.,
Lt. Col., FA
Chief Staff Officer.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

3 June 1946

Ref: 1.27/ES

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 3 JUNE 1946

Present: Economic Section	Col.C.W.Walton Lt.Col.C.C.Webster,Jr. Lt.Col.R.E.Horn Lt.J.W.Durber
VG/UD. Sup. Opns. Br.	Lt.J.M.Arensberg Lt.G.M.Mellin
Industry & Utilities Branch	Col.H.M.Walker Maj.L.W.Laughlin Capt.T.G.Elliott
Transportation & Shipping Branch	Lt.Col.W.P.Scoggins
Food & Agriculture Branch	Lt.Col.R.R.Snapp Lt.Col. Comper
Commerce (FT) Branch	Maj.G.A.P.Rothey
CEM Branch	Lt.Col.J.A.Campbell

Col. Walton presided:

1. Col. Walton stated that there is not much change in the situation concerning AC's future. Things are no more definite than they have been for many weeks. There is an important change in the Econ.Section which is the loss of Lt.Col.Cowper. Lt.Col. Snapp will carry on activities as Director of Food & Agriculture Branch. Col. Walton thanked Lt.Col.Cowper in behalf of all,for his excellent work in the Economic Section and wished him success in his new undertaking. Col. Walton reminded the various representatives of each branch of the monthly report for May. The dedline is set for June IO.

2. Lt.Col.Snapp stated that there was little change in the food situation. A summary has been prepared which was turned in to Col.Walton. However,he added that the amassing decree for the new crop is out. The prices are not stated but it has been learned that they have been published in the newspapers. They are very much higher than they were last year, about 2½ times higher. He also stated that a bonus is being offered for wheat to be delivered in June as well as the early

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part of July. He further stated that the American tractors were distributed and working and that only 6 are left in the warehouses at Piacenza;

3. Lt. Arensberg reported that notice has been received that a flour ship is scheduled to arrive for Venezia Giulia.

4. Maj. Rothey stated that there was nothing new on Italian Foreign Trade. On the question of sugar to be processed in Italy no licences would be granted for the manufactured of liquors. However, the transfer of sugar to be processed in Italy does not effect final allocation of sugar by CFB for Italy. Further indications show that the Italian Government made a statement to the wine and spirit dealers here that temporary imports were going to be allowed, even going so far as to issue a circular quoting prices.

5. Lt.Durber stated that the record for the Economic Section are in fair shape in some spots and that they are about 50% ready for the archives. Col.Walton directed weekly reports to be made on the records situation in the various branches.

6. Col. Campbell reported that a number of letters had been sent out to firms selected from the CEA files. Quite a number of responses have come in which are being tabulated. Col. Walton stated that he would like to see a full case typical of these instructions.

7. Capt. Elliott reported that the Sawmill near Forli, the molasses and syrup factory and S.A.P.I.A. plant at Forlipompoli had been derequisitioned. R.E.M.E. and Ansaldo are now working out an agreement on their problem. On the question of re-requisition of hotels, Col.Walton stated that subject was being handled by the Office of the Exec.Com.

8. Maj. Laughlin stated that there was nothing new on the power situation since the people who left for Paris to contract for the purchase of power have not as yet returned. With respect to the road project for Udine-Venezia-Giulia, a cable has been received from AFHQ which will call for review of the project, before they will consent to it.

9. Col. Walker stated that the POL situation has been improved considerably in the past few weeks. There is now on hand from about 30 to 70 days supply of motor gas, kerosene,

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fuel oil and gas oil. Negotiations to settle the Petroleum workers strike have failed to accomplish results. There is not much change in the local situation except that the bituminous coal strike in the U.S. has ended. No definite news as to, when shipments for Italy will be resumed. However, the present stocks in Italy are about 600,000 tons. The Coal Emergency Committee has authorized consumption of of 425,000 tons, an increase of 75,000 tons for June. The May arrivals were approximately 336,000 tons from all sources.

The meeting adjourned at 1640 hours.

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

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

27 May 1946

Ref: 1.27/ES

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 27 MAY 1946

PRESENT:

Economic Section	Col. C. W. Walton Lt. Col. G.C. Webster Jr. Lt. Col. R.F. Horn Lt. J.W. Durber
V/G/Ud. Sup. Opns. Branch	Lt. G.M. Mellin Lt. J.N. Arensberg
Industry and Utilities Branch	Maj. L.W. Laughlin Capt. T.G. Elliott
Transportation and Shipping Branch	Lt. Col. W.F. Scoggins
Food & Agriculture Branch	Lt. Col. R.R. Snapp
OFM Branch	Lt. Col. J.A.Campbell
Commerce (FT) Branch	Maj. G.A.F.Rothey

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

1. Col. Walton announced that last months' reports were very good and interesting. They show that each is thinking in a smaller area and that we are still functioning, although on a diminishing scale. It was requested that all of this months' reports be handed in at the scheduled time.

2. As a result of the Paris conference it looks as though the future of ALCOM is short-lived. Col. Walton stated that Lt. Col. Horn is here from the Milan Food Office and will work with Lt. Col. Webster.

3. Col. Walton reported that it was expected that we would be relieved of the V/G supply responsibility by 1 June, but now the date has been set as 15 June.

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4. Lt. Col. Tooty is taking over the non-distribution of imported goods, but so far only promises of action have been made, as in the case of 754 tractors stored in warehouses.

5. Col. Walton announced that he and Major Rothey are attending weekly meetings on the readjustment of foreign trade and it had been hoped to send a mission to Germany to study trade in the American Zone, but the Embassy has taken this over.

6. Lt. Col. Snapp announced the cereal situation is about the same as reported a week ago. The estimated stocks on hand 31 May are approximately 50,000 tons and those on hand as of 7 June are approximately 6 tons. Therefore the pinch will come in the period 1--15 June. With regard to the wheat crop, increases alone over last year's production will amount to 3,100,000 metric tons; or an estimated increase of 45% over last year. UNRRA has reported a large importation of farm machinery.

7. Maj. Laughlin announced that he had received a translation of the minutes and conclusions reached at the Ministry of Public Works on the proposed highway construction in Udine and Venezia Giulia. They have gone on record in favour of the project and have written a letter to Amg. Udine, requesting their section. Estimated expenditure in Udine will be about 6 billion lire and in Venzia Giulia 8 billion lire, total 14 billion lire. Construction will extend over a period of 4 years and will start in about 4 months. Projects will relieve unemployment, as much of the work will be done by common labor.
It was reported that the manager of the Friuian Company has gone to Paris to attend a meeting on the sale of electricity to France and we will be given particulars as soon as they are available.

8. Lt. Arensberg commented on the medical supplies lying in a warehouse in Bari which are consigned to us, but have not been distributed, including some insecticide. Insecticide is urgently needed in Udine, and Col. Walton requested that he see about getting this shipped to Venezia Giulia.

9. Capt. Elliott reported on a meeting at which the Arms' factory was discussed. The conclusion was drawn that

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no control is being exercised over this factory and it was recommended that MFAA is the most suitable agency to execute this control.

10. Lt. Col. Scoggins reported that the rail line from La Spezia to Parma will be reopened in two days.

11. Lt. Col. Campbell announced there was a further quantity of captured enemy material reported from Milan for collection.

12. Maj. Rothey reported he had received a letter from a ceramic factory in Naples informing that its premises were requisitioned by the Italian military. Col. Walton suggested that the letter be turned back to the firm, telling them to apply for assistance to the Italian Government, possibly to the Ministry of Industry and Commerce, as we should not become involved in derequisitioning of this type.

14. Col. Walton discussed the cutting down of civilian personnel with the representative of each section, but felt we should not cut down too much in case any emergency should arise.

15. Col. Walton reported little change in the coal situation. It is hoped to bring in 300,000 tons by the end of June.

The meeting adjourned at 16:45 hours.

/s/

CARLOS G. WEBSTER Jr.
Lt. Col. FA
CSO

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

Ref: 1.27/ES

21 May 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 20 MAY 1946

PRESENT:

Industry and Utilities Branch	Col. H.M. Walker
	Maj. L.W.Laughlin
	Capt. T.G.Elliott
Economic Section	Lt. Col. C.G.Webster Jr.
	Lt. Col. F.W.Looby
	Lt. J.W.Durber
Food & Agriculture Branch	Lt. Col. W.R.A.Cowper
CEM Branch	Maj. F.C.G.Bates
Transportation Branch	Lt. Col. W.P. Scoggins

Meeting opened at 16:00 hours. Colonel Walker presided

1. Col. Walker reported that the branches should be prepared for a call to reduce the number of civilian employees and suggested that each branch make a careful survey of the people it has, those it can release, and those it desires to retain.

2. Maj. Laughlin announced that a request had been received from Lt. Col. J.F. Foden in Trieste for two engineers with administrative experience, to become members of the board which directs the management of electricity, water and gas in Trieste. These utility services are in serious financial difficulties, also that there would be a meeting Wednesday in the Ministry of Public Works office between the Minister and representatives of A.M.G. XIII Corps in connection with financing of projects in the Trieste area to ease unemployment. The question of renegotiation of the contract for sale of electricity between Italian and French governments has not yet come up. The meeting held the past week dealt with payments for power supplied to the French company prior to the change in

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the lira rate in December 1945 and the question of surcharges in this service, which the Italian company charges all its other customers in North Italy. The newspaper "Il Messaggero" carried a story that the "Inter Allied Commission" had visited the hydroelectric plants which are involved in this matter.

3. Lt. Col. Cooper announced there is a chance the bread ration will be cut, but the Italians are apparently trying to evade the issue until after elections. A meeting will be held later in the day wherein a final decision should be reached on the rationing and not later than 23 May.

4. Lt. Durber suggested that the chief clerks check for any old files that should be prepared for archives.

5. Col. Walker reported that P.B.S. has made the following releases of bulk petroleum products during the current month, all quantities are in barrels of 42 U.S. Gallons:

Date	MOGAS	KERO	GASOIL	FUEL OIL
2	260,000	50,000		
4		70,000	70,000	
7			25,000	
20	270,000	170,000	95,000	1,160,000
TOTAL	530,000	290,000	190,000	1,160,000
Estimated consumpt. in May	207,000	79,588	183,590	713,000
Balance	223,000	210,412	15,410	447,000

This in effect means that with the exception of Gasoil, P.B.S. has released to CIR all fuels which were slated to be imported into Italy up to May 31st. On Gasoil there is still a backlog of 500,000 barrels. There is a more comfortable stock of POL products than we have ever had in Italy before. The anticipated arrivals of solid fuel before the end of June from all sources are as follows:

I.C.C. allocations	206,500	tons
UNRRA cable	97,000	"
British Military	33,000	"
	336,500	"

The Emergency [illegible]c. Committee on coal has [illegible] an excellent job

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in causing the least damage to Italian economy. They have about 70 days stock of coal which is more than they have ever had, and with curtailed traffic they are good for two months if they don't receive any more.

The meeting adjourned at 16:00 hours.

CARLOS G. TESTER Jr.
Lt. Col. EA
CSO

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES 7 May 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 6 MAY 1946

Present:

Economic Section	Col. C.W.Walton Lt. Col. C.G.Webster Capt. T.D.Morgan
Industry and Utilities Branch	Col.H.M.Walker Col. G.F.Parker Maj. L.W.Laughlin Capt. T.G.Elliott
CEN Branch	Lt. Col.J.A. Campbell
Transportation and Shipping Branch	Lt. Col.W.P. Scoggins
Food & Agriculture Branch	Lt. Col. VR..A.Cowper Lt. COL. R.R.Snapp
Commerce (FI) Branch	Capt. G.A.F.Rothey
VG/Udine.Sup. Opns. Branch	Lt. J/M.Arensberg

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

1. Colonel Walton requested that all final reports be submitted as soon as possible. Where necessary officers now in UNRRA should be called up in the preparation of the reports.

2. Lt. Col. Campbell stated that all RUK records have been boxed and transportation has been arranged to move them to the new location by the end of the week. Thereafter they will be set up in library form for ready reference by all interested parties.

With regard to the turn overs in forward areas, there are not many large dumps involved but some of the blocked material is now being released. Arrangement has been made with 3 District whereby they release it immediately or take it for military purposes.

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3. Lt. Col. Cowper stated the food situation is about the same as last week. The stocks on hand are 131,000 tons and the estimated May arrivals 190,000. As of 1 June the estimated stocks on hand will be 48,000 tons.

The decree on extra amassing has not yet been passed due to the Prime Minister's absence from Rome, but the Govern - ment is proceeding with plans as if the decree were in effect. It is anticipated that the decree will produce good results largely because of the localization of responsibility.

Price remain about the same, with a slight downward trend.

4. Colonel Walton said that in the Foreign Trade area we are out of the RCL business but still in the business of coordinating international trade, between other Allied Military missions. Colonel Walton and Capt. Rothey asked that whenever a problem involving foreign trade with such military missions comes to notice in any of the Branches, that Capt. Rothey be in - formed and consulted on all developments.

5. Lt. Arensberg stated that all requirements for VG/ Udine have been submitted and some revisions are now being pre - pared.

6. Lt. Col. Snapp reported that the crops in Sardinia and Salerno are being threatened by grasshopper damage, but that UNRRA is attempting to furnish the necessary equipment and poi - son to combat them.

There has been a good rainfall in all Italy with the exception of Venezia Giulia/Udine region. Colonel Walton asked that Lt. Col. Snapp contact the Hydrographic Office of the Italian Government for data concerning the rainfalls.

7. Col. Parker stated that rationing restrictions on electric power have been reduced in the Central and South of Italy, but attempts are being made to control the use of ad - ditional power by not authorizing new connections of household equipment. It is hoped that this control will be effective so that in the fall additional restrictions and rationing will not be necessary.

8. There are no new developments in regard to de--re-

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quisitioning, Capt. Elliott reported. However, two cases submitted in the past week by the Italian Government were found to have been completed. The Italian Government has been requested to more carefully prepare and check the requests before their submission to AC.

9. Col. Walker said that Minister Cronchi has not yet prepared his pro-memoria on CIF. This will be followed for action.

With regard to coal, there has been no change with regard to future prospects. During April 722,600 tons arrived in Italy from all outside sources; 82,394 tons were shipped from Sardinia to the Mainland.

POL situation - gasoline, 37 days; kerosene 50 days; deisel oil 15 to 20 days. The situation with regard to deisel oil is causing considerable concern. Action is being taken to try and get PRS to make releases of oil in the areas where it is most needed.

10. Lt. Col. Webster reported that to date only two monthly reports have been received. All reports are to be in this office before Friday.

11. Reporting on the maldistribution problem Colonel Walton stated that the problem seems to be one of pricing. In a recent conference with the Minister of the Treasury the Minister pointed out the necessity of recovering on the goods at least the lire equivalent of the dollars and pounds entered as a charge against the Italian Government. The Minister has promised to confer with all other Italian Government departments to try and arrive at some equitable conclusion which will improve the situation.

Although UNRRA has now stated that they accept responsibility for and will conduct distribution on food only, there are definite indications that they are interesting themselves in other cases of maldistribution, such as tractors and farm equipment, medical supplies, etc. This in conjunction with public pressure now appearing in the press, it is hoped will force improvement of the situation.

The meeting adjourned at 1645 hours.

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

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

4 May 1946

Ref: FS/127

MEMO

TO : Economic Section Branches

1. The day and time of the weekly meetings of the Economic Section are changed from 11:30 Wednesdays to 16:00 Mondays.

2. The purpose of the change is to permit the A/VP to be better prepared to report on the Economic Section business at the weekly meetings with the Executive Commissioner.

3. Branch directors will therefore be prepared at these weekly meetings to report on the latest status of the work in the various branches.

for CARLOS G. WEBSTER
Lt. Col. FA
Chief Staff Officer

Distribution:

CEM	Lt. Col. Campbell
Food & Agriculture	Lt. Col. Cowper
	Lt. Col. Snapp
Industry and Utilities	Col. Walker
	Col. Parker
	Capt. Elliott
Transportation and Shipping	Lt. Col. Scoggins
Commerce	Capt. Rothey
Venezia Giulia	Lt. Arensberg
Administrative Staff	Capt. Morgan
	Lt. Durber

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

2 May 1946

Ref: 1.27/ES

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 1 MAY 1946

PRESENT:

Economic Section — Col. C.W.Walton
Lt. Col.C.C.Webster
Capt. T.D/Morgan
Lt. J.Y.Durber

Finance Branch — Lt. Col.R.E.L. Timmons

VG/Ud. Sup. Opns. Branch — Lt. J.M. Aronsberg

Industry and Utilities Branch — Col. H.M.Walker
Col. G.F. Parker
Capt. Laidlaw

CDB Branch — Lt. Phillips

Food and Agriculture Branch — Lt. Col. V.R.A. Cowper
Lt. Col. R.R.Snapp

Commerce (FT) Branch — Capt. G.A.F. Rother

Transportation Branch — Lt. Col. Scoggins

Meeting opened at 11:30 hours. Colonel Walton presided.

1. Col. Walton expressed regret that this is Lt. Col. Timmons last meeting with us as he will be leaving in the next few days for the U.S.

2. Col. Walton raised two issues discussed at the Executive Commissioner's meeting. (1) Reduction in civilian personnel: It is the impression that civilian personnel are being held longer than necessary. It was reported that the Executive Commissioner would get out some instructions

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on the matter, perhaps a flat percentage reduction; therefore each branch should be prepared for this reduction.

(2) Discussion of change in office hours: A proposal had been made previously by Col. Ross that office hours be changed from 8:30 - 12:30 and from 1:30-5:30. Col. Walton announced that the present working hours, from 8:30-12:30 and from 2:00 - 6:00 will probably continue in affect.

3. Col. Walton reported on the Udine conference; at which were representatives of G-5, 13th Corps, and AMG Udine. There was discussion on AFHQ's relationship with AMG territory, and our principle duty in the relationship of supply matters. G-5 had the conviction that AFHQ should deal with AMG territory: also recognized that in the supply business with AMG territory, there are sometimes contacts to be made with the Italian Government and UNRRA in Rome, and concluded that these contacts should continue to be made by AC, and the results reported to AFHQ. The question was also discussed of whether G-5 should deal with AMG or VG/Ud, and Udine voted that they be left under AFHQ control. The 13th Corps, not taking a position, felt they were able to handle the Udine problems in matters of allocations and the question was left open - that G-5 would prepare a directive to send to AC for comments. At the moment we are still in the supply business for AMG territory and Lt. Arensberg has completed the program for the last half of 1946 and forwarded it to AFHQ.

4. Col. Walker announced little change in the coal situation, but reported on 2 proposals for the future as advanced by the ECO in London: (1) The spreading of coal pro rata for all country allocations. (2) The spreading of coal pro rata over the total supply, including indigenous products. About 200,000 tons would be provided for Italy, the principal source being the Ruhr and some from South Africa. The Belgian and French Governments are contesting this as they would lose on the quantity of coal shipped to Italy. The outcome has not been decided. It was also announced that UNRRA does not want to buy Turkish coal. The monthly production of Sardinian coal is 100,000 tons, anthracite 15,000 tons and lignite 150,000. Col. Walton asked that a report be obtained on the rail-line accomodation where lignite could be procured.

5. Col. Walton announced that CIF arrangement for control of petroleum products was set up by the Allies and its principal Board has 2 Italian representatives and 3 represen tatives for

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Anglo-American interests. The Italians have undertaken to change this Board, thus dominating it, but the originators of CII are trying to get the Italian Government not to recognize the Board for 4 or 5 months, after which time it is thought that these companies will be back on their feet. He stated that the Executive Commissioner pointed out that perhaps this is one of the activities ALCOM could ease out of and could be handled by the American and British Embassies, plus UNRRA.

6. Lt. Col. Scoggins reported on the transportation situation. An Italian delegation left for the U.S. to discuss the purchase of 50 Liberty ships. The Italian Government has guaranteed payment for the ships and the Italian ship owners have agreed to reimburse the Government.

7. Lt. Phillips reported the CCM Branch had nothing to bring forward. Col. Campbell will be back on Friday and it was suggested that he push the movement of goods from the depots in the north.

8. Col. Snapp reported on the timber situation in Udine. A representative is coming from Udine to Rome and will discuss that a price be fixed on the supplying of timber to the Army. The Army has announced its plans for timber harvesting in the north-reducing its requirements from 13,000 tons to 1,000 tons per month. Part of the cutting will be transferred to Belluno Province.

9. Lt. Arensberg reported that AFHQ has acknowledged receipt of program for second half and they are starting pro - curement activity and sent a revision of TOL requirements. The food requirements for both areas have been approved and sent forward, for approval of CCS.

10. Col. Parker announced that 110,000 KW of power is now being supplied from North Italy to Central and Southern Italy. About 30,000 KW of this power is going to Southern Italy and this amount will be increased in June to approxi - mately 50,000 KW, making a total of 130,000 KW coming from the North. The remaining 80,000 KW will be supplied to Central Italy and the Florence-Leghorn area, which has been considered as part of the Central Italy grid. Most of the power coming from the North is not to be considered as additional energy for Central and Southern Italy, but is being used to replace for the

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deficit resulting from dry weather in these areas and to allow for refilling the main reservoirs for next winter's operation. This is particularly true in the case of the Sila reservoir in Southern Italy.

12. Lt. Col. Snapp reported that the present rainfall has helped the crop outlook and Col. Parker suggested that rainfall figures could be obtained from the Ministry of Public Works.

13. Lt. Col. Cowper announced there was little change in the food situation. The Italian Government is working on an extra guassing plan concerning the prefects. The sugar situation is much better - 15,000 tons of sugar will be here by the middle of May.

14. Lt. Col. Timmons expressed regrets on his leaving and stated that in the future Lt. Col. Webster will handle finance matters.

15. Lt. Col. Webster stated that monthly reports are due and the deadline is May 10.

The meeting adjourned at 12:45 hours.

CARLOS G. WEBSTER, JR.
Lt. Colonel, F/
Chief Staff Officer.

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

24 April 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 24 APRIL 1946

PRESENT:

Finance Branch	Lt. Col. B.E.L.Timmons
Economic Section	Lt. Col. C. G. Webster, Jr. Capt. T. D. Morgan Lt. J. W. Durber
Transportation & Shipping Branch	Lt. Col. W. P. Scoggins
Industry & Utilities Branch	Col. H.M. Walker Col. G. F. Parker Capt. T. G. Elliott
CEM Branch	Major F.C.G. Bates
Food and Agriculture Branch	Lt. Col. V.R.A. Cowper Lt. Col. R.R. Snape
Commerce (FT) Branch	Capt. G.A.F. Rothey

Meeting opened at 11:30 hours. Lt. Col. Timmons presided.

1. Lt. Col. Timmons reported that on 19 April UNRRA presented a letter to the Italian Government indicating that the stock of wheat would be 12,000 tons on June 1, if the present ration was maintained. After receipt of this communication the Italian Government held a meeting with UNRRA on 20 April. The Italian Ministry of Agriculture believes there can be supplementary amassing or a cut in the ration but not both. No final decision was taken. At a meeting of the Council of Ministers on 23 April, authority was delegated to the Prime Minister to cut the ration to 150 grams if the Prime Minister's telephone conversation with Mr. La Guardia later in the day produced no new result. Mr. La Guardia informed the Prime Minister that two ships were being directed to Italy, with 16,000 tons of wheat on board. Seven ships from the Argentine bearing wheat should arrive in June. The latest estimate on the present ration is that on 15 May there will be 10,000 tons of wheat and it is necessary that three or four ships bearing wheat should arrive here before 10 May. The Italian Government will undoubtedly make efforts to increase the ration before the election. The danger is that the ration will be allowed to run down after the election, with grave shortages developing. However, as of this date no ration cut had been announced.

2. Col. Walker announced when the coal strike began about one quarter million tons of coal were stocked in Italy. Arrivals have built the stock up to 1,200,000 tons. If the strike is not over by 15 May, Italy will feel the crisis in July.

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Transportation & Shipping Branch	Lt. Col. W. P. Scoggins
Industry & Utilities Branch	Col. H.M. Walker Col. G. F. Parker Capt. T. G. Elliott
CEH Branch	Major F.C.G. Bates
Food and Agriculture Branch	Lt. Col. V.R.A. Cowper Lt. Col. R.R. Snapp
Commerce (FT) Branch	Capt. G.A.F. Rothey

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The POL situation stands thus today: 30 days' supply of gasoline, 25 days for diesel oil and 30 days for fuel oil. The stocks held by the military are high owing to recent arrivals and generally does not give cause for anxiety, with the exception of diesel oil, which is in short supply.

3. Col. Parker announced that five electric companies in Central Italy have been and are still operating on a central grid network system. The power of these companies is controlled by a central load dispatcher through the Master Control Center in Rome. This scheme was placed into effect by

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the Electrical Division of AC and it is expected that the Italian Government will continue the arrangement with the complete supervision of the Master Control Room coming under the control of the Regional Commissioner for control of electric power in Central and Southern Italy. There is to be a joint meeting in Rome on April 26 of the Advisory Committees of Central and Southern Italy for electric power. The subject of the Master Control Center will be one of the topics of discussion at the above meeting.

The Italian Government has asked AC for permission to supplement the present public works program in Venezia Giulia for the purpose of relieving unemployment and to improve the housing situation. The Government's recommendations, which includes the furnishing of additional funds and material, if necessary, have been forwarded to 13th Corps, AMG, for consideration and recommendations. The Public Works Officer, Major Richardson of Venezia Giulia, stated that one of the main handicaps in employing a large volume of labor was the fact that there was not sufficient skilled labor such as carpenters and brick layers to carry out many important projects.

4. Col. Snapp announced that the Italian Government has arrived at a satisfactory decision regarding timber cutting in Udine. Part of the cutting will be transferred to Belluno Province.

5. Capt. Rothey reported no final action has been taken as yet regarding U.S. procurement officers from Austria to purchase fruits and vegetables in Italy.

6. Lt. Col. Webster announced he had received reports from various branches on mal-distribution of goods and commodities, (including tractors, and mining machinery) turned over to Italian agencies. He will complete his report in a day or two when he has received information on medical supplies, clothing and shoes.

The meeting adjourned at 12:15 hours.

Carlos Webster Jr

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

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref.: 1.27/ES

19 April 1946

MINUTES OF THE ECONOMIC MEETING
STAFF MEETING HELD 17 APRIL 1946

PRESENT:

Economic Section	Col. C.W.Walton Lt.Col. C.B.Webster Maj. N.R. Smith Capt. T.D.Morgan Lt. J.W. Durber
Finance Branch	Lt.Col. B.E.L.Timmons
Industry & Utilities Branch	Col. H.H.Walker Col. G.F.Parker Capt. T.C. Elliott
Transportation & Shipping Branch	Lt.Col. W.P.Scoggins
CCM Branch	Lt.Col. Campbell
Food & Agriculture Branch	Lt.Col. V.R.A. Cowper Lt.Col. R.R. Snapp
Commerce (FT) Branch	Capt. G.A.F. Rothey
VG/Ud Sup. Opns. Branch	Lt. J.M. Arensberg

Meeting opened at 11:30 hours. Colonel Walton presided.

1. Colonel Walton announced that Good Friday is not an official holiday. However, all employees are to be given 3 hours for devotions and Italian employees may be given the full day. Heads of Branches will use their discretion as to whether Easter Monday is granted as a holiday to Italian employees.

2. Colonel Walton reported on a meeting called by General Hamblen next week in Udine with reference to the direct relationship of VG/Ud with AFHQ. The party will leave Rome by train on Monday and return on Thursday. Colonel Walton and Lt. Arensberg will be the representatives from Economic Section.

3. Colonel Walton reported on an information message received from AFHQ proposing that under certain conditions UNRRA be responsible for the supply of VG/Ud. Among other things the Combined Chiefs of Staff suggest that the AMG be considered the Government of the area; a separate or special UNRRA Mission for the area be set up independent of the Italian-Yugoslav Mission; that the Mission be headed by a qualified British or

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	Maj. N.R. Smith Capt. T.D.Morgan Lt. J.W. Durber
Finance Branch	Lt.Col. B.E.L.Timmons
Industry & Utilities Branch	Col. H.M.Walker Col. G.F.Parker Capt. T.C. Elliott
Transportation & Shipping Branch	Lt.Col. W.F.Scoggins
CCMI Branch	Lt.Col. Campbell
Food & Agriculture Branch	Lt.Col. V.R.A. Cowper Lt.Col. R.R. Snapp
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American Officer and provision be made for its reversion to SACMED control, if and when necessary; that the supplies now in the pipeline be handed to UNRRA and that UNRRA have the same status as the military before the Combined Allocation Boards. The action on this message still remains in Washington, and undoubtedly will be one of the subjects under discussion in the forthcoming meetings with General Hamblen.

5. Colonel Walton stated that in the Vice President's meeting Mr. Cleveland reported no change in the food and coal situations. UNRRA is somewhat more hopeful with regard to increased allocations of food. The matter under review at current meetings is the diversion of food from the UK to other European countries. The UK representatives have agreed to diversions provided repayment is made, and also provided the US will ration bread. UNRRA has still been promised 150,000 tons of wheat for April, but one-half of the month has gone and only 46,000 tons have been shipped. The Italian Government has not reduced the ration, partly because they don't want to take this step and partly on day to lay advice received from UNRRA.

With regard to coal, Mr. Cleveland reported that between 900,000 tons and 1,000,000 tons have been imported within a period of about a month and a half. The Italian Government has taken a good stand on rationing and stock-piling which is encouraging. However, coal shipments will probably stop entirely very soon on account of the strike and then further rationing steps will be necessary.

6. Colonel Walton reported on a meeting with Dott. De Jorio of ENDIMEA with regard to non-distribution of medical supplies. This seems to be because of lack of agreement between the High Commissioner of Public Health and ENDIMEA as to the channels to be used for distribution. Action still lies with the Public Health Sub-Commission insofar as trying to get the two Italian Government agencies together on a matter of policy.

It was noted that this situation with regard to medical supplies also exists in the matter of non-distribution of clothing, food and farm equipment (including seeds, tools, etc.). Colonel Walton directed that all Branch Heads collect all available figures, specific data and examples, copies of correspondence, etc., on such situations within their field of jurisdiction and submit reports of action taken or to be taken at higher levels in order to eliminate further delays in distribution. With regard to food stored in warehouses in the North which is not being distributed, Colonel Walton asked Colonel Cowper to immediately contact UNRRA officials in an effort to get this food moving into the country.

7. Colonel Walker reported there is no change in the coal figures from those recorded last week. The strike situation is unchanged. There has been shipped 46,750 tons of Sardinian coal so far this week. The POL situation is better this week -- having reached an almost normal stock.

8. Capt. Rothey stated the letter to the Italian Government regarding termination of AC's functions insofar as MCL is concerned has been submitted to the Chief Commissioner for signature. The lists of commodities have been prepared in draft form and will be submitted within the next day or two.

[illegible] of a contract for a monopoly trade between a private

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7. Colonel Walker reported there is no change in the coal figures from those recorded last week. The strike situation is unchanged. There has been shipped 46,750 tons of Sardinian coal so far this week. The GCL situation is better this week -- having reached an almost normal stock.

8. Capt. Rothey stated the letter to the Italian Government regarding termination of AC's functions insofar as ACL is concerned has been submitted to the Chief Commissioner for signature. The lists of commodities have been prepared in draft form and will be submitted within the next day or two.

A question of a contract for a monopoly trade between a private firm in Tripolitania and the Ministry of Foreign Trade has arisen and is being checked by the Commerce Branch.

Also the question of U. S. procurement officers from Austria using dollars for purchase of fruits and vegetables throughout Italy has raised a new problem which is being followed up by Commerce Branch.

9. Lt. Arensberg reported that several of the requirements have been received. Some further justifications are necessary, but these will be in form to submit to AFHQ almost immediately.

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10. Col. Parker stated the Italian Government's proposed plan for supplying power to Sicily has been cleared and the final responsibility now rests with the Air Ministry.

The Italian Government is currently working on an agreement with France for the extension of a contract to supply electric power to the Menton area.

It is planned to push the VG/Ud public works program in order to relieve the current housing and employment situation of the persons coming across the Morgan line. The Italian Government has agreed to assist as much as possible by furnishing certain raw materials for construction purposes.

11. Col. Snapp reported that the crops look very good in the North. It is anticipated that they will be at least as good as last year.

At the moment the Agriculture Branch is working as coordinating agent for shipment of certain vegetable seeds from the North to Austria. It is hoped to get this shipment off immediately.

12. Colonel Timmons stated that the Italian Government has now accepted our various proposals regarding the control of exports and imports into Venezia-Giulia. A delegation from the Italian Government will proceed at once to VG/Ud to set up the accounting system.

13. Lt. Durber requested that if any Branches need additional EMs or ORs in their offices to comply with military regulations regarding security, that personnel requests be submitted to him at once.

The meeting adjourned at 12:25 hours.

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

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The meeting adjourned at 12:25 hours.

CARLOS C. WEBSTER, JR.
Lt. Colonel, FA
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

12 April 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 10 APRIL 1946

PRESENT:

Economic Section	Col. C. W. Walton Lt. Col. C. G. Webster Maj. N. R. Smith Capt. T. D. Morgan Lt. J. W. Durber
Finance Branch	Lt. Col. B.E.L. Timmons
Industry & Utilities Branch	Col. H. M. Walker Col. G. F. Parker Capt. T. G. Elliott
Transportation & Shipping Branch	Lt. Col. W. P. Scoggins
CCM Branch	Lt. Col. Campbell
Food & Agriculture Branch	Lt. Col. V.R.A. Cowper
Commerce (FT) Branch	Capt. G.A.F. Rothey
VG/Udine Sup. Opns. Branch	Lt. J. M. Arensberg

Meeting opened at 11:35 hours. Colonel Walton presided.

1. Colonel Walton stated Mr. Legg reported that the current food situation in Italy is very bad and that UNRRA is definitely recommending a change in rations, so far as wheat consumption is concerned. The brighter side of the picture is that sugar, meat and some edible fats and oils will be available soon and it is anticipated that a ration program will soon be in effect for the distribution of these items.

With regard to blocked foods now being released Col. Cowper was requested to contact Mr. Legg and verify the current position and procedure.

2. Colonel Walker reported that during March 76 ships, from all sources, carrying 623,000 tons of coal have sailed and advices have been received to date of 5 ships from South Africa and 54 ships from the United States, carrying approximately 500,000 tons, are scheduled. Over a two-month period there will be some 1,123,000 tons of coal available.

The strike situation in the States has not changed. It is anticipated the strike will continue for about a month.

Sardinian coal production reached a new high of 88,660 tons this week. It is expected that production will reach 100,000 tons by next month. Increased production is largely attributed to increased food rations.

The current POL situation in Italy is: 21 days' supply of gasoline;

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Finance Branch	Lt. Col. B.E.L. Timmons
Industry & Utilities Branch	Col. H. M. Walker Col. G. F. Parker Capt. T. G. Elliott
Transportation & Shipping Branch	Lt. Col. W. P. Scoggins
CEM Branch	Lt. Col. Campbell
Food & Agriculture Branch	Lt. Col. V.R.A. Cowper
Commerce (FT) Branch	Capt. G.A.F. Rothey
VG/Udine Sup. Opns. Branch	Lt. J. M. Arensberg

Meeting opened at 11:35 hours. Colonel Walton presided.

1. Colonel Walton stated Mr. Legg reported that the current food situation in Italy is very bad and that UNRRA is definitely recommending a charge in rations, so far as wheat consumption is concerned. The brighter side of the picture is that sugar, meat and some edible fats and oils will be available soon and it is anticipated that a ration program will soon be in effect for the distribution of these items.

With regard to blocked foods now being released Col. Cowper was requested to contact Mr. Legg and verify the current position and procedure.

2. Colonel Walker reported that during March 76 ships, from all sources, carrying 623,000 tons of coal have sailed and advices have been received to date of 5 ships from South Africa and 54 ships from the United States, carrying approximately 500,000 tons, are scheduled. Over a two-month period there will be some 1,123,000 tons of coal available.

The strike situation in the States has not changed. It is anticipated the strike will continue for about a month.

Sardinian coal production reached a new high of 88,660 tons this week. It is expected that production will reach 100,000 tons by next month. Increased production is largely attributed to increased food rations.

The current POL situation in Italy is: 21 days' supply of gasoline; 24 days' supply of diesel oil; 60 days' supply of kerosene; and 40 days' supply of fuel oil. The situation on diesel oil is tight, and the proper stock of gasoline would be about 45 days' supply.

3. Colonel Scoggins stated that the press release from Trieste stating that Trieste shipyards had secured a contract for the building of a17,000 ton vessel for the Norwegians is in error. Negotiations are under way, but the contract has not been completed.

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The Italian Government has approved the use of the ports of Ancona and Molfetta for dumping ammunition. AFHQ has been so advised.

4. Lt. Arensberg reported that by the end of this week the requirements for Venezia-Giulia should be in his office and in preparation for submission to AFHQ.

A consignment of British tires has been located, and it is planned to send these to Venezia-Giulia. Colonel Walton instructed that these tires be delivered without delay.

5. Colonel Parker reported that the electric power for Southern Italy has improved. Arrangements for the supply of additional electricity from the North have now been completed, and it is only necessary now for the electric companies to work out the details.

6. Capt. Elliott reported that de-requisitioning requests are increasing rapidly. This work is somewhat complicated by the lack of clerical assistance and the incomplete and inaccurate submissions on the part of the Italian Government.

7. Col. Campbell stated that the Italian Government is now actually moving ammunition from the dumps that have been released by the Allies, to the factories where it can be broken down.

8. Col. Cowper asked whether a draftsman could be made available for part-time work in his office. Col. Parker stated that they have an Italian draftsman in their office, and they will try to work out a satisfactory schedule.

9. Capt. Rothey reported that while he had not been so advised by the Embassies, he thought the notes verbale had been delivered this week concerning AC's proposed withdrawal from RCL functions. Colonel Walton requested that this be verified. Pending an answer to our MOC cable, a draft letter has been prepared giving the date of termination of AC's functions insofar as RCL activities are concerned.

10. In an effort to cut down paper work Colonel Walton asked if further reports on prices and price adjustments from the Italian Government were required. It was the concensus of opinion that these reports are still useful, particularly in the coal and electric power fields. Colonel Walton asked that care be taken to see that included in these reports there are no references or intimations of work to be done by AC, which we are not in a position to do.

11. Major Smith asked that the monthly reports be submitted at once. These reports are due in the Chief Commissioner's Office by the 12th and a certain amount of correlating must be done before transmittal.

Meeting adjourned at 12:20 hours.

NORMAN R. SMITH
Major, AGD

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NORMAN R. SMITH
Major, AGD
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

4 April 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 3 APRIL 1946

PRESENT:

Economic Section	Col. C. W. Walton Lt. Col. C. B. Webster Maj. M. R. Smith Capt. T. D. Morgan Lt. J. W. Durber
Executive Commissioner's Office	Maj. Holmes
Finance Branch	Lt.Col. B.E.L. Timmons
Industry & Utilities Branch	Col. H. M. Walker Col. G. F. Parker Lt. Col. E. W. Tooby
Transportation & Shipping Branch	Lt. Col. W.P. Scoggins
CE: Branch	Maj. F.C.G. Bates
Commerce (FT) Branch	Lt. J. G. Cooper
Food & Agriculture Branch	Lt. Col. V.R.A. Cowper Lt. Col. R. R. Snapp
VG/Udine Sup. Ops. Branch	Lt. J. M. Arensberg

Meeting opened at 11:30 hours. Colonel Walton presided.

1. Colonel Walton reported that Admiral Stone leaves tomorrow for Washington. For the time being, at least, AFHQ does not plan to implement recommendations for proposed changes in the Economic Section. Therefore the present terms of reference for operations remain unaltered.

2. Colonel Walton stated that the present food situation is more critical than UNRRA indicated last week. He asked Lt. Col. Cowper to coordinate with UNRRA officials to determine the exact status so that a final and accurate report of the situation could be known and reported to SACMED if it is found that ration cuts are necessary.

3. Colonel Walton asked how Allied Commission expected to pay for supplies used for displaced persons not eligible for UNRRA assistance.

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	Col. C. W. Walton Lt. Col. C. B. Webster Maj. N. P. Smith Capt. T. D. Morgan Lt. J. W. Barber
Executive Commissioner's Office	Maj. Holmes
Finance Branch	Lt.Col. B.E.L. Timmons
Industry & Utilities Branch	Col. H. M. Walker Col. G. P. Parker Lt. Col. F. W. Tooby
Transportation & Shipping Branch	Lt. Col. W.P. Scoggins
CEM Branch	Maj. F.C.G. Bates
Commerce (FT) Branch	Lt. J. G. Cooper
Food & Agriculture Branch	Lt. Col. V.R.A. Cowper Lt. Col. R. R. Snape
VG/Udine Sup. Opns. Branch	Lt. J. M. Arensberg

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3. Colonel Walton asked how Allied Commission expected to pay for supplies used for displaced persons not eligible for UNRRA assistance.

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Lt. Col. Cowper and Lt. Col. Timmons reported that there was at least one more FLA ship due to arrive with a wheat shipment and then Italian indigenous stocks would be used. However, according to the Armistice terms the basic responsibility for caring for such displaced persons rests with the Italian Government and Allied Commission will follow through with the Italian Government officials to see that their responsibility is properly discharged. Colonel Walton asked that Lt. Col. Cowper report on the size of this involvement for the information and guidance of Allied Commission.

4. It was requested by Colonel Walton that Colonel Parker advise Mr. Halford with regard to the source of Bolzano electric power and the location of a specific power plant.

5. Colonel Walker reported that the emergency in the Sardinian coal mines caused by the non-delivery of detonators was through lack of coordination between the various Italian Government departments. Allied Commission rushed delivery of sufficient detonators to supply the mines for the next ten days and has made efforts to correct the situation so far as future operations are concerned.

6. Colonel Walton reported that Capt. Rothey has received a new telegram with reference to the ARSA coal which had been confiscated by AMG. On the basis of facts set forth in this telegram concerning the importation of the coal and the report that it is now being sold at less than the cost to the original consignee, Colonel Walton asked that Colonel Walker consult with Captain Rothey in an effort to verify these facts and perhaps make recommendations as to necessary adjustments.

7. Colonel Walker reported that the coal strike in the States will have a serious effect on importations of coal from the States to Italy. It is anticipated that for the month of April, in addition to scheduled importations from the States, 54,000 tons of coal are to be received from South Africa and from the Ruhr 36,000 tons over a three-month period beginning about the first of May. Less than 10,000 tons are required for military purposes.

8. Lt. Colonel Scoggins reported that the railroad line has been opened between Arezzo and Florence which will reduce travel time to Florence by 3 to 3 1/2 hours.

9. Colonel Parker reported that all electric power rationing control measures have been removed in Northern Italy, except for certain restrictions on electric boilers. A conference is now in progress in Rome with all Italian electric power companies for an overall programming of operation and supply and a systematic analysis and readjustment of rates and tariffs.

10. Lt. Aronsberg reported that Venezia-Giulia requirements have not yet been submitted. Colonel Walton instructed that these go forward immediately and be limited to the Disease and Unrest formula.

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11. Lt. Col. Snapp reported that military horses in the North will have to be disposed of by AMG and instructions are being sent out now by the Accounting Branch as to procedure. Also, AFHQ has indicated that the timber allotment made by the Italian Government is unsatisfactory. This matter will be taken up with the Government officials.

12. Major Smith stated that monthly reports are to be prepared in both abridged and unabridged form and submitted on or before April 12. Colonel Walton stated that for the time being the final reports previously requested by Mr. Cleveland would be held in abeyance pending further instructions.

Meeting adjourned at 12:25 hours.

NORMAN R. SMITH
Major, AGD
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO
ECONOMIC SECTION

28 March 1946

Ref: 1.27/ES

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 27 MARCH 46

PRESENT:

Economic Section	Col. C.W.Walton Lt.Col. C.G.Webster Maj. N.H.Smith Capt. T.D.Morgan Lt. J.W.Barber Lt. R.W.Henley
CEM Branch	Maj. P.J.G.Bates
Industry & Utilities Branch	Col. H.M.Walker Col. G.F.Parker Lt.Col. F.W.Tooby
Finance Branch	Lt.Col. B.E.L.Timmons
Food & Agriculture Branch	Lt.Col. V.H.A.Cowper Lt.Col. H.R.Snapp
Commerce (FT) Branch	Capt. G.A.F.Rothey
VG/Udine Sup.Opns.Branch	Lt. J.M.Arensberg

Meeting opened at 1130 hours, Colonel Walton presided.

1. Col.Walton reported on the meetings with Mr.Hoover.

2. Lt.Col.Cowper gave a report on grain shipments and expected arrivals. Up to March 24, clearances of wheat from U.S. ports has been: UNRRA, 130,000 tons; FEA, 24,000 tons, and it is expected that a further 24,000 tons on the UNRRA account will be shipped before the end of March.

Present information regarding the April situation is, that present certifications have been issued to procure and ship 100,000 tons of wheat in April and in addition, they are hopeful of shipping the accumulated UNRRA backlog of 175,000 tons accrued from January through March.

Col.Cowper further stated that the prospects were good in receiving 15,000 tons of maize from Argentina for March or April.

The sugar supply is considered adequate to cover the needs until July.

3. Capt.Rothey gave a brief report of the Commerce Branch. He stated that they expected a bulk release of Italian cotton textiles to be exported to Egypt and countries of the western hemisphere.

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	Capt. T.D.Morgan Lt. J.W.Durber Lt. R.W.Henley
CCM Branch	Maj. D.C.C.Bates
Industry & Utilities Branch	Col. H.M.Walker Col. G.D.Parker Lt.Col. F.W.Tooby
Finance Branch	Lt.Col. B.E.L.Timmons
Food & Agriculture Branch	Lt.Col. V.R.A.Cowper Lt.Col. R.H.Snapp
Commerce (FT) Branch	Capt. G.A.D.Rothey
VG/Udine Sup.Opns.Branch	Lt. J.M.Arensberg

Meeting opened at 1130 hours, Colonel Walton presided.

1. Col.Walton reported on the meetings with Mr.Hoover.

2. Lt.Col.Cowper gave a report on grain shipments and expected arrivals. Up to March 24, clearances of wheat from U.S. ports has been: UNRRA, 190,000 tons; FEA, 24,000 tons, and it is expected that a further 24,000 tons on the UNRRA account will be shipped before the end of March.

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The sugar supply is considered adequate to cover the needs until July.

3. Capt.Rothey gave a brief report of the Commerce Branch. He stated that they expected a bulk release of Italian cotton textiles to be exported to Egypt and countries of the western hemisphere.

The Italian Government has not presented the final program, but an interim program has been submitted and approved.

4. Col.Walton asked us to what date he could expect all total requirements, as he would like to submit the report as soon as possible.

5. Col.Parker stated that the contract for the sale of electrical power to France has been made, however, the electrical company has asked that the Allied Commission serve as arbitrator for the negotiations.

The Ministry of Public Works has called a conference with electrical power officials in order to discuss the power situation of Central and South Italy.

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6. Col. Walker reported that March arrivals of coal will be about 500,000 tons on all accounts. March loadings are also about 500,000 tons.

Coal has not arrived from the Ruhr as yet, but it has been reported as loaded.

The coal situation may become grave in the future as all indications point to a large scale coal strike in the United States. The Italian Government has been notified and allocations worked out.

7. Lt. Arensberg urged that all Venezia-Giulia Industry programs for the second half be returned as soon as possible.

8. Lt. Durber suggested that all files be put in good order (according to instructions) as to eliminate the rush and confusion of the closing period. He also suggested that secret files be downgraded if possible.

Meeting adjourned at 1215 hours.

NORMAN R. SMITH
Major, AGD
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

21 March 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 20 MARCH 46.

PRESENT:

Economic Section	Col. C.W.Walton Maj. N.R.Smith Capt. T.D.Morgan Lt. P.W.Henley Lt. W.J.Dunner
Industry & Utilities Branch	Col. H.L.Walker Col. C.F.Parker
C.E.M. Branch	Maj. F.C.G.Bates
Food & Agriculture Branch	Lt.Col. V.R.A.Cowper Lt.Col. H.R.Snapp
Transportation Branch	Lt.Col. W.P.Scoggins
Executive Commissioner	Maj. Holmes Capt. Higgio
Finance Branch	Lt.Col. H.E.L.Timmons
V.G./Udine - Sup.Ops.	Lt. J.M.Arensberg
Commerce (FT) Branch	Capt. C.A.F.Rothey

Meeting opened at 1130. Colonel Walton presided.

1. The meetings of the Chief and Executive Commissioner did not develop anything new in regard to the future plans of the Allied Commission; however, there is a directive coming in that will define future A.C.activities. This directive may curtail the activities of the Economic Section.

2. Col. Walton asked that if any of the Staffs are over burdened, the C.S.O. should be so informed, so that, if possible, a re-allocation of work or personnel can be made. Work loads should be reduced by turning over certain matters to other agencies.

3. The Chief and Executive Commissioner's meetings emphasized that this Section keep every one concerned well informed of its operations. Where it is not possible for this Section to supply all of the information needed, UNRRA and Italian Government agencies should be asked to furnish such material as required.

4. Coal Situation. 1734

Col. Walker gave a report regarding coal imports.

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Industry & Utilities Branch	Col. H.[illegible]Walker Col. G.F.Parker
C.E.M. Branch	Maj. F.C.G.Bates
Food & Agriculture Branch	Lt.Col. V.R.A.Cowper Lt.Col. H.R.Snapp
Transportation Branch	Lt.Col. W.I.Scoggins
Executive Commissioner	Maj. Holmes Capt. Riggio
Finance Branch	Lt.Col. H.Z.L.Timmons
V.G./Udine - Sup.Ops.	Lt. J.M.Arensberg
Commerce (FI) Branch	Capt. G.A.F.Rothey

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4. Coal Situation. - 1734

Col. Walker gave a report regarding coal imports.

A report has been received on the shipment of German coal. This report, however, shows a shortage in the amount that was expected. Col. Walker stated that it was a definite fact that coal will be received from the Ruhr, and that UNRRA has representatives in Switzerland trying to affect coal shipments from that country into Italy.

He also stated that there has been a Committee of five members

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appointed consisting of UNRRA, Ministry of Industry and Commerce, Ministry of Transport, Confederacy of Industry, and Bureau of Labor, to deal with the storage of coal, allocation, and to encourage the use of fuel oil where possible.

A message has been received stating that a shipment of Arsa coal coming into Italy was confiscated by Allied Forces in Venice. This matter is to be investigated.

Col. Walker announced that Italy has been accepted as an associate member of the Allied Coal Organization.

5. The Economic Section has asked for the authority to hire American Secretaries. There is a good possibility of securing certain U.S. Embassy personnel who were formerly F.S.O., inasmuch as they are scheduled to be released by the Embassy and returned to the United States.

6. Col. Walton has been notified by the Chief Commissioner that Ex-President Hoover is in Europe studying the food situation and is expected to visit Italy in the near future. His date of arrival in Rome, however, has not been announced. The Chief Commissioner directed that the Economic Section be in a position to give all of the pertinent facts on the food situation in Italy.

Col. Walton would like for each Branch, particularly Food and Agriculture, to make an analyze of the present economic situation as pertains to this Branch, in order to be able to give any information desired of them. The A/VP also requested that Food and Agriculture Branch be prepared to give pertinent information on the history during military responsibility and FEA periods, regarding food imports and the daily ration during these periods.

Maj. Smith, C.S.C., was asked to submit a report presenting the cost of living and wages during this period. The A/VP suggested that a chart be made giving these details covering various communities over a period of six months. These facts may be secured from Mr. Braine who was the Director of the Labor Sub-Commission.

7. Col. Walton said that the February reports discussing crop acreage seemed to be a little discouraging due to the lack rain fall; asked whether the March reports should show a great improvement.

8. The A/VP requested the following reports by midweek of next week:

Food & Agriculture Br - Crop forecast with all outstanding factors.

Industry & Utilities Br - Coal and POL supplies.

Transportation & Shipping Br - Any outstanding factors as may be furnished by the Ministry of Transport, Italian Government.

9. Lt.Col. Timmons, Deputy V.P. gave a general report on his visit to Venezia Giulia and Udine. He stated that if Directors of Branches desired any information about problems in this area, he would be glad to answer any questions.

10. Lt. Arensberg stated that all of the Import programs were in with the exception of Commerce and Education Branches. The A/VP is very anxious to get

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personnel who were formerly [illegible], inasmuch as they are scheduled to be released by the Embassy and returned to the United States.

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10. Lt. Arensberg stated that all of the import programs were in with the exception of Commerce and Education Branches. The A/VP is very anxious to get these demands screened and forwarded as soon as possible.

11. Lt.Col. Snapp brought up the question regarding the excessive cutting of timber in the Udine Area. He stated that correspondence has been forwarded to A.F.H.Q. requesting that this depleting of timber be minimized, and if possible select another location for future cutting.

12. Lt.Col. Scoggins stated that the Italian Government has been approached by the American Embassy to buy fifty (50) Liberty ships. Financial arrangements have to be worked out, and when this is accomplished definite information will be given.

13.(a) Mr. Trevis in conversation with the Col. Walton, stated that only

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UNRRA requisitions have been put before the Combined Board in Washington, however they are now putting the Italian requisition plus UNRRA requisition before the Board. Captain Mothey has in hand.

(b) Col. Walton requested that the Italian Army, Navy, and Air Force requisition be stated in the Italian requirements, but that it should be so identified as it will have a high priority in Washington.

14. Col. Parker gave a full report on the electric power situation. It is considerably better at the present due to the recent rain fall and the rationing program. A Regional Committee for the conservation of electric power has been created for Central and South Italy. It will operate much on the same lines as that of the Regional Committee for North Italy.

15. Col. Parker stated that the prices of imported electrical supplies have increased to such an extent that Companies in southern Italy can not buy them, thus presenting an obstacle to the rehabilitation of electrical power plants in the South. He suggested that there be an allocation of these supplies to each company at a price that they can afford to pay, in order to put all companies on an equal basis.

16. Maj. Smith pointed out that when correspondence is received which is of interest to the Italian Government, a copy of the correspondence should go to the Ministry concerned.

17. For information to the secretaries of the various Branches, Col. Walton's signature is as follows:

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

18. There were three sub-commission monthly reports outstanding, and the A/VP stated that he desired them as soon as possible.

19. Maj. Holmes asked that the Executive Commissioner's Office be kept informed as to action taken on correspondence sent to the Economic Section from that Office.

20. Directors of Branches were reminded that nine (9) American Officers are leaving 31 March, and that their work should be re-allocated to other members of their staff.

21. Col. Walton stated that it will no longer be necessary for Branches to have a Duty Officer or duty Clerk on duty during off duty periods.

The meeting adjourned at 1245.

1733

NORMAN R. SMITH
Major AGD
Chief Staff Officer.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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1733

NORMAN R. SMITH
Major AGD
Chief Staff Officer.

Declassified E.O. 12356 Section 3.3/NND No. 785021

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Tel.536 RWH/an

Ref: 1.27/ES 14 March 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 13 March 1946

Present:

Economic Section	Col. H.M. Walker Major N.R. Smith Capt T.D. Morgan Lt R.W. Henley Lt J.W. Durber
Food and Agriculture Br	Lt Col. V.R.A. Cowper Lt Col. R.R. Snapp
Industry and Utilities Br	Maj L.W. Laughlin Maj F.W. Jones Capt T.G. Elliott
Transportation and Shipping Br	Lt Col. W.P. Scoggins
Finance Br	Capt J. Cuthbertson
Commerce (FT) Br	Lt J.R. Cooper

Meeting opened at 1145. Col. Walker presided.

1. Col.Walker having just returned from the Chief Commissioner's meeting, stated that the future of A.C. had been discussed; however no new developments have occurred.

2. Col.Walker stated that the grain situation was very bad, and gave a full report on the subject.

3. Lt. Col. Cowper stated that the food situation was more precarious in Venezia-Giulia-Udine, as there is only enough to last until 20 March. A shipment of grain is expected about 30 March, therefore, UNRRA or the Army will be asked to bridge this gap. Stocks of all other types of food are adequate for a period of 2 months.

4. A new assignment of office space has been allotted to the Economic Section. This Section will occupy all of the first floor, except the annex and two rooms now occupied by Archives, and enough space on the second floor for Industry & Utilities and Commerce Br.
Col. Walker suggested that each Branch look over its assigned area and determine its needs.

5. A coal report was given regarding present stocks and expected

1732

Declassified E.O. 12356 Section 3.3/NND No. 785021

Economic Section	Col. H.M. Walker Major N.R. Smith Capt T.D. Morgan Lt R.W. Hanley Lt J.W. Durber
Food and Agriculture Br	Lt Col. V.R.A. Cowper Lt Col. R.R. Snapp
Industry and Utilities Br	Maj L.W. Laughlin Maj F.W. Jones Capt T.G. Elliott
Transportation and Shipping Br	Lt Col. W.P. Scoggins
Finance Br	Capt J. Cuthbertson
Commerce (FT) Br	Lt J.R. Cooper

Meeting opened at 1145. Col. Walker presided.

1. Col. Walker having just returned from the Chief Commissioner's meeting, stated that the future of A.C. had been discussed; however no new developments have occurred.

2. Col. Walker stated that the grain situation was very bad, and gave a full report on the subject.

3. Lt. Col. Cowper stated that the food situation was more precarious in Venezia-Giulia-Udine, as there is only enough to last until 20 March. A shipment of grain is expected about 30 March, therefore, UNRRA or the Army will be asked to bridge this gap. Stocks of all other types of food are adequate for a period of 2 months.

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Bringing coal from Germany is being vigorously pursued and it is hoped that some coal may be arriving from this source in time to help out in the expected emergency.

1732

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Declassified E.O. 12356 Section 3.3/NND No. 785021

The Chief Commissioner has stated that he wants the question of procuring Arsa coal reopened and that this subject should be taken up with G-5 AFHQ and 13 Corps in order bring about negotiations.

6. Major Smith, CSO, asked that when letters are written for the signature of the Chief Commissioner, or Executive Commissioner, the file copy should bear the concurrance of the originator.

7. It was announced that hereafter Economic Section Staff meetings will be held each Wednesday at 1130 hours.

8. Col.Walker announced that the Executive Commissioner's meeting is held on Tuesday at 0900 and the Chief Commissioner's meeting is on Wednesday at 1000. If there is any subject which should be discussed at these meetings, the material should be presented before these periods.

9. Col. Walton desires to have as soon as possible, the final reports which Mr. Cleveland asked all Sub-Commissions to submit.

10. Lt. Durber stated that if Branches had files to turn in they will be accepted, however ES Memorandum No 2 should be consulted in their preparation.

11. Lt. Durber asked that Branches handle their own civilian personnel problems, however if there are any surplus Italian personnel in any of the Branches, they should be reported to Lt. Durber so that they may be used elsewhere.

Meeting adjourned at 1230 hours.

NORMAN R. SMITH
Major, AGD
Chief Staff Officer

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Declassified E.O. 12356 Section 3.3/NND No. 785021

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Tel.536

Ref: 1.27/ES

RWH/an

14 March 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 13 March 1946

Present:

Economic Section	Col. H.M. Walker Major N.R. Smith Capt T.D. Morgan Lt R.W. Henley Lt J.W. Durber
Food and Agriculture Br	Lt Col. V.R.A. Cowper Lt Col. R.R. Snapp
Industry and Utilities Br	Maj L.W. Laughlin Maj F.W. Jones Capt T.G. Elliott
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Declassified E.O. 12356 section 3.3/NND No. 785021

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STAFF MEETING HELD 13 March 1946

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Unclassified E.O. 12356 Section 3.3/NND No. 785021

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Distribution
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NORMAN R. SMITH
Major, AGD
Chief Staff Officer

Declassified E.O. 12356 Section 3.3/NND No. 785021

File

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

13 March 1946

Ref.:1.27/ES

MINUTES OF THE ECONOMIC SECTION

STAFF MEETING HELD 8 March 1946.

PRESENT:

Economic Section	Col. C.W. Walton Major N.R. Smith Captain T.R. Morgan Lt. R.W.Henley
C.E.M. Branch	Lt.Col. J.A. Campbell
Industry and Utilities Branch	Col. H.M. Walker Capt. T.G. Elliott
Transportation and Shipping Branch	Lt. Col.W.P. Scoggins
Food and Agriculture Branch	Lt. Col.R.R. Snapp
Commerce Branch	Lieut J.R. Cooper

Meeting opened at 1200 hours, Colonel Walton presided.

1. Colonel Walton discussed the policy of lending Allied Commission files to UNRRA, and stated that he was unwilling to let A.C. files go out of the Headquarters building. Col. Walton has assured Mr. Holstein, however, that UNRRA may have access to the A.C. files in order to obtain certain information needed by them. Col. Walton suggested to Mr. Holstein that certain competent personnel be left behind by UNRRA in order to go into these files for the information desired.

It was stated that may-be the policy could be relaxed in the cases of technical files, and allow complete files to be taken out.

2. As the Economic Section is now operating with a skeleton force it is thought that the Section can best serve the Chief Commissioner by keeping him informed of its activities. The Acting Vice President stated that he expected all Branches to keep him up to date on their operations.

As example he would like from:

(1)Food and Agriculture Branch
a)Arrival of food supplies
b)Prospective arrivals of supplies.

1730

(2)Transportation and Shipping Branch
a)Traffic

Declassified E.O. 12356 Section 3.3/NND No. 785021

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As example he would like from:

(1)Food and Agriculture Branch
a)Arrival of food supplies
b)Prospective arrivals of supplies.

1739

(2)Transportation and Shipping Branch
a)Traffic
b)Changes of policy, procedure, etc.
c)Amount of rolling stock
d)Improvement of rail lines

(3)Industry and Utilities Branch
a)Coal situation
b)POL situation
c)Derequisitioning initiated and action policy as concurred in by proper authorities.

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3. Col. Walton said that as the organization is now much smaller, it should be possible for faster action to be taken on correspondence, and that if no action can be taken the originator of the correspondence should be so informed.

4. The Allied Commission's position in regard to the area now under AMG is under discussion. It is not known whether ALCOM will remain in the channel of AMG for supply matters and civil affairs, or whether it will be under AMG, 15th Corps and AFHQ. A decision is expected in the near future.

5. A message from Washington breaking down ALCOM functions to other Agencies has been received, however in answer to this message, certain changes were recommended. No reply to these recommendations has been received.

6. Col. Walton stated that when Directors of Branches desires to make a trip away from this Headquarters, Major Smith, C.S.O., should be consulted as the A.V.P.would like to be informed, and in turn, determine whether or not it is convenient for them to be away.

7. Major Smith stated that several tracers have been received that are tracing certain letters sent to the Economic Section. He asked that if it is not possible to give an answer to incoming correspondence immediately, it should be acknowledged so that the originator will know that it is being dealt with.

8. Capt. Morgan requested that no EM or O.R. be declared surplus but reported to Lt. Durbar, as they may be used elsewhere within the Section.

9. Col. Walton has been approached on the matter of moving the entire Economic Section to the 3rd floor. No decision has been made at present. In the event that the change is made, the Section will take all of the 3rd floor except those rooms now occupied by the Executive Commissioner and his staff section. The location on the 2nd floor would be retained but the 1st, 4th floor and 4th Annex would be released.

10. Col. Walton suggested that when the Section is brought together, all files of the entire Section be centrally located in one or two rooms.

Meeting adjourned at 1230 hours.

NORMAN R. SMITH
Major, AGD
Chief Staff Officer

Declassified E.O. 12356 Section 3.3/NND No. 785021

Declassified E.O. 12356 Section 3.3/NND No. 785021

Tel: 534 HEADQUARTERS ALLIED COMMISSION HMH/fl
APO 394
Transportation and Shipping Sub-Commission

AC/55/22/Tn3 27 Feb. 46

Subject : Clearance of Waste Paper.

To : HQ Commandant.
Office Space Section.

As a result of the closing down of this Sub-Commission there is a large quantity of paper, copies of letters, signals etc. for disposal. This is housed in Room N. 7, 2nd floor Main.

Will you please arrange for collection.

For the Director:

M. P. LARAMAH
Major R.E.

Copy to : Chief Admin. Div.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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(2 of 2 folders)

181/TN/1 MEETINGS - ECONOMIC STAFF

Jan. 1945 - Oct. 1946

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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MEETINGS - ECONOMIC STAFF

Jan. 1945 - Oct. 1946

181/Tn

HEADQUARTERS ALLIED COMMISSION
APO 394
Economic Section

REF: 1.27/ES

25 January 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 25 JANUARY 1946

Present:

Economic Section	Mr. Cleveland Col. Densmore Mr. Holstein Capt. Highland Mr. Gelbach Miss Wukasch Lt. Durber
Supply Group	Capt. Peterson Capt. Morgan
Requisition Branch	Mr. Lynch Mr. Checchi
C.E.M.	Maj. Bates
Executive Commissioner's Office	Maj. Holmes
Transportation & Shipping Sub-Commission	Col. Buchanan Lt.Col. Scoggins
Surplus & Special Materials Branch	Mr. Dickens
Food and Agriculture Sub-Commission	Mr. Legg Mr. Imrie Capt. Germann Capt. Bliss
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Col. Parker Maj. Fewings Maj. Shapiro Maj. Hyland
Finance Sub-Commission	Lt. Col. Timmons
[illegible] Trade) Sub-Commission	Lt. Col. Tooby

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Col. Parker Maj. Fewings Maj. Shapiro Maj. Hyland
Finance Sub-Commission	Lt. Col. Timmons
Commerce (Foreign Trade) Sub-Commission	Lt. Col. Tooby Maj. Saul
Venezia Giulia, Liaison Officer	Maj. Duncan
Coal Division	Col. Walker
UNRRA	Mr. Bordass Lt.Col. Koenigsbert Mr. Ellison 1729 Mr. White Mr. Morgan

Declassified E.O. 12356 Section 3.3/NND No. 785021

Meeting opened at 11:30 a.m., with Mr. Cleveland presiding.

1. Mr. Cleveland stated that he had some useful information which he received in a telephone conversation with Washington last night. It appears that the problem of not being able to get crews for American ships has now been pretty well solved and is no longer a limiting factor. The strike situation in the U.S. is going to continue to have a serious effect on our supplies however. There are two or three major strikes, including the Meat Packers and the Steel Industry. There is expected to be a strike-vote next week by the Railroad Brotherhood which may cripple the whole transportation system.

2. A Tripartite Economic Council is being considered quite favorably in Washington. It may well be that they will set up some sort of a group representative of the Italian Government, and British and American Embassies. It is not quite clear as yet what form it would take. This proposal is a much more serious possibility now than at any time in the past.

3. February will be the worst month on the wheat problem. The total allocation of wheat from the U.S. to all UNRRA missions is 230,000 tons. This is considerably under all our Italian requirements. Of the 230,000 tons, Italy will get 160,000 and may be able to bring it up by another 100 or more.

4. The Italian Government in Washington has taken the first step to increase the foreign exchange available to it during the coming year over and above the UNRRA appropriation. A proposal has been made to the State Department and the Export-Import Bank for a "blanket" loan of $900 million dollars; however, they will probably not get that much. Apparently, however, the atmosphere is changing a little and they are beginning to think of loans for imports. This situation may change with the work we will be doing in the next two or three months.

5. It appears that as of December 31 the backlog of unshipped, allocated coal came to 502,000 tons. That backlog will continue to be shipped on an FEA basis until they get it all out, about February 10. There will be no coal received on an UNRRA basis probably until after February 10 loadings. There will be about 400,000 tons shipped out during the month of January by FEA.

6. Mr. Cleveland was asked to make a snap decision regarding the shipping of nitrates from Chile in bulk. Due to strikes in Chile they seem unable to bag the nitrate before shipping. Mr. Cleveland answered that he thought it would be all right to ship it this way. He asked Capt. Germann whether this was correct. Capt. Germann stated that he thought since there seemed to be no alternative that the best thing to do would be to hire some specialized labor to unload the nitrate when it arrives. Mr. Lynch suggested that Italy should be prepared for this in advance and also that a cable should be sent to Washington for details of how the nitrate was loaded previously, whether partially in bags or completely in bulk with the bags on the side. Mr. Cleveland agreed to this.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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7. UNRRA Italian budget still being discussed in terms of $375 millions as the amount plus cost of freight and administrative costs here in Italy bring it up near $450 millions. The $375 millions may be brought up another $8 millions, making it $383 millions. The whole proposal for Italy will go to the UNRRA Central Committee consisting of the Big Four plus a few other powers. This is the top legislative authority in UNRRA. That Committee will receive this whole budget within the next two weeks, or maybe 1 week, and we should know what the action will be. There will probably be no trouble about the $375.

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8. Lt.Col. Timmons stated that arrangements were proceeding for the transfer of any balance in the net troop expenditure account to the sole control of the Italian Government as of 1 February 1946. The transfer of the account will be effected by an exchange of letters between the U.S. Government and the Italian Government, and Dr. Tasca, U.S. Treasury Representative in Rome is handling the matter with the Italian Government .

9. Mr. Cleveland stated that he had been informed by Washington that all but $25 millions of the Net Troop Expenditure Account had been committed. It appears, however, certain outstanding charges may not have been taken into consideration, and it is possible that the uncommitted balance of the account is less than $25 millions. Lt. Col. Timmons stated that the total of $140 millions that has been credited to the Net Troop Expenditure Account approximately covers the period through 30 June 1945, so that the Italian Government will received a dollar credit, though at a diminishing rate, for the last half of 1945, and for 1946 as long as any American troops remain.

10. Mr. Cleveland said there still was no word on the basic cable as to the remaining functions of AC. This answer will probably be coming soon but so far nothing has been received. A cable was received two days ago in the TAM series taking us out of the business of reviewing the Italian export position. The only function this leaves us with is forwarding of applications to Washington for allocations of both import and export items on the Reserved Commodity Lists and the cables received indicate that eventually this will be handled through another channel, probably as soon as instructions have been given to the Italian Government through the American and British Embassies.

11. Mr. Holstein was asked to explain what was being done regarding the new Regional Organization for UNRRA. He explained that a draft of an Administrative Order had been prepared and sent over for comments. Mr. Holstein said he had requested UNRRA that we be given sufficient time to study the problem. It was thereupon decided that if UNRRA put out an Administrative Order on the Regional Organization at the present time that it would do so with no reference to the economic functions. This matter is still under discussion by Mr. Keeny. It was suggested that Lt.Col.Koenigsbert and Mr. Ellison, recently appointed Regional Directors for UNRRA, get together with the heads of each Sub-Commission and talk out the ideas they may have as to how they should proceed. It was felt that in that way each part of the organization would have an opportunity to record its own ideas and how they should be carried out.

12. Mr. Cleveland requested Lt.Col. Tooby to give an account of his recent visits to Paris and London. Lt.Col. Tooby said that his Paris visit was concerned largely in trying to get the French to supply phosphate rock. The problem was that unless the Italians get phosphate rock in for the 1946 crops there will be a shortage of wheat in 1946 and 1947. He also stated that when he arrived in Paris a Mission was leaving for Italy. An agreement was to be made based upon the opening of mutual credits in Rome and Paris, and the French had 20 million francs to the disposal of the Italian Government. He thought they could get an agreement on phosphate rock right away but it appears that there will be no February loadings. However, the regular allocation for March will come through per schedule. (see also item 17)

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13. The question was raised as to what had happened to the contributions the British had made toward the September-December loading program. Lt.Col. Tooby stated that the problem had been shipping and dock troubles in England. Of the wool, 5,000 tons promised had been procurred and will be supplied from U.K. stocks. 1,000 tons have been shipped already, first shipment was on 9 December. The other 4,000 tons is coming forward just as quickly as they can get in on ships. 570 tons of rubber has been procurred, 380 tons shipped last week. The jute control people said that the jute had been procurred in India and would sail the first half of February. Lt.Col. Tooby said also that there was a world shortage of cotton yarn for hand weaving

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and especially in the middle eastern countries. He said due to the tremendous shortages we should find out whether the yarn spinning of Italy can be used for that need. He also reported that Britain is very much concerned about reports of supplies coming into Italy only to be taken away by military forces either for use in Italy or export for military forces elsewhere. Britain would like to be better informed in this connection. He further stated that they were very well aware of our problems but completely unable to help Italy in money or supplies other than what they are already doing under UNRRA.

14. Col. Legg raised the question of what had been done in connection with simplifying the UNRRA correspondence and cable procedures. We are trying to get a revised system out as rapidly as possible. It was brought out that many things were coming through Mr. Cleveland's office, but that he must continue to require this until he is satisfied that the "two-hat" plan of operation is functioning smoothly. Some sort of decentralization will have to be made on this.

15. Mr. Cleveland reported that he had talked with Minister LaMalfa last night and there is talk about a National Economic Council which would include agricultural, labor, and other representatives. Probably quite a few people will be included and it was suggested that executive committees should be concentrated in certain areas, possibly in the North. Mr. Cleveland said that he thought we might participate in such discussions in the future.

16. In connection with the world shortage of cotton yarn, Maj. Saul said that during the last three or four weeks contracts have been struck for something in the region of 9,000 tons of cotton yarn for export from Italy. One item alone consisted on 2,000 tons of yarn going to Palestine, the balance of 7,000 tons going elsewhere in the near East. Almost the entire yarn capacity of Italy promises to be contracted for within the next couple of months. Arrangements for 34,000 tons have been made, 13,000 tons of cotton to be exported and the balance of 21,000 tons to be left in Italy. The total need for Italy is only 67,000 tons.

17. Maj. Saul also stated that in connection with phosphate rock, the previous agreement for monthly shipment of 100,000 tons still stands and is independent of the negotiations described by Lt.Col. Tooby. (item 12)

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19. Lt.Col. Timmons stated that the Italian Government had accepted the currency agreement proposed by FAN 583. The effect of this agreement,

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out that many things were coming [illegible] he must continue to require this until he is satisfied that the "two-hat" plan of operation is functioning smoothly. Some sort of decentralization will have to be made on this.

15. Mr. Cleveland reported that he had talked with Minister LaMalfa last night and there is talk about a National Economic Council which would include agricultural, labor, and other representatives. Probably quite a few people will be included and it was suggested that executive committees should be concentrated in certain areas, possibly in the North. Mr. Cleveland said that he thought we might participate in such discussions in the future.

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20. Col. Densmore raised the question on the closing out of certain portions of the Economic Section. He said that on the American side they were anxious to find out the release date of the American officers, whether they would be available by February 1, February 15, or March 1. Those officers who have signed up for immediate release will just stay in the Sub-Commission until they get orders. Unless they have enough points some will have to be reassigned. G-1 American wants to know when they can have these officers for reassignment.

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21. Col. Densmore also stated that each Sub-Commission had received a copy of War Department Circular No. 337 on the Army Commendation Ribbon, all on the American side. It provides that the Commendation Ribbon may be given to the members of the Armed Forces of the U.S. Paragraph 10 of this circular states " It is desire of the War Department that the Commendation Letter and Ribbon be given freely to Junior Officers and Enlisted Men ". Col. Densmore asked each Sub-Commission to check back on EM and Officers who have been with them in the past and see that everyone deserving received this commendation and also that it is put on their record .

22. Capt. Borgen stated that a letter had gone from the Chief Commissioner to the Prime Minister in connection with the feeding of the Italian Army. It was suggested in the letter that they set aside from indigenous stocks and stocks purchased from YT funds food for the Army in the future, and also repayment to the Allied Forces. It also asked when the Italian Government would be prepared to take over the feeding of its Navy and Airforce.

The meeting adjourned at 12:30 hours.

ELWOOD HOLSTEIN
Chief Staff Officer .

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1871/21

HEADQUARTERS ALLIED COMMISSION
APO 394
Economic Section

REF: 1.27/EC

25 January 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 25 JANUARY 1946

Present:

Economic Section	Mr. Cleveland Col. Densmore Mr. Holstein Capt. Highland Mr. Gelbach Miss Wukasch Lt. Durber
Supply Group	Capt. Peterson Capt. Morgan
Requisition Branch	Mr. Lynch Mr. Checchi
C.E.M.	Maj. Bates
Executive Commissioner's Office	Maj. Holmes
Transportation & Shipping Sub-Commission	Col. Buchanan Lt.Col. Scoggins
Surplus & Special Materials Branch	Mr. Dickens
Food and Agriculture Sub-Commission	Mr. Legg Mr. Imrie Capt, Germann Capt. Bliss
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Col. Parker Maj. Fewings Maj. Shapiro Maj. Hyland

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Declassified E.O. 12356 Section 3.3/NND No. 785021

REF: 1.27/ES

25 January 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 25 JANUARY 1946

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Economic Section	Mr. Cleveland Col. Densmore Mr. Holstein Capt. Highland Mr. Gelbach Miss Wukasch Lt. Durber
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Surplus & Special Materials Branch	Mr. Dickens
Food and Agriculture Sub-Commission	Mr. Legg Mr. Imrie Capt. Germann Capt. Bliss
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Col. Parker Maj. Fowings Maj. Shapiro Maj. Hyland
Finance Sub-Commission	Lt. Col. Timmons
Commerce (Foreign Trade) Sub-Commission	Lt. Col. Tooby Maj. Saul
Venezia Giulia, Liaison Officer	Maj. Duncan
Coal Division	Col. Walker
UNRRA	Mr. Bordass Lt.Col. Koenigsbert Mr. Ellison Mr. White Mr. Morgan

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Meeting opened at 11:30 a.m., with Mr. Cleveland presiding.

1. Mr. Cleveland stated that he had some useful information which he received in a telephone conversation with Washington last night. It appears that the problem of not being able to get crews for American ships has now been pretty well solved and is no longer a limiting factor. The strike situation in the U.S. is going to continue to have a serious effect on our supplies however. There are two or three major strikes, including the Meat Packers and the Steel Industry. There is expected to be a strike-vote next week by the Railroad Brotherhood which may cripple the whole transportation system.

2. A Tripartite Economic Council is being considered quite favorably in Washington. It may well be that they will set up some sort of a group representative of the Italian Government, and British and American Embassies. It is not quite clear as yet what form it would take. This proposal is a much more serious possibility now than at any time in the past.

3. February will be the worst month on the wheat problem. The total allocation of wheat from the U.S. to all UNRRA missions is 230,000 tons. This is considerably under all our Italian requirements. Of the 230,000 tons, Italy will get 160,000 and may be able to bring it up by another 100 or more.

4. The Italian Government in Washington has taken the first step to increase the foreign exchange available to it during the coming year over and above the UNRRA appropriation. A proposal has been made to the State Department and the Export-Import Bank for a "blanket" loan of $900 million dollars; however, they will probably not get that much. Apparently, however, the atmosphere is changing a little and they are beginning to think of loans for imports. This situation may change with the work we will be doing in the next two or three months.

5. It appears that as of December 31 the backlog of unshipped, allocated coal came to 502,000 tons. That backlog will continue to be shipped on an FEA basis until they get it all out, about February 10. There will be no coal received on an UNRRA basis probably until after February 10 loadings. There will be about 400,000 tons shipped out during the month of January by FEA.

6. Mr. Cleveland was asked to make a snap decision regarding the shipping of nitrates from Chile in bulk. Due to strikes in Chile they seem unable to bag the nitrate before shipping. Mr. Cleveland answered that he thought it would be all right to ship it this way. He asked Capt. Gormann whether this was correct. Capt. Gormann stated that he thought since there seemed to be no alternative that the best thing to do would be to hire some specialized labor to unload the nitrate when it arrives. Mr. Lynch suggested that Italy should be prepared for this in advance and also that a cable should be sent to Washington for details of how the nitrate was loaded previously, whether partially in bags or completely in bulk with the bags on the side. Mr. Cleveland agreed to this.

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7. UNRRA Italian budget still being discussed in terms of $375 millions as the amount plus cost of freight and administrative costs here in Italy bring it up near $450 millions. The $375 millions may be brought up another $8 millions, making it $383 millions. The whole proposal for Italy will go to the UNRRA Central Committee consisting of the Big Four plus a few other powers. This is the top legislative authority in UNRRA. That Committee will receive this whole budget within the next two weeks, or maybe I week, and we should know what the action will be. There will probably be no trouble about the $375.

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8. Lt.Col. Timmons stated that arrangements were proceeding for the transfer of any balance in the net troop expenditure account to the sole control of the Italian Government as of 1 February 1946. The transfer of the account will be effected by an exchange of letters between the U.S. Government and the Italian Government, and Dr. Tasca, U.S. Treasury Representative in Rome is handling the matter with the Italian Government .

9. Mr. Cleveland stated that he had been informed by Washington that all but $25 millions of the Net Troop Expenditure Account had been committed. It appears, however, certain outstanding charges may not have been taken into consideration, and it is possible that the uncommitted balance of the account is less than $25 millions. Lt. Col. Timmons stated that the total of $140 millions that has been credited to the Net Troop Expenditure Account approximately covers the period through 30 June 1945, so that the Italian Government will received a dollar credit, though at a diminishing rate, for the last half of 1945, and for 1946 as long as any American troops remain.

10. Mr. Cleveland said there still was no word on the basic cable as to the remaining functions of AC. This answer will probably be coming soon but so far nothing has been received. A cable was received two days ago in the TAM series taking us out of the business of reviewing the Italian export position. The only function this leaves us with is forwarding of applications to Washington for allocations of both import and expert items on the Reserved Commodity Lists and the cables received indicate that eventually this will be handled through another channel, probably as soon as instructions have been given to the Italian Government through the American and British Embassies.

11. Mr. Holstein was asked to explain what was being done regarding the new Regional Organization for UNRRA. He explained that a draft of an Administrative Order had been prepared and sent over for comments. Mr. Holstein said he had requested UNRRA that we be given sufficient time to study the problem. It was thereupon decided that if UNRRA put out an Administrative Order on the Regional Organization at the present time that it would do so with no reference to the economic functions. This matter is still under discussion by Mr. Keeny. It was suggested that Lt.Col.Koenigsbert and Mr. Ellison, recently appointed Regional Directors for UNRRA, get together with the heads of each Sub-Commission and talk out the ideas they may have as to how they should proceed. It was felt that in that way each part of the organization would have an opportunity to record its own ideas and how they should be carried out.

12. Mr. Cleveland requested Lt.Col. Tooby to give an account of his recent visits to Paris and London. Lt.Col. Tooby said that his Paris visit was concerned largely in trying to get the French to supply phosphate rock. The problem was that unless the Italians get phosphate rock in for the 1946 crops there will be a shortage of wheat in 1946 and 1947. He also stated that when he arrived in Paris a Mission was leaving for Italy. An agreement was to be made based upon the opening of mutual credits in Rome And Paris, and the French had 20 million francs to the disposal of the Italian Government. He thought they could get an agreement on phosphate rock right away but it appears that there will be no February loadings. However, the regular [illegible] through, per schedule. (see also item 17)

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13. The question was raised as to what had happened to the contributions the British had made toward the September-December loading program. Lt.Col. Tooby stated that the problem had been shipping and dock troubles in England. Of the wool, 5,000 tons promised had been procurred and will be supplied from U.K. stocks. 1,000 tons have been shipped already, first shipment was on 9 December. The other 4,000 tons is coming forward just as quickly as they can get in on ships. 570 tons of rubber has been procurred, 380 tons shipped last week. The jute control people said that the jute had been procurred in India and would sail the first half of February. Lt.Col. Tooby said also that there was a world shortage of cotton yarn for hand weaving

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and especially in the middle eastern countries. He said due to the tremendous shortages we should find out whether the yarn spinning of Italy can be used for that need. He also reported that Britain is very much concerned about reports of supplies coming into Italy only to be taken away by military forces either for use in Italy or export for military forces elsewhere. Britain would like to be better informed in this connection. He further stated that they were very well aware of our problems but completely unable to help Italy in money or supplies other than what they are already doing under UNRRA.

14. Col. Legg raised the question of what had been done in connection with simplifying the UNRRA correspondence and cable procedures. We are trying to get a revised system out as rapidly as possible. It was brought out that many things were coming through Mr. Cleveland's office, but that he must continue to require this until he is satisfied that the "two-hat" plan of operation is functioning smoothly. Some sort of decentralization will have to be made on this.

15. Mr. Cleveland reported that he had talked with Minister LaMalfa last night and there is talk about a National Economic Council which would include agricultural, labor, and other representatives. Probably quite a few people will be included and it was suggested that executive committees should be concentrated in certain areas, possibly in the North. Mr. Cleveland said that he thought we might participate in such discussions in the future.

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22. Capt. Morgan stated that a letter had gone from the Chief Commissioner to the Prime Minister in connection with the feeding of the Italian Army. It was suggested in the letter that they set aside from indigenous stocks and stocks purchased from YF funds food for the Army in the future, and also repayment to the Allied Forces. It also asked when the Italian Government would be prepared to take over the feeding of its Navy and Airforce.

The meeting adjourned at 12:30 hours.

ELWOOD HOLSTEIN
Chief Staff Officer .

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Declassified E.O. 12356 Section 3.3/NND No. 785021

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

181/5/1

Ref.: 1:27/ES

1 February 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 1 FEBRUARY 1946

Present:

Economic Section	Mr. Cleveland Capt. Highland Miss Wukasch
Supply Group	Capt. Peterson
Requisition Branch	Capt. Morgan Mr. Lynch
Food & Agriculture Sub-Commission	Mr. Legg Maj. Haydon Capt. Bliss
Commerce (FT) Sub-Commission	Lt. Col. Tooby Major Saul
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Col. Parker Maj. Hewings Maj. Hyland
Finance Sub-Commission	Lt. Col. Timmons
Transportation Sub-Commission	Colonel Buchanan Lt. Col. Scoggins
Executive Commissioners Office	Maj. Holmes
Captured Enemy Materials Branch	Major Bates
Fuels Dept.	Mr. Scrivens
S & S.M. Branch	Mr. Dickens
XIII Corps	Major Duncan
UNRRA	Lt.Col. Fordass

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Meeting opened at 11:30 o'clock. Mr. Cleveland presided:

1. There have been no further developments as to the future of the Allied Commission.

2. According to telephonic advice from Washington, the wheat situation has been brought to the attention of the highest levels in Washington. It will be taken up before the Cabinet within the next couple of days. In January they actually shipped about 220,000 tons, bought on both FEA and UNRRA account, and in February they hope to get out a little bit more than that.

3. On the coal situation, they got out 50 ships last month (January), which means that we are back up again into the 400,000 tons category, which we had slipped out of for two months running. The allocation for February is 432,000 tons. An interesting angle in this regard is that the steel strike is the first strike that has been beneficial, so far as the Italian picture is concerned. There is a temporary surplus of coal for export on account of the steel strike.

4. On the other hand the strike in Chile will have the effect of shutting off for the moment shipments of nitrate and also shipments of copper. This has the incidental effect of shutting off Peruvian cotton, because the cotton is loaded on the same ships as copper from Chile. Although the duration of this is unpredictable, it can be assumed that for a couple of weeks at least there will be a stop in the shipments from South America of these commodities.

5. There are a number of policy questions affecting the relationship between UNRRA and the Italian Government which are now in various stages of discussion. The agreement was signed a couple of weeks ago. There will be circulated to all Sub-Commissions the agreement and the letter from the Prime Minister to Mr. Keeny and his reply, which preceded the signing of the agreement. The most important things those letters dealt with was the question of price policy and the desire for a uniform price system, rather than the creation of a special price system for the UNRRA supplies alone. It is being discussed this afternoon in specific form in a meeting being arranged by Mr. Legg on the pricing of seed potatoes, which are really the first of UNRRA supplies under the 1946 program to arrive, largely, perhaps, because their purchase was arranged some time ago and they just happened to arrive in the beginning of 1946. The Agriculture Division put up a good letter and policy statement on how the seed potato problem ought to be handled and it should set off a profitable discussion.

6. A letter has been sent to the Prime Minister from Mr. Keeny on the procedure for the reception of UNRRA supplies at the port, establishing the principle that UNRRA would like to turn them over, as AC has been doing, at the end of ship's tackle or ship's rail. There is to be discussion with the Government on this subject and it is hoped that an agreement can be reached within the next few days. This

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6. A letter has been sent to the Prime Minister from Mr. Keeny on the procedure for the reception of UNRRA supplies at the port, establishing the principle that UNRRA would like to turn them over, as AC has been doing, at the end of ship's tackle or ship's rail. There is to be discussion with the Government on this subject and it is hoped that an agreement can be reached within the next few days. This is important for if 69,000 tons of wheat have been shipped within the last week or so, which is the first UNRRA shipment, they will soon begin to come into the ports and there must be some early agreement.

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7. Discussion is going on here and in Milan on the procedure for imported industrial materials. The problem is a bit complicated because an agreement had been reached between CIAI and the Under-Secretary of Industry and Commerce and Dr. Rambert and others who participated up there; however, when the actual printing of forms and instructions was about to start, it was discovered that Minister Gronchi's views did not correspond with those formed in Milan. There must, therefore, be further discussion before an agreement is reached. The basic principle which must be established is that the imported industrial materials are used in these places and for those purposes which result in essential supplies being produced and distributed to people who need them at the prices they can afford to pay.

8. Another question of UNRRA policy which has come up during the last week is that of using Italy as a base for manufacturing materials for other countries. The question has been discussed in Washington, and approval has now been given to the manufacture here of fish net twine for Greece, Yugoslavia and China out of Egyptian cotton UNRRA will ship in. This represented the acceptance of a principle we have been urging for some time.

9. There have also been discussions on petroleum during the last week. The Army-Navy Petroleum Board has come into the picture and is acting in a sense as agent for UNRRA in procuring, shipping and turning over to CIP the petroleum products paid for with UNRRA money. Under the present arrangement they will continue to do this only until the end of March. Apparently no firm arrangement has been made for the procurement and shipment of POL after that date. The program for April has been submitted, but as yet the procedure is not known.

10. Mr. Bruno Luzzatto, who was here in November, is returning as Chief of the Sub-Bureau of Industrial Rehabilitation in UNRRA and is scheduled to arrive in two or three weeks.

11. Miss Dena Shiamanna has just arrived from the UNRRA personnel office to work for Mr. Holstein. She is going to London to see if she can recruit some stenographers and secretaries for the Mission, primarily for the Bureau of Requirements and Distribution. There will also be an attempt made to secure stenographers from Washington.

12. Asked about progress being made in preparing for the transfer from AC to UNRRA, Embassies or other agencies, Mr. Legg stated there are two aspects so far as his group is concerned. From an operating standpoint they are fairly well advanced. So far as the UNRRA supply organization goes, it has been completely absorbed into the Sub-Bureau of Relief Supply. Certain officers who have been recruited as supply officers are now functioning under the Chief Supply Officer in the UNRRA building and carrying out all regular routine work. The Medical Supply Branch is functioning as before. The 1721
Relief program is functioning as a sort of separate entity at present,

Declassified E.O. 12356 Section 3.3/NND No. 785021

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13. Capt. Peterson stated that supply operations are reasonably well set with the exception of Program Coordination and Statistics, where there is a personnel deficiency, both on the Allied and the Italian side. A Table of Organization had been set up and people to fill those vacancies were being interviewed. Papers on a few likely prospects are being processed to UNRRA. Some of the personnel will have to be imported, especially highly trained statistical people who are required. It is hoped that UNRRA will agree to a higher wage level to attract trained Italian economists.

14. The transfer of the Industrial group to the American Embassy, according to Mr. Sullivan, is relatively simple but is being delayed pending receipt of authorization from Washington on certain aspects of that assignment.

15. Lt. Col. Tooby brought out the fact that there are many individuals, primarily among the Military, who are in doubt as to their future assignment and suggested that some form of disposal information be issued. It was his feeling that the heads of the various Sub-Commissions had selected such personnel as they wished to accompany them to UNRRA but had been delinquent in advising the others that they would be surplus. After general discussion, it was concluded that the responsibility rested chiefly with the Directors of the Sub-Commissions who should determine that each Allied member of their staffs is fully informed of his status.

16. With reference to the Italian personnel, Mr. Cleveland remarked that there had been a tendency to defer action in favor of more immediate problems. This, he felt should be rectified. It was his suggestion that each Sub-Commission screen the Italian employees, determining which he wishes to take with him and refer the balance to the Adm. and Personnel Branch, where Mrs. Leibel will be working with Lt. Durber and Lt. Henley in an effort to sort out the personnel which are surplus to the new operations and determine the actual processing of personnel papers for the ones that are going to UNRRA. Further in this regard, Miss Shiawanna is interviewing the various Directors and has requested a list of Italian personnel, broken down into groups of those required and those who are surplus. To prevent loss of desired locally hired personnel, many of whom are seeking other employment because of the uncertainty of their positions, a notice of procedure will be issued.

17. It is expected that the Italian Government will announce the reopening of foreign trade some time during the next week. We may, however, receive some further comments from Washington or London before the release is finally issued.

The meeting adjourned at 12:30

ELWOOD HOLSTEIN
Chief Staff Officer

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

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

181/Ec 1

Ref.: 1.27/ES

16 January 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 16 JANUARY 1946

Present:

Economic Section	Mr. Cleveland Mr. Holstein Capt. Highland Miss Wukasch Mr. Galbach Mr. Stauffer Lt. Durber
Supply Group	Col. Walton Capt. Peterson
Requisition Branch	Mr. Lynch
C.C.C. Branch	Lt. Pine-Coffin
Transportation Sub-Commission	Lt. Col. Scoggins
S. & S. M. ... Branch	Mr. Dickens
Food & Agriculture Sub-Commission	Mr. Legg
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Maj. Fewings Maj. Hyland Maj. Jones
Commerce (FT) Sub-Commission	Maj. Saul
Finance Sub-Commission	Lt. Col. Timmons

Meeting opened at 11:45 o'clock. Mr. Cleveland presided:

1720

1. Mr. Cleveland discussed the following subjects of general interest:

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C.C.C. Branch	Lt. Pike-Coffin
Transportation Sub-Commission	Lt. Col. Scoggins
S. & S. M. A. Branch	Mr. Dickens
Food & Agriculture Sub-Commission	Mr. Legg
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1. Mr. Cleveland discussed the following subjects of general interest:

a. AFHQ seems opposed to the repayment of supplies loaned to Venezia-Giulia from the regular civil import program. Strenuous efforts are being made on the part of Allied Commission to obtain repayment.

b. As yet there is no answer from AFHQ to the suggestion that Udine be treated as part of Italy economically.

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c. The feeding of the Italian Army, Navy, etc., continues to be a source of discussion. Apparently the problem is to assure SACMED at what point the Italian Government will be in position to take over the responsibility for feeding the Italian Navy and Italian Air Force. At least in theory they have already been given the responsibility of feeding the Italian Army and Carabinieri, but the food has been supplied from military sources.

d. The Spanish trade agreement has been signed.

e. Although there has been no official announcement, there is every indication that non-RCL items will be removed from the Category A list.

f. Mr. Cleveland has discussed with ex-Minister Gronchi, Under-Secretary Lombardo, of the Ministry of Industry and Commerce, and Minister Lombardi, of Transport, the question of the financing of additional imports over and above the UNRRA import program during 1946. He stated that they do not seem to push energetically any projects for reconstruction financing of railroads, utilities and similar segments of the Italian economy. In dealing with the Government it will be necessary to emphasize that the amount of money allocated to Italy by UNRRA will not be sufficient to accomplish more than a limited reconstruction job in 1946, and that it will be necessary to do something beyond publishing a book like the 1946 Import Program in order to procure funds through credits.

g. The coal situation has deteriorated statistically. Broadly speaking, there was loaded in December approximately half of the amount of coal which was scheduled to be loaded and shipped, the limiting factor apparently being that during the last half of December nobody wanted to sign on as crew. In Hampton Roads alone, 13 fully loaded coal ships were sitting in the harbor without crews. The result of this on internal coal allocations is that unless some early loadings in January arrive at the end of the month, there will be enough to provide coal only for the railroads, hospitals, gas works and bakeries. Industries, with the exception of those having a supply sufficient for January, will be compelled to shut down. There is hope that the situation will improve. Recent cables mention January loadings of 440 or 450 thousand tons.

h. It is evident that the Combined Chiefs of Staff are acting favorably on the recommendations emanating from the Allied Commission. There has been received a brief cable transferring the Allied Financial Agency to AFHQ, but it is to continue to be attached to the Finance Sub-Commission. They also adopted the recommendation that the Chief Financial Advisor continue to be responsible for negotiating the currency agreement.

i. The North Italy Industrial Council hasdecided to resign ostensibly because of the failure of the Government to sign a decree defining their authority to continue to operate. There has been considerable discussion in the papers about organizing a National Industrial Council to take over nationally the functions formerly performed by CIAI in the North, but there has been no definite proposal.

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j. There have been several meetings on the problem of handling UNRRA shipments across Italy, especially on the use of North Italy ports for the purpose of shipping UNRRA supplies to Czechoslovakia, Yugoslavia, Austria, etc. These meetings have dealt with the capacity of those ports, priorities to be adopted, machinery for actual handling of the shipments, etc. A further meeting will be held this afternoon.

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4. The first issue of "Economic Notes" has been released as a joint AC/UNRRA publication, having as its purpose the dissemination of information down to Province and local levels regarding what is being done through the supply program, as well as the basic issues of policy and decisions of policy reached. "Economic Notes" will become solely an UNRRA publication sometime about the end of February.

2. Col. Walton reported on an analysis of pilferage, tracing such losses from the ships' holds, where the responsibility rests with NSA, through those occurring at end of ships' tackle, and at port and interior warehouses, all of which operations are the responsibility of Federazione Italiana dei Consorzi Agrari. The losses at any single level appear not so large, but are impressive when consolidated. From early spring until September 30th they represent a loss of 1630 tons of sugar, 709 tons of flour (.05%), and 10,047 tons of grain (1%) - a loss of over a ship load of wheat in six months. At a meeting with the Federazione, it was agreed that through the appropriate Ministries they will present a request from the Italian Government for arms. Although the Economic Section will support a request for more and better arms, the question of providing automatic weapons to compete with those used by the bandits is apt to be difficult.

3. Major Saul informed the meeting that they have had clearance on the export of textiles in the majority of instances, although general overall approval has not been given. It seems improbable that overall approval will be granted inasmuch as infinitely more details are required than had been anticipated, including assurances of the ultimate destination of the finished product. In this connection Mr. Cleveland announced that Mr. Peter Treves, of the Washington office, who has been primarily responsible for requiring this information, is expected in Rome soon.

4. Announcement was made by Col. Walton that Capt. Peterson will replace Major Smith as Executive Officer for the Supply Group.

5. A meeting on UNRRA Supply Accounting was held on 15 January by Mr. Lynch. Working on the assumption that much of the posting work would be done by Italians, four sets of accounts were agreed upon. It was concluded that a minimum of two Allied personnel will be required. Two additional American or British clerks may be necessary. Mr. Cleveland suggested that another sub-committee be formed by Colonel Walton, and that discussions be held with Mr. Legg, Mr. Stauffer and the Industry Department to work out a common method of presenting and reporting statistics needed for the import program, reminding the group that because the UNRRA organization has been so much in the public light in London and Washington, there will be constant demands for all types of reports.

6. Mr. Dickens reviewed a report made on clothing and textile requirements for 1946. The study represents a measurement of the amounts necessary to provide each household with minimum requirements without regard to purchasing power. The concluding phase will be to [illegible]

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6. Mr. Dickens reviewed a report made on clothing and textile requirements for 1946. The study represents a measurement of the amounts necessary to provide each household with minimum requirements without regard to purchasing power. The concluding phase will be to project backwards, assuming that agreement can be had on the minimum, to determine how much raw material is necessary to produce the given requirement. This phase will be handled by the Industry Department. Mr. Cleveland suggested that, without waiting for the study which will be made by Industry, a report be submitted to the Interministerial Committee for Reconstruction, emphasizing that it is still in the study stage but that we would like them to work out a statement of consumer requirements in this field, which would form the basis for imports and production. Allocations of raw materials should be made on a concrete basis of what will be made and the Government should have the opportunity to say what these items shall be.

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7. Mr. Holstein announced that all Economic Staff Meetings will be held at 11:30 instead of 12:00 and henceforth will be joint meetings with the UNRRA group. He also brought up the subject of press releases. Most of these will be made through the "Economic Notes" but if there are any special releases, they should be provided by Mr. Cleveland. Finally, he asked that careful consideration be given recommendations for the hiring of personnel for UNRRA and that such recommendation be based on the competence of the individual rather than that individual's personal desire to remain in Italy.

8. Capt. Highland stated that in a few instances UNRRA cables have come in and been replied to through AC channels. All UNRRA cables should be set up on UNRRA cable forms and sent down to the C.S.C.'s office for dispatch. Under no circumstances should they be sent through normal A.C. channels.

The meeting adjourned at 12:50 hours.

ELWOOD HOLSTEIN
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

28 January 1946

Ref: EC/1.32/2

RECORD OF MEETING HELD WEDNESDAY 23 JANUARY 1946

Present: Mr. Holstein
Col. Buchanan
Mr. Bordass
Mr. Crooks
Capt. Peterson

SUBJECT: Budget and Organization of the Ports and Shipping Division UNRRA, and Internal Transport Division UNRRA.

The following agreements were reached in the meeting:

1. Mr. Bordass and Mr. Crooks are to receive copies of the Budget submitted, for their respective Divisions, with copies to Capt. Peterson.

2. Colonel Buchanan reported that the organization of the Transportation and Shipping Sub-Commission of A.C. now stands as follows:

a. Ports and Warehouses Division, Mr. Crooks Chief, is being merged with the Shipping Branch of the Movements Division.

b. The Rail Division and its records, are being held in readiness for Mr. Sullivan of the Industry and Utilities Sub-Commission to take over responsibility in connection with the instructions from the AVP dated 10 January 1946. ref. EC/1.32 par. 4.

c. The remaining operations of the Movements Division namely: The Road Branch and Rail Branch are continuing to operate under Major Lanagan's supervision. These can be turned over to Mr. Bordass on or before 1 February 1946.

3. It was agreed that it would be most desirable at this time to accomplish a change in the physical location of UNRRA and A.C. personnel involved. Under this arrangement, the personnel presently located with Mr. Bordass, who are performing Ports and warehouses functions, are to be transferred to space adjacent to that of Mr. Crooks in the A.C. building. In turn, the personnel of the Road and Rail

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Branches of the Movements Division should be transferred over in the vacated space adjacent to Mr. Bordass's office. In this way Colonel Buchanan will be able to supervise for the remainder of the A.C. responsibility, all of the Ports and Shipping activity under Mr. Crooks and all of the internal transport activity under Mr. Bordass. While each in turn will have both his UNRRA and A.C. staff working as integrated teams within the A.C. operation, as described in Mr. Cleveland's 10 January memorandum, par. 3.

4. It was further agreed that the plans would be drawn up by Mr. Crooks and Mr. Bordass to make the move of personnel, but that no movement shall take place until Mr. Keeny has cleared the Bureau Administrative Order that Mr. Cleveland has prepared, outlining the necessary shifts in personnel and functions within UNRRA to parallel the shifts already taking place within Economic Section.

ELWOOD HOLSTEIN
Chief Staff Officer

Distribution:
Messrs. Cleveland
Holstein
Bordass
Crooks
Gelbach
Col. Buchanan
Col. Walton
Capt. Peterson
Lt. Durber

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

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

181

16 January 1946

Ref.: 1.27/15

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 16 JANUARY 1946

Present:

Economic Section	Mr. Cleveland Mr. Holstein Capt. Highland Miss Wukasch Mr. Gelbach Mr. Stauffer Lt. Durber
Supply Group	Col. Walton Capt. Peterson
Requisition Branch	Mr: Lynch
C.C.C. Branch	Lt. Pine-Coffin
Transportation Sub-Commission	Lt. Col. Scoggins
S. & S. M. M. Branch	Mr. Dickens
Food & Agriculture Sub-Commission	Mr. Legg
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Maj. Fewings Maj. Hylund Maj. Jones
Commerce (FT) Sub-Commission	Maj. Saul
Finance Sub-Commission	Lt. Col. Timmons

1717

Meeting opened at 11:45 o'clock. Mr. Cleveland presided:

1. Mr. Cleveland discussed the following subjects of general interest:

Declassified E.O. 12356 Section 3.3/NND No. 785021

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d. The Spanish trade agreement has been signed.

e. Although there has been no official announcement, there is every indication that non-RCL items will be removed from the Category A list.

f. Mr. Cleveland has discussed with ex-Minister Gronchi, Under-Secretary Lombardo, of the Ministry of Industry and Commerce, and Minister Lombardi, of Transport, the question of the financing of additional imports over and above the UNRRA import program during 1946. He stated that they do not seem to push energetically any projects for reconstruction financing of railroads, utilities and similar segments of the Italian economy. In dealing with the Government it will be necessary to emphasize that the amount of money allocated to Italy by UNRRA will not be sufficient to accomplish more than a limited reconstruction job in 1946, and that it will be necessary to do something beyond publishing a book like the 1946 Import Program in order to procure funds through credits.

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h. It is evident that the Combined Chiefs of Staff are acting favorably on the recommendations emanating from the Allied Commission. There has been received a brief cable transferring the Allied Financial Agency to AFHQ, but it is to continue to be attached to the Finance Sub-Commission. They also adopted the recommendation that the Chief Financial Advisor continue to be responsible for negotiating the currency agreement.

i. The North Italy Industrial Council hasdecided to resign ostensibly because of the failure of the Government to sign a decree defining their authority to continue to operate. There has been considerable discussion in the papers about organizing a National Industrial Council to take over nationally the functions formerly performed by CLNAI in the North, but there has been no definite proposal.

j. There have been several meetings on the problem of handling UNRRA shipments across Italy, especially on the use of North Italy ports for the purpose of shipping UNRRA supplies to Czechoslovakia, Yugoslavia, Austria, etc. These meetings have dealt with the capacity of those ports, priorities to be adopted, machinery for actual handling of the shipments, etc. A further meeting will be held this afternoon.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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2. Col. Walton reported on an analysis of pilferage, tracing such losses from the ships' holds, where the responsibility rests with NSA, through those occurring at end of ships' tackle, and at port and interior warehouses, all of which operations are the responsibility of Federazione Italiana dei Consorzi Agrari. The losses at any single level appear not so large, but are impressive when consolidated. From early spring until September 30th they represent a loss of 1630 tons of sugar, 709 tons of flour (.05%), and 10,047 tons of grain (1%) - a loss of over a ship load of wheat in six months. At a meeting with the Federazione, it was agreed that through the appropriate Ministries they will present a request from the Italian Government for arms. Although the Economic Section will support a request for more and better arms, the question of providing automatic weapons to compete with those used by the bandits is apt to be difficult.

3. Major Saul informed the meeting that they have had clearance on the export of textiles in the majority of instances, although general overall approval has not been given. It seems improbable that overall approval will be granted inasmuch as infinitely more details are required than had been anticipated, including assurances of the ultimate destination of the finished product. In this connection Mr. Cleveland announced that Mr. Peter Treves, of the Washington office, who has been primarily responsible for requiring this information, is expected in Rome soon.

4. Announcement was made by Col. Walton that Capt. Peterson will replace Major Smith as Executive Officer for the Supply Group.

5. A meeting on UNRRA Supply Accounting was held on 15 January by Mr. Lynch. Working on the assumption that much of the posting work would be done by Italians, four sets of accounts were agreed upon. It was concluded that a minimum of two Allied personnel will be required. Two additional American or British clerks may be necessary. Mr. Cleveland suggested that another sub-committee be formed by Colonel Walton, and that discussions be held with Mr. Legg, Mr. Stouffer and the Industry Department to work out a common method of presenting and reporting statistics needed for the import program, reminding the group that because the UNRRA organization has been so much in the public light in London and Washington, there will be constant demands for all types of reports.

1716

6. Mr. Dickens reviewed a report made on clothing and textile requirements for 1946. The study represents a measurement of the amounts necessary to provide each household with minimum requirements without regard

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Declassified E.O. 12356 Section 3.3/NND No. 785021

FILE

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

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

181/6/1

Ref.: 1.27/ES

16 January 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 16 JANUARY 1946

Present:

Economic Section	Mr. Cleveland Mr. Holstein Capt. Highland Miss Wikasch Mr. Galbach Mr. Stauffer Lt. Durber
Supply Group	Col. Walton Capt. Peterson
Requisition Branch	Mr. Lynch
C.C.C. Branch	Lt. Pine-Coffin
Transportation Sub-Commission	Lt. Col. Scoggins
S. & S. M. M. Branch	Mr. Dickens
Food & Agriculture Sub-Commission	Mr. Legg
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Maj. Fewings Maj. Hyland Maj. Jones
Commerce (FT) Sub-Commission	Maj. Saul
Finance Sub-Commission	Lt. Col. Timmons

Meeting opened at 11:45 o'clock. Mr. Cleveland presided.

1. Mr. Cleveland discussed the following subjects of general interest:

1715

Declassified E.O. 12356 Section 3.3/NND No. 785021

Present:

Economic Section	Mr. Cleveland Mr. Holstein Capt. Highland Miss Wukasch Mr. Galbach Mr. Stauffer Lt. Durber
Supply Group	Col. Walton Capt. Peterson
Requisition Branch	Mr. Lynch
C.E.M. Branch	Lt. Pine-Coffin
Transportation Sub-Commission	Lt. Col. Scoggins
S. & S. M. A. Branch	Mr. Dickens
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Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Maj. Fewings Maj. Hyland Maj. Jones
Commerce (FT) Sub-Commission	Maj. Saul
Finance Sub-Commission	Lt. Col. Timmons

1715

Meeting opened at 11:45 o'clock. Mr. Cleveland presided.

1. Mr. Cleveland discussed the following subjects of general interest:

a. AFHQ seems opposed to the repayment of supplies loaned to Venezia-Giulia from the regular civil import program. Strenuous efforts are being made on the part of Allied Commission to obtain repayment.

b. As yet there is no answer from AFHQ to the suggestion that Udine be treated as part of Italy economically.

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c. The feeding of the Italian Army, Navy, etc., continues to be a source of discussion. Apparently the problem is to assure SACMED at what point the Italian Government will be in position to take over the responsibility for feeding the Italian Navy and Italian Air Force. At least in theory they have already been given the responsibility of feeding the Italian Army and Carabinieri, but the food has been supplied from military sources.

d. The Spanish trade agreement has been signed.

e. Although there has been no official announcement, there is every indication that non-RCL items will be removed from the Category A list.

f. Mr. Cleveland has discussed with ex-Minister Gronchi, Under-Secretary Lombardo, of the Ministry of Industry and Commerce, and Minister Lombardi, of Transport, the question of the financing of additional imports over and above the UNRRA import program during 1946. He stated that they do not seem to push energetically any projects for reconstruction financing of railroads, utilities and similar segments of the Italian economy. In dealing with the Government it will be necessary to emphasize that the amount of money allocated to Italy by UNRRA will not be sufficient to accomplish more than a limited reconstruction job in 1946, and that it will be necessary to do something beyond publishing a book like the 1946 Import Program in order to procure funds through credits.

g. The coal situation has deteriorated statistically. Broadly speaking, there was loaded in December approximately half of the amount of coal which was scheduled to be loaded and shipped, the limiting factor apparently being that during the last half of December nobody wanted to sign on as crew. In Hampton Roads alone, 13 fully loaded coal ships were sitting in the harbor without crews. The result of this on internal coal allocations is that unless some early loadings in January arrive at the end of the month, there will be enough to provide coal only for the railroads, hospitals, gas works and bakeries. Industries, with the exception of those having a supply sufficient for January, will be compelled to shut down. There is hope that the situation will improve. Recent cables mention January loadings of 440 or 450 thousand tons.

h. It is evident that the Combined Chiefs of Staff are acting favorably on the recommendations emanating from the Allied Commission. There has been received a brief cable transferring the Allied Financial Agency to AFHQ, but it is to continue to be attached to the Finance Sub-Commission. They also adopted the recommendation that the Chief Financial Advisor continue to be responsible for negotiating the currency agreement.

i. The North Italy Industrial Council hasdecided to resign ostensibly because of the failure of the Government to sign a decree defining their authority to continue to operate. There has been considerable discussion in the papers about organizing a National Industrial Council to take over nationally the functions formerly performed by CLNAI in the North, but there has been no definite proposal.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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j. There have been several meetings on the problem of handling UNRRA shipments across Italy, especially on the use of North Italy ports for the purpose of shipping UNRRA supplies to Czechoslovakia, Yugoslavia, Austria, etc. These meetings have dealt with the capacity of those ports, priorities to be adopted, machinery for actual handling of the shipments, etc. A further meeting will be held this afternoon.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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2. Col. Walton reported on an analysis of pilferage, tracing such losses from the ships' holds, where the responsibility rests with WSA, through those occurring at end of ships' tackle, and at port and interior warehouses, all of which operations are the responsibility of Federazione Italiana dei Consorzi Agrari. The losses at any single level appear not so large, but are impressive when consolidated. From early spring until September 30th they represent a loss of 1690 tons of sugar, 709 tons of flour (.05%), and 10,047 tons of grain (1%) - a loss of over a ship load of wheat in six months. At a meeting with the Federazione, it was agreed that through the appropriate Ministries they will present a request from the Italian Government for arms. Although the Economic Section will support a request for more and better arms, the question of providing automatic weapons to compete with those used by the bandits is apt to be difficult.

3. Major Saul informed the meeting that they have had clearance on the export of textiles in the majority of instances, although general overall approval has not been given. It seems improbable that overall approval will be granted inasmuch as infinitely more details are required than had been anticipated, including assurances of the ultimate destination of the finished product. In this connection Mr. Cleveland announced that Mr. Peter Treves, of the Washington office, who has been primarily responsible for requiring this information, is expected in Rome soon.

4. Announcement was made by Col. Walton that Capt. Peterson will replace Major Smith as Executive Officer for the Supply Group.

5. A meeting on UNRRA Supply Accounting was held on 15 January by Mr. Lynch. Working on the assumption that much of the posting work would be done by Italians, four sets of accounts were agreed upon. It was concluded that a minimum of two Allied personnel will be required. Two additional American or British clerks may be necessary. Mr. Cleveland suggested that another sub-committee be formed by Colonel Walton, and that discussions be held with Mr. Legg, Mr. Stauffer and the Industry Department to work out a common method of presenting and reporting statistics needed for the import program, reminding the group that because the UNRRA organization has been so much in the public light in London and Washington, there will be constant demands for all types of reports.

1714

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Declassified E.O. 12356 Section 3.3/NND No. 745021

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7. Mr. Holstein announced that all Economic Staff meetings will be held at 11:30 instead of 12:00 and henceforth will be joint meetings with the UNRRA group. He also brought up the subject of press releases. Most of these will be made through the "Economic Notes" but if there are any special releases, they should be reviewed by Mr. Cleveland. Finally, he asked that careful consideration be given recommendations for the hiring of personnel for UNRRA and that such recommendation be based on the competence of the individual rather than that individual's personal desire to remain in Italy.

8. Capt. Gilland stated that in the future UNRRA cables have come in and been replied to through AG channels. All UNRRA cables should be set up on UNRRA cable forms and sent down to the C.S.C.'s office for dispatch. Under no circumstances should they be sent through normal A.C. channels.

The meeting adjourned at 12:50 hours.

ALWOOD HOLSTEIN
Chief Staff Officer

Declassified E.O. 12356 Section 3.3/NND No. 785021

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

181/Tn 1

REF: 1.27/ES

5 January 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 5 JANUARY 1946

Present:

Economic Section	Mr. Cleveland Mr. Holstein Miss Wukasch Mr. Golbach Lt. Durber
Supply Group	Col. Walton Maj. Smith Maj. Louden
Requisition Branch	Mr. Lynch
C.E.M. Branch	Maj. Wilson
Executive Commissioner's Office	Maj. Holmes
Transportation Sub-Commission	Col. Buchanan Lt. Col. Scoggins
S. & S. M. A. Branch	Mr. Dickens S/Ldr. C. A. MacKenzie
Food & Agriculture Sub-Commission	Mr. Legg Mr. Imrie
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Maj. Shapiro Col. Parker Maj. Hyland
Finance Sub-Commission	Col. Monapace Lt. Col. Timmons
Commerce Sub-Commission	Mr. Gaul
Coal Division	Maj. Jones

1713

Meeting opened at 11:30. Mr. Holstein acted as Chairman in Mr. Cleveland's brief absence.

1. Mr. Holstein stated that since the regions have been abolished, the Executive Commissioner has requested that communications to field

Declassified E.O. 12356 Section 3.3/NND No. 785021

	Miss Wukasch
	Mr. Golbach
	Lt. Durber
Supply Group	Col. Walton
	Maj. Smith
	Maj. Louden
Requisition Branch	Mr. Lynch
C.E.M. Branch	Maj. Wilson
Executive Commissioner's Office	Maj. Holmes
Transportation Sub-Commission	Col. Buchanan
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S. & S. M. H. Branch	Mr. Dickens
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Food & Agriculture Sub-Commission	Mr. Legg
	Mr. Imrie
Industry & Utilities Sub-Commission	Mr. Sullivan
	Mr. Hayes
	Maj. Shapiro
	Col. Parker
	Maj. Hyland
Finance Sub-Commission	Col. Manapace
	Lt. Col. Timmons
Commerce Sub-Commission	Mr. Saul
Coal Division	Maj. Jones

Meeting opened at 11:30. Mr. Holstein acted as Chairman in Mr. Cleveland's brief absence.

1. Mr. Holstein stated that since the regions have been abolished, the Executive Commissioner has requested that communications to field officers be addressed through the Chief Liaison Officers. The bulletin of last week names the Chief Liaison Officers and their locations.

2. Mr. Cleveland then joined the meeting and discussed the various transfers of responsibility now pending for the economic functions of the Allied Commission. It has been officially agreed that there will be a transition period of approximately two months beginning as of January 1.

Declassified E.O. 12356 Section 3.3/NND No. 785021

1713

During this period, we will be handling both the FEA and UNRRA import programs. The Economic Section's responsibility for the FEA supplies will cease by March 1. At the end of January we hope to have completed all of the various recommendations on personnel decisions which require to be made in connection with UNRRA and to have all personnel papers actually processed at that time. Transfers to the British and American Embassies will be carried out during this same period. The organization of the Economic Section will be remolded into the UNRRA pattern. The nature of the transition has been cabled to AFHQ for its information. Same cable has been repeated to Washington and London so that the Headquarters with which we deal will be aware of steps we are taking.

3. The 1946 Program is now in printed form. Copies are available from the Program Coordination Branch. Based on that and on additional information as to availabilities of various commodities requested, the UNRRA people in Washington have prepared a draft program which is being used currently as a basis for the allocations of funds involved. The total amount of money available for supplies will be approximately 375 million dollars. Total cost, including freight charges, will be about 450 million dollars.

4. The most serious supply problem at the moment is wheat. Broadly speaking, the picture is that our stockpiling was in bad shape at the beginning of the program and it has not been possible to get into this country as much as we had asked for at the time required. As a result we have come to the end of the A.C. period of supply with the stockpile considerably low.

5. Re implementation of legislation in Udine, Mr. Cleveland pointed out that the Legal Sub-Commission will be canvassing the Sub-Commissions, and that we should follow the general policy of having all [illegible] Italian Government decrees apply automatically. Any exceptions should be reviewed by Mr. Cleveland for submittal to higher authorities.

6. The Establishment Section is trying to arrange for the establishment of separate messes for British and American officers.

7. Colonel Walton stated that a meeting would be called early next week regarding procedures for the reception of UNRRA supplies.

8. Colonel Monaghee stated that he met with the Ministry of Treasury on the currency agreement and that the Government appears ready to accept our proposal.

The meeting adjourned at 1230 hours.

E. Walton Holstein

ELWOOD HOLSTEIN
Chief Staff Officer

Declassified E.O. 12356 Section 3.3/NND No. 785021

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

REF: 1.27/ES 181/En1 5 January 1946

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 5 JANUARY 1946

Present:

Economic Section	Mr. Cleveland Mr. Holstein Miss Wukasch Mr. Galbach Lt. Durber
Supply Group	Col. Walton Maj. Smith Maj. Louden
Requisition Branch	Mr. Lynch
C.E.M. Branch	Maj. Wilson
Executive Commissioner's Office	Maj. Holmes
Transportation Sub-Commission	Col. Buchanan Lt. Col. Scoggins
S. & S. M. M. Branch	Mr. Dickens S/Ldr. C. A. MacKenzie
Food & Agriculture Sub-Commission	Mr. Legg Mr. Imrie
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Maj. Shapiro Col. Parker Maj. Hyland
Finance Sub-Commission	Col. Hemspace Lt. Col. Timmons
Commerce Sub-Commission	Maj. Saul
Coal Division	Maj. Jones

1712

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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C.E.M. Branch	Maj. Wilson
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Transportation Sub-Commission	Col. Buchanan Lt. Col. Scoggins
S. & S. H. H. Branch	Mr. Dickens S/Ldr. C. A. MacKenzie
Food & Agriculture Sub-Commission	Mr. Berg Mr. Earle
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Maj. Shapiro Col. Parker Maj. Hyland
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Declassified E.O. 12356 Section 3.3/NND No. 785021

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The meeting adjourned at 1230 hours.

E. Holsteen

ELWOOD HOLSTEEN
Chief Staff Officer

Declassified E.O. 12356 Section 3.3/NND No. 785021

TITLE

RESTRICTED

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES 181/Fm 1 28 November 1945

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 28 NOVEMBER 1945

Present:

Economic Section	Mr. Cleveland Col. Densmore Mr. Holstein Mr. Luzzato Lt. Col. Moore Capt. Highland Mr. Stauffer
Supply Group	Col. Walton Mr. Lynch Mr. Dickens Major Scotten Major Smith
Agriculture & Food Sub-Commission	Lt. Col. Cowper Mr. Rudderham
Commerce (FT) Sub-Commission	Lt. Col. Tooby
Finance Sub-Commission	Lt. Col. Timmons
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Col. Ristedt Mr. Scriven Major Fewings
Labor Sub-Commission	Mr. Braine Mr. Sachs
Transportation & Shipping Sub-Commission	Col. Buchanan Lt. Col. Scoggins
Office of British Political Adviser	Mr. Helford

1711

Declassified E.O. 12356 Section 3.3/NND No. 785021

Mr. Cleveland presided :

1. Mr. Cleveland discussed the following subjects, resulting from his trip to Northern Italy :

(a) The Regional Commissioners and the Executive Commissioner, at a meeting held the afternoon of Saturday, 24 November, agreed that it would be desirable to centralize in Milan the economic functions for the whole of Northern Italy. The draft order, covering this centralization, was read. Col. Hancock, in addition to his other duties as Regional Commissioner of Lombardia, will be appointed Economic Commissioner in Northern Italy. He will represent the Acting Vice President of the Economic Section and will be responsible for all of the economic functions for the four Regions, subject to approval from Rome. Generally speaking, reporting will be made by the Regional Commissioner to the Economic Commissioner in Northern Italy. He, in turn, will report to the Acting Vice President. The Allied Commission Advance Headquarters and the Office of the Representative of the Chief Commissioner in Milan are being abolished as of 1 December, concurrently with the initiation of the new centralization plan. It was requested that the Directors of the various sub-commissions discuss with Col. Densmore, who will leave for Milan on Thursday, 29 November, the distribution of the economic personnel of Venezia Region. It was further requested that each Director prepare a memorandum, outlining the functions of his sub-commission to be performed under the supervision of the Economic Commissioner.

(b) Mr. Cleveland and Mr. Luzzato had an opportunity to meet with many of the key groups in Milan. To each they emphasized the importance of tying up allocations of imported materials with the end products manufactured, stressing particularly the fact that the materials were being imported for the rehabilitation of the Italian people as a whole and not for certain industries only.

(c) Contrary to previous indications, there is an actual shortage of electricity in the North, placing it, in this respect, in approximately the same condition as Central and Southern Italy. There has been inaugurated a rationing system which places the entire responsibility for determining priorities and allocations in the hands of the electricity companies. Mr. Sullivan, accompanied by additional members of his staff, will leave for the North to review the entire matter in an effort to resolve some of the existing and potential problems.

(d) There is apparent in the North, both among Italians and our own people, a profund ignorance as to most of the economic problems of general knowledge here. As a result, there has been discussion of the possibility of publishing at stated intervals a series of economic notes, setting forth the official status of the supply program and other pertinent economic matters.

2. Following discussions on the January loadings

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Commissioner of Lombardia, will be appointed Economic Commissioner in Northern Italy. He will represent the Acting Vice President of the Economic Section and will be responsible for all of the economic functions for the four Regions, subject to approval from Rome. Generally speaking, reporting will be made by the Regional Commissioner to the Economic Commissioner in Northern Italy. He, in turn, will report to the Acting Vice President. The Allied Commission Advance Headquarters and the Office of the Representative of the Chief Commissioner in Milan are being abolished as of 1 December, concurrently with the initiation of the new centralization plan. It was requested that the Directors of the various sub-commissions discuss with Col. Densmore, who will leave for Milan on Thursday, 29 November, the distribution of the economic personnel of Venezia Region. It was further requested that each Director prepare a memorandum, outlining the functions of his sub-commission to be performed under the supervision of the Economic Commissioner.

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2. Following discussions on the January loadings (the first month of the UNRRA program if the money is made available), a program has been prepared and sent to Washington.

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3. The opening of private trade may be delayed since the Consulta has turned down the decree for an Under Secretary of Foreign Trade, insisting that they want a Minister of Foreign Trade.

4. According to a telephone conversation with Washington, it now seems probable that all of the 309,000 tons of wheat will be shipped. On coal, 37 of the 59 ships had already sailed.

5. A procedure for petroleum has been agreed upon and the minutes have been approved by the two embassies and by PETSEC. These will form the basis of a meeting with the Government on the subject to clarify the jurisdiction of various entities.

6. The UNRRA appropriation of 550 million dollars passed the Senate, who deleted the free press amendment inserted by the House and added an amendment making it mandatory to pay parity prices for farm products purchased in the States. It has therefore been necessary to refer it to a Conference Committee between the Senate and the House. Washington continues to be optimistic about its being cleared this week.

7. Mr. Holford, of the Office of the British Political Adviser, reviewed the events leading up to the present crisis and its implications. To date there is nothing more certain than rumor about a possible successor to Prof. Parri. If the present crisis follows the pattern of preceding ones, it is apt to continue for a long time, with possible delay to projects now in work, the delay resulting from inability to refer to anyone in authority. In this connection it was brought out that the legal theory is that those persons presently in office will remain until there is a new group. Hence the attitude should not be taken that there is no government with which to deal.

8. Col. Buchanan referred to a message received from WSA, indicating that they were faced with the serious problem of securing ballast for the next three winter months. He will make a canvas of the various sub-commissions for suggestions as to a possible solution.

9. Mr. Cleveland read a letter from Mr. Saccerdoti, stating that a substantial saving in freight could be effected if sufficient tonnages were carried under the Italian flag. The letter requested the consideration of AC in this regard, saying that Gov. Lehman and Mr. Keeny of UNRRA had interested themselves in it. Col. Buchanan said that the only ships for Italy about which he had knowledge were seven Argentine ships and that there would be nothing of any size in the pool when it is broken up.

10. There is a deadlock on the Italian-Swiss Trade Agreement. The Italians contend that the agreement was broken by the

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10. There is a deadlock on the Italian-Swiss Trade Agreement. The Italians contend that the agreement was broken by the Swiss, who wish to divert part of the proceeds to paying old debts which Switzerland claims against Italy. The Embassy has objected to this provision and negotiations are being carried on in Berne.

11. Lt. Col. Timmons informed the meeting that IL GLOBO had carried full details of a proposed wage increase for State employees. The net effect of such a decree would be to increase the deficit between 40 and 50 million lire. The annual deficit of the country is estimated at 250 million lire, as compared to a possible annual revenue of 80 million lire. There have never been any figures on the Italian national income.

12. Mr. Sachs stated there had recently been negotiated in Rome an agreement between representatives of employees and employers, providing for a wage increase. This has taken the form of establishing increases in basic rates. The rates will be uniform for North Italy except for communities within regions. A second item of interest is that they are going to try to work out a formula for increasing wages on a sliding scale basis, according to the cost-of-living index. If successful, this would eliminate the necessity of frequent negotiation. There has been essentially no change in the law providing that employees who are not working must be kept on the payrolls. Originally it was stipulated that employees not working or working reduced hours would receive 75% of their full time pay. Effective October 15, however, it was provided that they will receive 75% of 40 hours instead of the original 48, the Government to reimburse the employers in full for such payments.

13. Mr. Holstein indicated that much concern was being shown within the Allied Commission with reference to the action necessary on the part of the individual to assure his being absorbed into UNRRA at such time as that organization becomes the supplying agency. Inasmuch as at the moment there is no certainty of whether or when this action will take place, it was recommended that nobody take individual action inasmuch as all decisions as to a transfer of personnel would take place at sub-commission level.

14. It was requested that all cables be reviewed at a central point, either at the Division or Sub-Commission level. All policy cables, whether of the COM, MOC, FAN, etc. series or those going to AFHQ, should pass through Mr. Holstein's office for review and subsequently to the Acting Vice President for signature. The Directors were requested to make it a personal responsibility to see that this is done.

The meeting adjourned at 13:20 hours.

Elwood Holstein
Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
AFO 794
ECONOMIC SECTION

181/Tal

REF.: 1.27/ES

19 December 1945

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 18 DECEMBER 1945

Present:

Economic Section	Mr. Cleveland Col. Densmore Mr. Holstein Capt. Highland Miss Mukasch Mr. Colbach Mr. Stauffer Lt. Durber
Supply Group	Col. Walton Maj. Smith Maj. Scotten Maj. Louden
Requisition Branch	Mr. Lynch
C.E.M. Branch	Maj. Wilson
Executive Commissioner's Office	Maj. Holmes
Transportation Sub-Commission	Col. Buchanan Lt. Col. Scoggins
S. & S. M. M. Branch	Mr. Dickens
Food & Agriculture Sub-Commission	Mr. Imrie Mr. Legg
Industry & Utilities Sub-Commission	Maj. Fewings Mr. Hayes
Finance Sub-Commission	Lt. Col. Timmons Col. Menapace
Labour Sub-Commission	Mr. Sachs

Meeting opened at 12 o'clock. Mr. Cleveland presided.

1709

1. Mr. Cleveland discussed briefly the turnover of Northern Italy from AMG to the Italian Government. Information regarding the turnover was released to the press last week by Admiral Stone, in language which made it clear that the only reasons for retaining Venezia Giulia and Udine under AMG control were military considerations. It was specified in the release that the turnover would be effective as of midnight December 31, with no retention of functions for a transitional period of the type which characterized

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2. Mr. Cleveland stated that a cable was received from the Combined Chiefs of Staff, which gave indications as to the future status and form of the Commission. Most of the economic functions will be transferred either to the Embassies or to UNRRA. The probable Embassy functions fall into four

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categories:

(1) Labour
(2) Foreign trade
(3) Functions in financial field
(4) Advising the Italian Government on industrial projects involving foreign loans or credits

3. The U. S. Senate finally passed the authorization for the 1946 Program for UNRRA. A supporting appropriation of 50% was made available immediately and 50% is to be appropriated later. The other contributing countries will, it is recognized, make available their proportionate shares. The appropriation is now awaiting the President's signature. A definite statement regarding UNRRA's responsibility for the 1946 import program has been received here from the UNRRA Chief of Mission, Rome, who is now in Washington, and has been passed to the Italian Government.

4. Personnel: Colonel Densmore stated that the personnel section hopes to be able to get out something by Friday to the officers here and in the field some information regarding the status of all Economic personnel. They will go to one of five places:

(1) Udine, AMG
(2) Venezia Giulia, AMG
(3) Liaison group in the North (Transp. & Food officers)
(4) The Sub-Commission itself
(5) Surplus list

Regarding Christmas holidays, the schedule will be as follows:

> Saturday noon we will close as usual, with a skeleton staff consisting of duty officer and one secretary. In the Economic Section Sunday and Monday will be treated the same.
>
> Tuesday and Wednesday the Headquarters will name a duty officer for all of A. C. The Economic Section will appoint one duty officer (no secretary), whose job will be to find out who the duty officer is for all of A. C. He will then leave instructions with the A. C. Duty Officer as to where he can be reached, but it will not be necessary for him to be at the A. C. personally.

5. Finance: Colonel Densmore reported on an article which appeared in IL MONDO regarding the Foreign Trade Fund. He also stated that his office has been deluged with numerous requests for information about the rumored devaluation of the Italian lire. So far as he knows, the lira will not be devalued.

Lt. Col. Timmons stated that there is no customs control between Italy and Zone "A", nor is there any such control along the Morgan line, dividing Zone "A" from Zone "B". AMG, Venezia Giulia, are at present discussing with 13 Corps a proposed recommendation to G-5, AFHQ, that a customs control be established along the Morgan line. The Acting Vice President requested that the whole question be taken up with AFHQ. Lt. Col. Timmons also discussed the proposed policy whereby the Province of Udine would, after the handover of the Northern Regions, be integrated with the rest of Italy, and all

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6. Economy: Mr. Sachs reported on a memorandum received from AFHQ authorizing payment of Christmas bonus to all Italian civilian employees who have been in continuous service up to the present time.

7. Colonel Walton raised a question regarding travel of Italian civilian employees. He requested that this point be discussed in detail at the next meeting.

8. Mr. Holstein introduced Mr. Galbach, who was formerly stationed in Austria, and who is the new FEA Administrative Officer.

The meeting adjourned at 1500 hours.

JOSEPH M. DUTTER
1st Lt. Inf.
Pers. G. Econ. Sec.

CONFIDENTIAL

1708

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

REF.: 1.27/ES

6 December 1945

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 5 DECEMBER 1945

Present:

Economic Section	Mr. Cleveland Col. Densmore Mr. Holstein Capt. Highland Miss Wukasch Mr. Hughes Lt. Durber Mr. Stauffer
Supply Group	Col. Walton Maj. Smith
Requisition Branch	Mr. Lynch
Commerce Sub-Commission	Lt. Col. Tooby
Industry & Utilities Sub-Commission	Mr. Hayes Maj. Hyland Maj. Fewings
Food & Agriculture Sub-Commission	Lt. Col. Cowper Mr. Rudderham
Transportation & Shipping Sub-Commission	Col. Buchanan Mr. Franklin
Finance Sub-Commission	Lt. Col. Timmons
Labour Sub-Commission	Mr. Sachs

Meeting opened at 11:45 with Col. Densmore presiding. 1707

Colonel Densmore discussed the personnel arrangements and transfers with respect to economic specialists in the North.

Colonel Densmore pointed out the necessity for each Sub-Commission preparing new terms of reference for the use of the Economic Commissioner in the North.

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Referring to the new terms of reference for use by the Office of the Economic Commissioner, Col. Walton stressed the importance of preparing them with a view to continued work in the North, in the supply field, subsequent to the turn-over to the Italian Government. A canvass of Sub-Commissions as to

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status of the required document revealed that the Sub-Commissions were in the process of submitting their outlines. (Mr. Cleveland entered the meeting and assumed the chair).

A canvass of the Sub-Commissions indicated that in only a few instances would the turn-over greatly affect the procedure and functions in the North so far as supply groups are concerned. It was the final concensus that the instructions could be combined in one document, but it was emphasized that this should be done in a clear and concise manner.

The draft AFHQ Administrative Memorandum for the dissolution of A.F.L.R.S. is now circulating for comments by the Sub-Commissions. Mr. Cleveland asked that all comments be submitted to Economic Section today so that he will be in a position to discuss the matter personally with the CAO, AFHQ, who is now in Rome. Maj. Louden, formerly with A.F.L.R.S. and now with Economic Section, will be available for discussion or consultation with any Sub-Commissions who may desire his services with regard to problems or relations with A.F.L.R.S.

Mr. Cleveland stated that the UNRRA appropriation had not as yet been approved by the Congress of the United States. In all probability, if the appropriation is not approved in time for the new year's operation, there will have to be an extension of the present financing to carry over through the interim period.

There has been received by Allied Commission a cable from the Combined Chiefs of Staff with reference to the activities of each Sub-Commission. At the moment this is referred to in only general terms. Generally speaking the request was for a list of functions of Sub-Commissions and offices, with a statement of what the remaining activities would be in the supply field after the turn-over to UNRRA and the Embassies. This should cause no great concern since it appears to be based on the same plan that Economic Section is working on now in the new terms of reference for the North.

Col. Timmons reported on the status of the approval of the Italian-Swiss export trade agreement. This matter now rests with the Embassies and the Italian Government, rather than as originally initiated with A.C., AFHQ, and CCS. At the moment the proper channels for such future problems are being investigated.

Mr. Sachs of Labor Sub-Commission stated that a newspaper report indicated a trade union delegation was arriving in Naples for a tour of Italy. It is not known the purpose or

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There will shortly be issued a new instruction regarding the procedure and signatures required on various types of correspondence addressed to the North.

Mr. Holstein pointed out that American stenographic help is becoming more limited each day and asked that each Sub-Commission attempt to fill all requests from their own personnel within the Sub-Commission without reference to the Administrative & Personnel Branch.

Mr. Cleveland asked that the hour beginning at 5:00 on Thursday be kept free for all American civilian employees who are scheduled to attend a civilian staff meeting at that time.

The meeting adjourned at 13:00 hours.

JOSEPH W. DURBER
1st Lt. Inf.
Pers. O. Econ. Sect.

1706

Declassified E.O. 12356 Section 3.3/NND No. 785021

Mr. Cleveland asked that the hour beginning at 9:00 on Thursday be kept free for all American civilian employees who are scheduled to attend a civilian staff meeting at that time.

The meeting adjourned at 13:00 hours.

JOSEPH W. DURBER
1st Lt. Inf.
Pers. O. Econ. Sect.

1705

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CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

REF.: 1.27/ES

6 December 1945

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solution of A.F.L.R.S. is now circulating for comments by the Sub-Commissions. Mr. Cleveland asked that all comments be submitted to Economic Section today so that he will be in a position to discuss the matter personally with the CAO, AFHQ, who is now in Rome. Maj. Louden, formerly with A.F.L.R.S. and now with Economic Section, will be available for discussion or consultation with any Sub-Commissions who may desire his services with regard to problems or relations with A.F.L.R.S.

Mr. Cleveland stated that the UNRRA appropriation had not as yet been approved by the Congress of the United States. In all probability, if the appropriation is not approved in time for the new year's operation, there will have to be an extension of the present financing to carry over through the interim period.

There has been received by Allied Commission a cable from the Combined Chiefs of Staff with reference to the activities of each Sub-Commission. At the moment this is referred to in only general terms. Generally speaking the request was for a list of functions of Sub-Commissions and offices, with a statement of what the remaining activities would be in the supply field after the turn-over to UNRRA and the Embassies. This should cause no great concern since it appears to be based on the same plan that Economic Section is working on now in the new terms of reference for the North.

Col. Timmons reported on the status of the approval of the Italian-Swiss export trade agreement. This matter now rests with the Embassies and the Italian Government, rather than as originally initiated with A.C., AFHQ, and CCS. At the moment the proper channels for such future problems are being investigated.

Mr. Sachs of Labor Sub-Commission stated that a newspaper report indicated a trade union delegation was arriving in Naples for a tour of Italy. It is not known the purpose or extent of their visit, but A.C., will probably be called upon to assist in arrangements for transport, billeting, etc. It was suggested that definite information be obtained as to the extent that incoming businessmen and delegations of this type can be accomodated and through what organizations.

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

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There will shortly be issued a new instruction regarding the procedure and signatures required on various types of correspondence addressed to the North.

Mr. Holstein pointed out that American stenographic help is becoming more limited each day and asked that each Sub-Commission attempt to fill all requests from their own personnel within the Sub-Commission without reference to the Administrative & Personnel Branch.

Mr. Cleveland asked that the hour beginning at 5:00 on Thursday be kept free for all American civilian employees who are scheduled to attend a civilian staff meeting at that time.

The meeting adjourned at 13:00 hours.

JOSEPH W. DURBER
1st Lt. Inf.
Pers. O. Econ. Sect.

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

21 November 1945

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 21 NOVEMBER 1945

Present:

Economic Section	Col. Densmore Mr. Holstein Lt. Col. Moore Mr. Hughes Capt. Highland
Supply Group	Col. Walton Major Bates Major Scotten Major Smith
Agriculture & Food Sub-Commission	Mr. Merritt Lt. Col. Cowper
Commerce (FT) Sub-Commission	Lt. Col. Tooby
Finance Sub-Commission	Lt. Col. Timmons
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Col. Ristedt Col. Walker Major Fewings
Labor Sub-Commission	Mr. Braine Mr. Sachs
Transportation & Shipping Sub-Commission	Col. Buchanan Lt. Col. Scoggins

Colonel Densmore presided:

1. Before leaving for a trip to the North, Mr. Cleveland asked that Col. Densmore bring to the attention of the meeting the fact that several units of some of the sections are directing memoranda to the Economic Section and then giving them wide distribution. He requested that this practice be discontinued.

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Commerce (FT) Sub-Commission	Lt. Col. Tooby
Finance Sub-Commission	Lt. Col. Timmons
Industry & Utilities Sub-Commission	Mr. Sullivan Mr. Hayes Col. Ristedt Col. Walker Major Fewings
Labor Sub-Commission	Mr. Braine Mr. Sachs
Transportation & Shipping Sub-Commission	Col. Buchanan Lt. Col. Scoggins

Colonel Densmore presided:

1703

1. Before leaving for a trip to the North, Mr. Cleveland asked that Col. Densmore bring to the attention of the meeting the fact that several units of some of the sections are directing memoranda to the Economic Section and then giving them wide distribution. He requested that this practice be discontinued.

2. The following matters were discussed at the Executive Commissioner's meeting 20 November:

a. An attempt has been made to get an additional number of closed vehicles for this Headquarters. Ten additional staff cars have been obtained but they have been assigned to the Northern regions. Establishment Section reported that it is going to release all taxis and substitute other

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requisitioned cars. Col. Fisko has intimated that undoubtedly more closed cars will not be available and it will be necessary to resort to command cars and jeeps.

b. Of the 22 recommendations for promotions on the British side, 11 came back approved. On the basis of a small T.O., additional stress should be placed on the description of the job filled, if recommendations for promotions are to receive favorable action. Until the new T.O. is set up, no action will be taken with respect to recommendations for American officers.

c. The matter of furnishing information to the Soviet representative was raised and it was decided that there was no objection to supplying the Russians with the information they required, including monthly reports, with the exception of secret documents which have not been paraphrased. In response to Lt. Col. Cowper's inquiry as to whether or not this applied to Venezia Giulia, Col. Densmore stated that he believed that it did not, although he didn't anticipate that the Russians would ask for information regarding that area. In cases where there is any doubt as to whether or not information should be given to them, the matter should be referred to a higher level rather than immediately refusing to supply it.

3. The recommendations from the Sub-Commissions regarding disposition of personnel in the amalgamation of Piemonte, Liguria, and Lombardia Regions into the Northwest Region with headquarters at Milan, were submitted in a satisfactory manner, for the most part, and have been sent to Col. Jones.

4. Col. Welton suggested that it might be desirable to have the Directors of Sub-Commissions determine what type of authorizations of requisitions may be issued in their Sub-Commissions with a view to determining whether or not permits are being issued which are not necessary or desirable. Col. Densmore heartily approved this suggestion and a memorandum will be directed to the Sub-Commissions requesting that this be done.

5. Col. Densmore set forth the situation with regard to manufacture of war-like stores by Italians. Signals have been sent to all Regional Commissioners stating that any manufacture of any arms which they discover, or which are reported to them, will be investigated. If the manufacture is taking place under authorized Allied permission or is being manufactured for Italian armed forces under written authority of the Land, Navy or Air Forces Sub-Commission, they are not to be disturbed, but these facts will be reported to this Headquarters. If manufacture is going on without authority, it must be stopped at once and reported to this Headquarters. Col. Densmore requested that he be notified of the receipt of such reports before any action is taken with respect to them. A directive setting forth procedure to be followed will be issued next week. AFHQ now wants to know the present status and ability of Italian armament industries looking forward to the question of what part these industries will be able to play in re-equipping the Italian armed forces. A letter is being sent out from the Executive Commissioner's office recommending to AFHQ that it indicate what specific information it requires, and then it is proposed to secure this information from Minister Gronchi. His report could be spot checked for accuracy.

The meeting adjourned at 1240 hours.

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Leslie S. Moore

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Admn. & Pers. Branch

R E S T R I C T E D

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Unclassified E.O. 12356 Section 3.3/NND No. 785021

TRANSPORTATION SUB COMMISSION

MOVEMENTS DIVISION

FROM TO

CHIEF

RAIL-ROAD BRANCH

MAJ. C.F. CONSTABLE
CAPT. I.F. CLINGING
CAPT. A.A. GOWER

SHIPPING BRANCH

MAJ.M.F. LARAMAN
CAPT. J.H. HAZELTON
CAPT. TOSI
MR. GIUFFRIDA
Shipping Intelligence
I.C.E. Rep. (Conte Rev)

CHIEF CLERK :

RECEIVED : -

DIRECTOR
DEPUTY DIRECTOR
PLANNING STAFF
ADMINISTRATION DIVISION
ROADS DIVISION
PORTS & WAREHOUSE DIVISION
RAIL DIVISION

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RESTRICTED

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

14 November 1945

MINUTES OF ECONOMIC SECTION STAFF MEETING
HELD 14 NOVEMBER 1945

Present:

Economic Section	Mr. Cleveland Col. Densmore Col. Walton Col. Walker Mr. Holstein Lt. Col. Moore Maj. Scotten Mr. Hughes Capt. Highland
Food & Agriculture Sub-Commission	Mr. Merritt
Finance Sub-Commission	Col. Menapace Lt. Col. Timmons
Commerce (Foreign Trade) Sub-Commission	Lt. Col. Tooby Major Gent
Industry & Utilities Sub-Commission	Mr. Sullivan Col. Ristedt Mr. Hayes Maj. Fewings
Labor Sub-Commission	Mr. Braine Mr. Sachs
Transportation & Shipping Sub-Commission	Col. Buchanan Lt. Col. Scoggins
Captured Enemy Materials Branch	Maj. Trevor-Wilson
AC Milan Office	Mr. White

Mr. Cleveland presided:

1. Work is continuing on the 1946 program of imports, primarily in Milan, with the group including Col. Tooby and Mr. Luzzatto. A draft has been produced for the expenditure of 61.5 million dollars for January 1946. This is something in the nature of a loan from the UNRRA appropriation of 550 million

Declassified E.O. 12356 Sec. Section 3.3/NND No. 785021

Present:

Economic Section	Mr. Cleveland Col. Densmore Col. Walton Col. Walker Mr. Holstein Lt. Col. Moore Maj. Scotten Mr. Hughes Capt. Highland
Food & Agriculture Sub-Commission	Mr. Merritt
Finance Sub-Commission	Col. Hemspace Lt. Col. Timmons
Commerce (Foreign Trade) Sub-Commission	Lt. Col. Tooby Major Gent
Industry & Utilities Sub-Commission	Mr. Sullivan Col. Ristedt Mr. Hayes Maj. Fewings
Labor Sub-Commission	Mr. Braine Mr. Sachs
Transportation & Shipping Sub-Commission	Col. Buchanan Lt. Col. Scoggins
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Mr. Cleveland presided:

1. Work is continuing on the 1946 program of imports, primarily in Milan, with the group including Col. Tooby and Mr. Luzzatto. A draft has been produced for the expenditure of 61.5 million dollars for January 1946. This is something in the nature of a loan from the UNRRA appropriation of 550 million dollars which is expected to be through the Senate by the end of the week. A new appropriation of 1 billion 350 million dollars has gone up before the House Foreign Affairs Committee today.

2. A meeting on Foreign Trade was held last week with the Inter-Ministerial Committee for Reconstruction and the Under-Secretary designate. After a long discussion of the obstacles, Italian and Allied, which presently inhibit the opening of free trade channels, a sub-committee was created, headed up in the Finance Sub-Commission. There has been a meeting of this sub-committee

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and the work is well under way, as follows:

a. Two customs officials, acting under instructions from Minister Storoni, presented to the Finance Sub-Commission a memorandum purporting to set forth the places where the customs are not satisfactorily functioning. This memorandum was too general to be serviceable. They were requested to draw up another, outlining the situation more specifically. As yet this has not been received.

b. At the meeting of the sub-committee on Foreign Trade, attended by representatives of the various Ministries and Allied Commission, the Italian representatives presented a memorandum setting forth the rules and procedure on the control of Foreign Trade, accompanied by a series of forms (viz. "A" to "F"). Although the plan seems well formulated, no immediate approval was given in order to provide sufficient time for further study. It is proposed to make announcement of the plan through the Chambers of Commerce, relying on them to disseminate the information. The question was raised as to the possibility of shipping becoming a limiting factor. It is understood that Italy is negotiating for the purchase of a number of Liberty ships when they become available. However, there has been no announcement on this.

3. It was requested that anybody involved in representation of the Allied Commission or the Italian Government on special groups and committees meeting in Brussels, Paris, London, etc., advise Col. Denmore. There seem to be varying opinions of Italy's status and it is advisable to get a general ruling aimed, insofar as possible, at getting the Italians appointed to these groups. Col. Denmore recommended that at these meetings the term "membership" be used instead of "representation."

4. It has not been decided whether AFHQ will move to Rome. It is understood that a cable has been sent, advising that unless instructions to the contrary are received, AFHQ will move to Rome 1 December and that the deadline for the receipt of such instructions is 20 November.

5. The supply picture on major commodities is brighter than last week. The coal strike is not having the effect on arrivals in Italy that might have been expected. Although September shipping was short, some of the ships intended for that month slipped into October, thus forestalling a gap. On wheat, although actual figures are not presently available, it is probable that we will get approximately 75% of the additional quantity requested. Washington was advised that there are facilities here for handling bulk flour.

6. There was opened for discussion the question of whether the character of AAC operations in the North should be changed by pulling out all of the Economic offices from the various regions and concentrating them in Milan, on the theory that the control of the Italian side is exercised by the various Boards working out of Milan. The office to be established by AC would, in effect, be an advance Headquarters of the Economic Section. It seemed probable that such a concentration might function more effectively than an organization spread thinly over the entire North:

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3. It was requested that anybody involved in a representation of the Allied Commission or the Italian Government on special groups and committees meeting in Brussels, Paris, London, etc., advise Col. Dunmore. There seem to be varying opinions of Italy's status and it is advisable to get a general ruling aimed, insofar as possible, at getting the Italians appointed to these groups. Col. Dunmore recommended that at these meetings the term "membership" be used instead of "representation."

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a. Mr. Whit. concurred in bringing the men from the field into Milan, emphasizing the point that the personnel of the field offices were so few and changed so frequently that they could not accomplish the functions originally intended.

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3. Mr. White expressed the belief that there would be a decided advantage, particularly in the light of existing communication facilities, in being able to make immediate distribution of materials without the necessity of resorting to Rome for a decision.

4. Mr. Cleveland expressed his belief that the plan was a practicable possibility, with some exceptions, and that a proposal would be drafted, based on the actual people available and the general point of view expressed by each group. This would be presented with ample time for studying before being finalized.

The meeting adjourned at 1320 hours.

Leslie S Moore

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Admn. & Pers. Branch

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c. Mr. Merritt stated that because so many officers in the North had left and because the Italian Government is actually performing food and agricultural functions through their agencies in all of the Provinces, he considered it practicable to centralize in Milan, so long as there is someone in the Provinces to back up the Prefects. Maj. Cowper said his immediate reaction was guarded and that he was not entirely converted to making the capital of the North, Milan. Mr. Merritt, however, felt that on the food side they might tend toward a geographical breakdown, having representatives working out of Milan.

c. As for Industry, Mr. Sullivan felt that at first appearance the plan seemed like an excellent one, though he had not had time to study it sufficiently to make a firm statement. Maj. Fowlie felt that if the Regional officers were brought into Milan, their functions would be destroyed since the actual need was for them to be in the field, assisting with problems of rehabilitating the industries. Mr. Cleveland brought out the fact that the time had come to think in terms of changed functions and of the type of set up needed for 1946.

d. Col. Buchanan, speaking for Transportation, said that the work of coordination was already being carried out in Milan; that even after the North has been turned back in its entirety, they would still like to retain transportation officers in the various Regions.

e. Col. Ristedt likewise felt that there were arguments against concentration in Milan, the principal one being that the financing of Public Works is now being carried out on a Regional basis and that a change of such procedure would entail considerable delay in the approval of projects because of the slow machinery of the Italian Government for processing approval. In this Col. Kenyace concurred. Mr. Cleveland recommended that steps be taken to remedy this situation and to assist in establishing a system whereby the Italian Government would expedite approval. In addition to the obstacle of financing, Col. Kenyace also brought out the objections that the Finance Sub-Commission has no individual offices presently in Milan and that they have no continuing functions. He favored keeping the financial control on a Regional basis.

f. Maj. Gent foresaw only one possible objection to centralization of the North in Milan and that was the possibility of encouraging the North to act separately from the central Government. If that could be avoided, he was in accord with the change.

g. Lt. Col. Tooby favored centralization in Milan, with the installation of an inspectorial system to see that imported goods are used as allocated and that the type of goods authorized are actually manufactured, i.e. that they do not use imported goods for the manufacture of luxury items.

h. Mr. Braine said that so far as the normal labor function is concerned, there was no objection to immediate centralization in Milan, but that as long as there existed responsibility for public safety, there might be some problems for there is a strong possibility of serious labor difficulties in the North.

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h. Mr. Brains said that so far as the normal labor function is concerned, there was no objection to immediate centralization in Milan, but that so long as there existed responsibility for public safety, there might be acute problems for there is a strong possibility of serious labor difficulties in the North.

i. Col. Welton's primary concern was that expressed by Maj. Cant - the possibility of the areas looking toward Milan as the capital rather than Rome.

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S E C R E T

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

181/Tu1

Ref: 1.27/ES

16 October 1945

MINUTES OF ECONOMIC SECTION STAFF
MEETING HELD 15 OCTOBER 1945

Present:

Economic Section:	Brig. Gen. E. E. McKinley
	Col. Densmore
	Col. Walton
	Mr. Sullivan
	Lt. Col. Quartier
	Lt. Col. Tooby
	Mr. Hughes
	Lt. Stauffer
	Major Smith
	Mr. Checchi
	Capt. Highland
	Capt. White (Ex. Comm. Off)
	Lt. Durbor
Agriculture Sub-Commission	Mr. Rudderham
Commerce Sub-Commission	Major Scotten
Food Sub-Commission	Major Cowper
Finance Sub-Commission	Col. Menapace
	Major Timmons
Industry Sub-Commission	Mr. Land
Labour Sub-Commission	Mr. Braine
P. W. & U. Sub-Commission	Col. Ristedt
Transportation Sub-Commission	Lt. Col. Scoggins
W. M. Disposal Sub-Commission	Lt. Col. Dockmejian
	Major Yates

General McKinley presided:

1. Gen. McKinley announced that inasmuch as the Executive Commissioner's meeting are now held only on Tuesday, it seems appropriate that the Economic Section Staff Meeting should be changed to that day also so that the Sub-Commissions may be informed of items discussed at the Executive Commissioner's meeting as soon as possible.

Carried Over

2. No additional information regarding Mr. Cleveland's arrival has been received but he is expected to arrive within one week.

3. Col. Densmore stated that a memorandum regarding the Medal of Freedom is to be circulated throughout the Economic Section which sets forth the qualifications required of a person mentioned for this medal and the form in which the recommendation is to be presented. This medal may not be pre-

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Col. Densmore
Col. Walton
Mr. Sullivan
Lt. Col. Quartier
Lt. Col. Tooby
Mr. Hughes
Mr. Stauffer
Major Smith
Mr. Chechi
Capt. Highland
Capt. White (Ex. Comm. off)
Lt. Barber

Agriculture Sub-Commission — Mr. Rudderham
Commerce Sub-Commission — Major Scotten
Food Sub-Commission — Major Cooper
Finance Sub-Commission — Col. Menapace

Industry Sub-Commission — Major Timmons
Labour Sub-Commission — Mr. Land
P. W. & U. Sub-Commission — Mr. Braine
Transportation Sub-Commission — Col. Ristcot
W. M. Disposal Sub-Commission — Lt. Col. Scoggins
Lt. Col. Dackmejian
Major Bates

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Carried over

2. No additional information regarding Mr. Cleveland's arrival has been received but he is expected to arrive within the week.

3. Col. Densmore stated that a memorandum regarding the Medal of Freedom is to be circulated throughout the Economic Section which sets forth the qualifications required of a person mentioned for this medal and the form in which the recommendation is to be presented. This medal may not be presented to U. S. military personnel. American civilians (for service outside of the U.S.), civilians of friendly nations, and military personnel of friendly nations may be recommended. The award may be made in four degrees and the degree recommended should be stated. It has been pointed out in some instances British officers have been recommended for the Legion of Merit; in a case of this sort an indication should be made on the report submitted that the individual has previously been recommended for the Legion of Merit. No quota has been established, but it is important that the recommendations submitted on this

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4. At the Executive Commissioner's meeting this morning the advisability of turning over to the Italian Government the monthly AMG reports from the Regions and the Sub-Commissions was discussed. If this procedure is adopted, General McKinley stated that the Regions and Sub-Commissions should be so informed so that the reports will be written on the basis that they are available for everyone to see. Col. Kemspace called attention to the fact that the fact that the reports of the Finance Sub-Commission are not adapted to this purpose due to the fact that the form in which they are prepared is specified by Washington and it would not be desirable to make them available to the Italian Government. General McKinley suggested that it might be possible to prepare a resume which could be used for this purpose.

5. The last few days G-1 has been working directly with the Sub-Commissions reviewing the names of those officers who will be assigned to liaison teams in the North. Col. Densmore stated that he had asked the Personnel Office to check with the Sub-Commissions to determine what report has been given to G-1 and to determine the designations of those people held over for liaison jobs.

6. The records found in the North of machinery, equipment, parts, etc. that were taken out of the North and sent to Germany are needed for discussions with the Italian Government. Industry Sub-Commission is to look into this matter

7. Col. Walton mentioned that a meeting had been held with Col. Bickerstaff yesterday to review his program of the military requirements for Venezia-Giulia and he inquired as to the progress that the sub-commissions were making with respect to securing the information requested at the meeting.

8. It is expected that the restatement of the wheat position will be completed this afternoon.

9. In disposing of U.S. salvage PBS has agreed to deal directly with the Italian Government instead of through the War Materials Disposal Sub-Commission. Col. Walton will investigate to see whether any AFHQ directive has been issued regarding this matter.

10. Major Cowper reported that Italian civilians who are sent out on specific jobs by AC are having to spend much more than the amount that they are reimbursed. The allowance is 250 L. a day and it is impossible for them to obtain accommodations and food for this amount. Col. Densmore will undertake to see if it is possible to have the allowance raised.

11. No further news has been received as to the turnover date.

12. Col. Kemspace replied to Col. Densmore's inquiry regarding new accounting personnel by stating that two new officers have come in; however, no reply has been received from AFHQ or Washington on the major request for personnel. Mr. Hughes reported that 7 accountants who are now working in sub-commissions in a military status have been processed by FEA and as soon as they are demilitarized they will be available to Finance Sub-Commission.

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Italian Government. General McKinley suggested that it might be possible to prepare a resume which could be used for this purpose.

5. The last few days G-1 has been working directly with the Sub-Commissions reviewing the names of those officers who will be assigned to liaison teams in the North. Col. Densmore stated that he had asked the Personnel office to check with the Sub-Commissions to determine what report has been given to G-1 and to determine the designations of those people held over for liaison jobs.

6. The records found in the North of machinery, equipment, parts, etc. that were taken out of the North and sent to Germany are needed for discussions with the Italian Government. Industry Sub-Commission is to look into this matter

7. Col. Walton mentioned that a meeting had been held with Col. Nickerson yesterday to review his program of the military requirements for Venezia-Giulia and he inquired as to the progress that the sub-commissions were making with respect to securing the information requested at the meeting.

8. It is expected that the restatement of the wheat position will be completed this afternoon.

9. In discussing of U.S. salvage FEA was agreed to deal directly with the Italian Government instead of through the War Materials Disposal Sub-Commission. Col. Walton will investigate to see whether any AFHQ directive has been issued regarding this matter.

10. Major Cooper reported that Italian civilians who are sent out on specific jobs by AC are having to spend much more than the amount that they are reimbursed. The allowance is 250 L. a day and it is impossible for them to obtain accommodations and food for this amount. Col. Densmore will undertake to see if it is possible to have the allowance raised.

11. No further news has been received as to the turnover date.

12. Col. Montrade replied to Col. Densmore's inquiry regarding new accounting personnel by stating that two new officers have come in; however, no reply has been received from AFHQ or Washington on the major request for personnel. Mr. Hughes reported that 4 accountants who are now working in sub-commissions in a military status have been processed by FEA and as soon as they are demilitarized they will be available to Finance Sub-Commission. Gen. McKinley requested that the matter of transferring them to Finance Sub-Commission as military personnel be investigated.

The meeting adjourned at 12:40 hours.

Leslie S. Moore
LESLIE S. MOORE
Lt. Col., AGD
Chief, Admn. & Pers. Branch

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TN d Shipping s/o

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

13 November 1945

Ref: 7.16/ES

SUBJECT: Minutes of Meeting of Interministerial Committee for Reconstruction

TO : See Distribution Below

1. Attached for your information and attention are copies as indicated of the Minutes of the Meeting of the Interministerial Committee for Reconstruction and the Allied Commission held on the 6th November 1945.

HARLAN CLEVELAND
Lieut. Colonel, AUS
Deputy Chief, Economic Section

Harlan Cleveland

Attachment

DISTRIBUTION:
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Italian Govt Interministerial Committee (10)
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" Piemonte "
" Venezia "
SCAC, Venezia Giulia Region
American Embassy (2)
British Embassy (2)

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CHAIRMAN: Mr. Harlan Cleveland
Acting Vice President
Economic Section, AICCA

Present:

Representing:

a. Economic Section AICCA:
Col. Demarco, Deputy Vice President
Col. Rodriguez, Director, Finance Sub-Commission
Col. Chiboni, Chief, Supply Group
Lt. Col. Timone, Deputy Director, Finance Sub-Commission
Lt. Col. Tooby, Chief, Foreign Trade Division
Commerce Sub-Commission
Major Cook, Director, Commerce Sub-Commission
Major Cash, Foreign Trade Division, Commerce Sub-Commission
Lt. Holstein, Chief Staff Officer
Lt. Lumsden, USN
Lt. Ottino Carmagnola, Interpreter
Miss Lois Hancock, Secretary for AICCA side of Committee

b. Italian Government:
Hon. Rubini, Minister for Reconstruction
Hon. Grandi, Minister of Industry & Commerce
Hon. Rasoi, Minister of the Treasury
Hon. Taliaffo, Minister of Transportation
Mr. Rossi, Undersecretary of State for Reconstruction
Mr. Storoni, Undersecretary of State for Commerce
Mr. DiNola, Chief of Commerce Section, Ministry of Foreign Affairs
Mr. Galbiati, Ministry of Reconstruction and
Secretary for Italian Side of Committee

c. British Embassy:
Sir Richard Beeworth
Mr. Stirton

d. U.S. Embassy:
Mr. Ainsworth

e. U.S. Commercial Company:
Mr. Kelly
Mr. Brode

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I

The Chairman welcomed the Committee and expressed the opinion that the Committee was in a position to do a great deal during the next few ten weeks. Minister Ruini in turn welcomed Mr. Cleveland back into the group. Introductions were made of all in attendance.

The agenda, an attempt to analyze the obstacles which stand in the way of the reestablishment of private trade between Italy and other countries, was called to the attention of the group. In general terms, Mr. Cleveland felt that there are no further blocks to the reestablishment of private trade so far as the US and UK are concerned as a result of developments in those countries during the past two or three months. Particular developments are:

(1) So far as the British Government is concerned, Statutory Rules and Orders have been issued which now permit subjects of the UK to trade with private citizens of Italy, still under certain export licensing control.

(2) At the same time, the US Government (as the Italian Government has been informed by the American Embassy) has adopted a policy which will very soon result in a relaxation of the virtual controls over finance (the use of Italian collateral) and over the movement of commodities to and from Italy. The final steps in this procedure, it is promised, will be taken very quickly. In addition, persons or experts from Italy are considered the US Government has already adopted the line that the position of the USCC as the sole channel for experts from Italy to the US will be discontinued as a sole channel by 1 January 1946, at the latest and that thereafter the role of the USCC would be that of an aid to particular US importers who for one reason or another are unable to represent themselves in Italy. However, it would be on a voluntary basis so far as private trade was concerned, not as a monopoly agent or a monopoly agency of the Italian Government.

Question: Will the USCC remain the sole representative of the US trade in American after the first of January?

Answer: No.

II

Since many changes have occurred in the Italian Government following the war broad during this period, Minister Ruini was asked to make some such similar general statement before the obstacles listed in the agenda would be discussed.

Minister Ruini stated that he was pleased with the new policy of the US and UK. However, the misunderstandings of previous policy will create certain difficulties for the Italian Government. For instance, previously, all imports were planned by the Italian Government and approved by the US Government. In order to move more quickly to deal with US and UK, more credits and therefore more help would be necessary.

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are:

(1) So far as the British Government is concerned, Statutory Rules and Orders have been issued which now permit subjects of the UK to trade with private citizens of Italy, still under certain export licensing control.

(2) At the same time, the US Government (as the Italian Government has been informed by the American Embassy) has adopted a policy which will very soon result in the cessation of the wartime controls over finance (the use of Italian currency) and even the movement of commodities to and from Italy. The final steps in this process, it is understood, will be taken very quickly. In addition, whether or not exports from Italy are permitted, the US Government has already established the fact that the permission of the PCCC as the sole channel for exports from Italy to the US will be discontinued as a sole channel by 1 January 1946, at the latest and that thereafter the role of the PCCC would be that of an office of particular US import or who for one reason or another are unable to represent themselves in Italy. However, it would be on a voluntary basis so far as private trade was concerned, not as a monopoly agent of a monopoly agency of the Italian Government.

Question: Will the PCCC remain the sole representative of the US trade in Mediterranean after the first of January?

Answer: No.

II

Since many changes have happened in the Italian Government following the same trend during these days, Minister Tuttl was asked to make some such similar general statement before the obstacles listed in the agenda would be discussed.

Minister Tuttl stated that he was pleased with the new policy of the US and UK. However, the suspending of the previous policy will create certain difficulties for the Italian Government. For instance, previously, all imports were planned by the Italian Government and approved by the US Government. In order to move more easily in open trade with US and UK, more credits and therefore more help would be necessary.

Minister Gronchi summarized what has been done in the Italian Government up to now. The Italian Government has been very much at a loss as to the policy that would be followed by the Allied Governments. In fact, the system of state monopoly may be or may be abandoned but they have never been told soon or not, and this meeting was the first indication of any kind. The policy of the Italian Government has been outlined in two decrees which have been approved by the Council of Ministers and which are now being examined by the Consulta.

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impossible the exportation of goods and would create tremendous advantages to enrich Italian importers.

The second decree creates a compensation fund which enables the Government to add an additional quarter to imported quotas and decrease exported quotas. The present policy of the Italian Government is to reach progressively an equilibrium between the prices.

The decree does not set the amount of the pricing of imports which would be priced from time to time. The responsibility for this rests generally with the Interministerial Committee for Reconstruction which has an over-all jurisdiction of policy, but particularly with the Undersecretary for Foreign Trade. The Interministerial Committee will give the policy and the Undersecretary will take action.

III

Towards setting up data for the future economic of private trade between the countries concerned, discussion of methods to overcome the obstacles laid out under Agenda was resumed.

Mr. Storoni said that the studies made up to now contemplate the two factors of private initiative and of the State. In particular, exports will be carried out by private initiative but only the State will grant against credits open to Italy in the US and UK. A certain margin will be left over for private initiative and little by little they hope to get these credits augmented.

Mr. Cleveland agreed that the UNRRA fund had to be used this way because procurements must be made through the supplying Governments. However, he questioned why other funds should not be made available at least in part to private traders and import goods on the essential list. Naturally, Mr. Storoni said, the Italian Government lives in the hope that further credits would be granted, but if such credits were turned over to private concerns, owing to the disproportionate values, the importers would gain tremendously. Whilst the net of exchange on the free market is high, the rate of exchange of some goods in the free market is low and therefore, by giving the individual some dollars and enabling him to purchase with these dollars, he might get back again 80 lire. Since it is unfair that individuals should make so large a profit, the State should carry out import transactions. It was proposed to limit purchases by the Italian Government to 5 for items, two thirds of which would be controlled within the country and the remainder of which would be presented by private concerns until little by little the price equilibrium would be obtained.

Mr. Cleveland said that this was a point of very importance because, at least so far as the US is concerned, availability of credits will inevitably depend in some measure on the extent to which those credits will be used through private trade channels. This is an important political consideration in the US.

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Mr. Storoni felt that there was no answer to that since, naturally, the Italian Government had already thought that the giving of credits would have nothing to do with how they would be used.

Mr. Cleveland said that it appeared to him to be clear that if it were felt in the US Government that credits were to be used in a way that might perpetuate the monopoly controls that were necessary in wartime through the post-war period, it might have a considerable effect on the willingness of the US to grant the credits in the first place.

Col. Lemnitzer agreed that one believed that to be a reasonable assumption. The American public opinion would veer toward free trade just as fast as possible to get away from monopoly type of credit and, further, the Export-Import Bank type of credit would be based on private trade because such credits are made in effect through private banking channels.

Min. Gronchi at this point was brought up to this point by Mr. Storoni who stated the opinion of the Italian Government and not a policy which it had been asked to adopt.

Mr. Cleveland asked whether it would not be possible in theory to have a control system on private trade transactions which would wipe out this differential in price between the price levels and the exchange levels of which Mr. Storoni spoke.

Col. Lemnitzer said that the Italian Government already had such a policy that it had the right to use private so that it already had the control.

Mr. Cleveland said that therefore this differential must be wiped out whether it is private trade or Government monopoly trade. The Italian Government has already decided that at the 20 to the dollar, it will do just that and along this line it would presumably have to solve the problem without the Government itself acting on the principal in the transaction at every stage.

IV

Min. Labolfa summarized the discussion: If the Italian economy is to be rebuilt on a private economy, it is necessary that all branches should be able to obtain those goods which they require from anywhere in the market. It is therefore the responsibility of the Italian Government to have available availability of foreign currency so that all factors of economic life availability of foreign currency. The Italian Government does not have such availability of foreign currency so that it can guarantee that factor in the economic life of a nation will be able to obtain out of these credits what is necessary for its rehabilitation. It is understood that each branch may dip into the pool of general credits so economic revival may take place in all factors of the economy. However, it is probable that in the revival of foreign trade, certain branches should have priority over others and the Government should therefore not make [illegible] available to all. The policy which should therefore be adopted

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Col. Kemper agreed to the belief that to be [illegible] assumption. The American public opinion would veer toward free trade just as fast as possible to get away from monopoly type of credit and, further, the Export-Import Bank type of credit would be based on private trade because such credits are used to affect through private banking channels.

Mr. Gronchi stated that he would not have said up to this point by Mr. Storoni was merely the opinion of the Italian Government and not a policy which it had been trying to secure.

Mr. Cleveland stated further it would not be possible in theory to have a control system of private trade transactions which would wipe out this differential in price between the price levels and the exchange levels of which Mr. Storoni spoke.

Col. Kemper said that the Italian Government had already decided as a policy that it has the right to fix prices so that it already has the control.

Mr. Cleveland said that therefore this differential can be wiped out whether it is private trade or Government monopoly trade. The Italian Government has already decided that up to 200 to the dollar, it will do just that and along this line it would presumably have to solve the problem, without the Government itself being a party to the transaction at every stage.

IV

Mr. Labalme summarized the discussion: If the Italian economy is to be rebuilt on a private economy, it is necessary that all branches should be able to obtain those goods which they require from an international market. It is then for the responsibility of the Italian Government to increase availability of foreign currency so that all facets of economic life should be able to receive the [illegible] allocation. The Italian Government does not have such an availability of foreign currency so that it can preempt that factor of the economic life of a nation will be able to obtain out of those credits what is necessary for its rehabilitation. It is under consideration that each branch may dip into the pool of general credits so economic revival can take place in all factors of the economy. However, it is probable that in the revival of foreign trade, certain branches should have priority over others and the Government should therefore not make credits available to all. The policy which should therefore be adopted should tend towards the coordination of the availability and use of credits. For instance, in the importation of wheat, procurement by the State if absolutely necessary. It could be said that the Government could give credits for the purchase of wheat but the actual purchase would be done through private channels. On the other hand, it must be considered that the grain cannot be imported freely by private individuals because it is still a controlled item and it is necessary to keep it on rationing. A similar argument

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can be applied to coal or food, the importation of which is essential but which cannot be supplied merely through private credits. Therefore, there would be two separate fields-- one in which they would use the Governmental trade and another in which they would use private credits. In the Governmental credit field, there can be two sub-fields; the first, where the Governmental credits are used directly by the State which carries out these transactions through its agencies; and second, credits which are given private importers (which is really giving foreign currency to private individuals). In addition, there would be the credits used directly by private individuals which would be those which private individuals have obtained. These should be coordinated. If one branch of the economy were to develop excessively, there would be an unbalancing of the internal market and it is therefore necessary that all three of these forms of credit should be under a general financial monetary control. This is the system by which the Italian Government can develop a completely free trade, but the control must be consistent to obtain a reasonable development.

Minister Paini said that what had been said up to now did not necessarily represent the final opinion of the Italian policy (it is merely a procedure which is necessary to follow at the moment) and that eventually they certainly do want to establish free trade. These principles are acknowledged by the Italian Government. By no means does the Italian Government not want the reestablishment of private trade.

Mr. Cleveland said that the policy statement made by Min. Paini and the analysis by Min. Ismaili lined up with the policy of the US and UK. The first remarks by Mr. Cleveland were misunderstood a little . . . . The problem is now that of the Ministry for getting the program into effect.

Mr. Ismaili repeated the points of policy that there were really three different types of import transactions, namely, (1) Lire credits which would be used directly by the Government (2) Italian Government credits which would be given for use by private individuals and (3) individual private credits obtained by private individuals which are the private individuals to use. He wished to make this point so that these three different types credits could be appreciated.

Col. Bernacca said that the mobilization of credits idea is not exactly in accord with what actually happens. All of the credit abroad is available in one case under Government control. The Government then determines who shall have Government exchange -- it is not determined by the origin. If it is obtained by a private party, it still is in the same Government-controlled pool. (Mr. Cleveland added that these credits are however not infinitely interchangeable. If it were given for the purpose of cotton, it would not be available for wheat.)

Sir Richard Acworthy said that a Ministry for the purpose of mobilizing foreign credits was in existence in Italy before the war.

Col. Bernacca said that through such a Ministry, the Government can

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individuals). In addition, there would be the credits used directly by private individuals which would be those which private individuals have obtained. These should be coordinated. If the branches of the economy were to develop excessively, there would be an unbalancing of the internal market and it is therefore necessary that all three forms of credit should be under a general form of monetary control. This is the system by which the Italian Government can develop a completely free trade, but the control must be consistent to obtain a harmonious development.

Minister Ruini said that what had been said up to now did not necessarily represent the final opinion of the Italian policy (it is merely a procedure which is necessary to follow at the moment) and that eventually they certainly do want to establish free trade. These controls are acknowledged by us to be only verbals. By no means does the Italian Government not want the reestablishment of private trade.

Mr. Cleveland said that the policy statement made by Min. Ruini and the analysis by Min. Ansaldi lived up with the policy of the US and UK. The first remarks by Mr. Sforza were misunderstood a little . . . . The problem is now that of the Ministry for putting the program into effect.

Mr. Ansaldi repeated the point of policy that there were really three different types of import transactions, namely, (1) State credits which would be used directly by the Government (2) Italian Government credits which would be given for use by private individuals and (3) individual private credits obtained by private individuals who are the private individual's to use. He wished to make this point so that these three different types credits could be agreed upon.

Col. Bonesteel said that the mobilization of credits idea is not exactly in accord with what actually happens. All of the credit abroad is available in one mass under Government control. The Government then determines who shall have Government exchange -- it is not determined by the origin. If it is obtained by a private party, it still is in the same Government-controlled pool. (Mr. Cleveland added that these credits are however not infinitely interchangeable. If it were given for the purpose of cotton, it would not be available for wheat.)

Sir Richard Rosworthy said that a Ministry for the purpose of mobilizing foreign credits was in existence in Italy before the war.

Col. Bonesteel said that through such a Ministry, the Government can control importation.

V

Mr. Cleveland suggested that the Committee should now go over points in the agenda (copy attached) and then ask a Sub-Committee of the group to go into specific steps which might be taken by the Allied Governments and by Italy so that the individual nations can immediately take the necessary steps that must be taken before private trade can be resumed. Following the agenda:

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1. Publication of decree setting up Undersecretariat of Foreign Trade:

This should be completed this month.

2. Exact Procedure:

Development of actual procedures and forms should be completed before it can be announced that private trade is a fact. (Mr. Storoni has already prepared a circular establishing the exact procedure by which foreign trade will be carried out. He will submit it to the Sub-Committee for approval).

2-a. It will be necessary to distinguish importations from exportations. Subject to approval by the Interministerial Committee, Mr. Storoni will make a list of commodities which will be controlled for exportation. It will be the task of the Interministerial Committee to establish a list of commodities for importation. On the basis of this list of priorities, import licenses will be granted.

2-b. To be left to the Sub-Committee. (On this, Mr. Cleveland asked what sort of a regional decentralization there would be. Mr. Storoni answered that the channels would be the Provincial Chambers of Commerce. Applications would be forwarded to the Ministry of Industry & Commerce for approval. Mr. Cleveland asked if the applications would all have to come to Rome and Mr. Storoni replied that they could but naturally the Chambers of Commerce would first screen them.

2-c. To be taken up by the Sub-Committee.

2-d. It would be the task of the Ministry to decide on the basis for granting priorities and making allocations. For instance, the Ministry would establish the quantity of copper which would have to be imported. The Ministry would have to screen the requests submitted in applications and eliminate those which would be beyond the amount of the copper needed. This screening by the central office can only be done following the recommendation and opinion of Provincial Chambers of Commerce.

2-e. To be taken up by the Sub-Committee.

3. Customs Control:

Mr. Storoni said that on the 16th of October, he presented a memorandum in which he asked that customs control be re-established. Private trade through a system of licensing cannot exist unless customs exist since it is useless that a license should be granted unless there is someone to control it. Mr. Cleveland said that the memorandum doesn't specify what the problems are, port by port, but that AC will take whatever steps are

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foreign trade will be carried out. [illegible]
for approval).

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2-d. It would be the task of the Ministry to decide on the basis for granting priorities and making allocations. For instance, the Ministry would establish the quantity of copper which would have to be imported. The Ministry would have to screen the requests submitted in applications and eliminate those which would be beyond the amount of the copper needed. This screening by the central office can only be done following the recommendation and opinion of Provincial Chambers of Commerce.

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Mr. Storoni asked the question: When an Italian exporter exports his goods to the US, is the credit immediately available and where? Mr. Cleveland told him that it was to be in a New York bank, credited to the Banca d'Italia.

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4. Shipping:

Mr. Storoni asked for further explanation on the point of US and UK shipping to Italy. Mr. Cleveland said that under the procedure of the United Maritime Authority, programs of imports which involved ocean shipping are to be filed in London. This will probably not last long because UMA will go out of business.

Mr. Storoni said that it was clear about shipping from Italy to UK and US. He read an excerpt from a directive:

"Specific directions will have to be issued . . ."

and then asked, 'Does this mean they should refer directly to Washington?" Major Seid replied that at present that is the practice; but it would change when UMA is dissolved.

5. Exchange Control:)
6. Special Cases:)

Mr. Storoni said that he is quite ready to give all the details on these subjects but it might be better to give them to the Sub-Committee. In effect, these matters could be handled the same as before the war.

Mr. Cleveland asked if sufficient personnel were available for the licensing job which is contemplated in Mr. Storoni's responsibility. He realized that a huge problem this is because as has been the case in the US. Mr. Storoni said that these will not be made through ICC which is notoriously undermanned, since the ICC will now be under the Undersecretary of Foreign Trade, the manpower is available. They will utilize the personnel of the Foreign Ministry which was in existence before the war.

VI

Mr. Storoni said that this finished the obstacles to private trading which appear to require action by the Italian Government. With respect to Allied obstacles, they are to be stated as briefly as possible.

1. Reserved Commodity List.

Mr. Cleveland pointed out that: (1) it does not weigh any more heavily on the Italian Government than it does on any other Government in the Allied world; and (2) the ICC itself is on the way out. The Combined Board machinery which was set up for war purposes will presumably not be continued long as a peacetime control.

2. Screening of Exportable Surpluses by AC.

Mr. Storoni stated if items made from imports could be freely exported. Mr. Cleveland said, yes, but export surpluses

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to UK and US. He read an extract from a directive:

"Specific directives will have to be issued . . ."

and then asked, "Does this mean they should refer directly to Washington?" Major Saul replied that at present that is the position; but it would change when UNRRA is dissolved.

5. Exchange Control:)
6. Special Cases:)

Mr. Sterond said that he is quite ready to give all the details on these subjects but it might be better to give them to the Sub-Committee. In effect, these matters would be handled the same as before the war.

Mr. Cleveland asked if sufficient personnel were available for the incoming job which is contemplated in Mr. Sterond's responsibility. He realized what a future problem this is because he has been the same thing in the US. Mr. Sterond said that those will not be paid bonuses like which is notoriously undermanned. Since the job will now be under the Undersecretary of Finance Trade, the manpower is available. They will utilize the personnel of the Supply Ministry which was in existence before the war.

VI

Mr. Sterond indicated the matters to [illegible] which appear to require action by the staff in Government. With respect to Allied obstacles, they are listed as briefly as possible.

1. Removed Commodity List.

Mr. Cleveland pointed out that: (1) it doesn't weigh any more heavily on the Allied Governments than it does on any other Government in the Allied World; and (2) the RCL itself is on the way out. The Combined Board machinery which was set up for war purposes will presumably not be continued long as a peacetime control.

2. Screening of Export Surpluses by AC.

Mr. Sterond said that if these goods from imports could be freely exported to all countries, Mr. Cleveland said, yes, but export surpluses must still be screened by Allies, as outlined in Admiral Stone's letter. Major Gent made two observations in this connection: (1) Export surplus is screened by AC as to the quantity that can be exported; and (2) then if the goods are in Category A, it is decided by Washington whether or not it should be exported to the desired desired destination. Mr. Sterond said that at present, then, nothing can be exported without screening. Mr. Cleveland said that that is correct but the AC would like to get out of the screening job as soon as practicable.

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VII -

With regard to the Sub-Committee of this group, it was asked who would review suggestions and make recommendations as to action. It was suggested that a representative of Commerce and Finance Sub-Commissions form the Sub-Committee as far as AC is concerned and that the Embassies also participate.

The Italian Government will prepare a letter regarding its representation.

Finance Sub-Commission will have the responsibility for getting this group together.

The meeting adjourned at 1615 hours.

LOIS BURASCH
Secretary

Encl
Appendix A - Agenda of meeting

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R.C., Venezia Region
SCAO, Venezia Giulia Region
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British Embassy (2)

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secret plan of Fascism [illegible].

2. Undersecretariat of Finance to do to elaborate and publish in order establishing exact procedure by which both Government and private imports and exports are to be effected. In order to private imports and exports are to be controlled by license definite rules will need to be issued stating:

(a) The commodities for which licenses are required.

(b) The currencies and eventual time limit for payments and applications.

(c) Whether [illegible]

(d) The banks or which [illegible] will be granted and [illegible] made.

(e) Some documentation will be required from applicant in support of his application.

3. Customs control to be re-established at all ports and frontier posts through which import and export herein is to be permitted; Italian Government to state therefore:

(a) At which ports or frontier posts customs control is not to prevail [illegible].

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(b) If such ports or frontier posts are under Allied military control, whether customs can be nevertheless established outside military control area, or, alternatively, whether such ports and posts could be excluded temporarily from use in private import/export trade.

4. Shipping

General

Under IMA procedure, the importing country is responsible for programmes which are submitted to Shipping Emergency Policy Committee in London.

U.S. and U.K. to Italy

The Italian Government should include all projected imports in a programme to be handled as above.

Italy to U.K. and U.S.

In theory, the Italian exporter should arrange for the importer to include all proposed shipments in the U.S. or U.K. import programmes. This is so in the case of U.K. but for U.S., owing to the large number of ships now sailing without cargoes, application to U.S.A. Implan is invariably sufficient to obtain shipping space.

Specific directions will need to be issued for the use of Italian importers and exporters; these should as much as possible avoid the use of Government channels for requests for shipping.

5. Payments Control

Italian Government should develop and publish, in elaboration of their note "Agreements on Payment" attached to Pella letter of 27 October, the precise documentation and step-by-step procedure by which the exchange control will operate.

6. Special Cases

Temporary imports and private compensation arrangements can presumably be licensed through the normal procedure, except that, in the case of temporary imports entailing the subsequent export of a commodity which is not normally permitted to be exported, or a

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General

Under U&A procedure, the importing country is responsible for programmes which are submitted to Shipping Employment Policy Committee in London.

U.S. and U.K. to Italy

The Italian Government should include all proposed imports in a programme to be handled as above.

Italy to U.K. and U.S.

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Specific directions will need to be issued for the guidance Italian importers and exporters; these should as much as possible avoid the use of Government channels for requests for shipping.

5. Exchange Control

Italian Government should develop and publish, in elaboration of their memo "Agreements on Payments" attached to this letter of 27 October, the precise documentation and step-by-step procedure by which the exchange control will operate.

6. Special Cases

Temporary imports and private compensation arrangements may probably be licensed through the normal procedure, except that, in the case of temporary imports entailing the subsequent export of a commodity which is not normally permitted to be exported, or a special export license would have to be issued at the same time as the import license.

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OBSTACLES TO PRIVATE TRADING WHICH APPEAR TO REQUIRE ACTION BY ALLIED AUTHORITIES

(1) Reserved Commodity List (Category A exports)

The R.C.L. system applies to the whole Allied world and the Italian Government will, presumably, wish to accept the relatively minor limitations involved without special consideration. Moreover, the latest revisions of the List communicated to the Italian Government on the 18 and 30 October make very substantial reductions to the number of R.C.L. commodities. Allied action will be directed towards rapid elimination of the remaining reserved commodities, as the supply situation permits.

(2) Screening of exportable surpluses by AC

Screening is done for two reasons:

(a) to avoid re-exportation of goods imported under the relief programme

(b) to ensure that Allied military requirements in this theatre of any surplus foodstuffs are met before the balance is exported.

It is suggested that (a) might become a purely Italian Government responsibility after the relief and rehabilitation programme is undertaken by UNRRA. With the reduction of military personnel in this theatre, (b) is rapidly losing the little restrictive effect it ever had.

(3) Licensing system in U.S. and U.K.

US Treasury license is required for the use of post-liberation dollar credits in the US. In addition, both import and export private transactions must pass through the US and UK licensing systems in the case of commodities which are still subject to special license.

(4) Shipping Control

(See point #4 in memo "Obstacles to Private Trading which appear to require action by Italian Government")

(5) Military Control of Ports and Frontier Posts

AC is prepared to give all assistance on specific problems by intriceding with the Allied military authorities after Italian Government has presented the information outlined in item 2 of "Italian Government Obstacles".

(6) Insurance

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reductions in the number of P.O.L. commodities. Efforts will be directed towards rapid elimination of the remaining reserved commodities, as the supply situation permits.

(2) Screening of available supplies by AC

Screening is done for two reasons:

(a) to avoid re-exportation of goods imported under the relief program;

(b) to ensure that Allied military requirements in this theatre of any surplus foodstuffs are met before the balance is exported.

It is suggested that (a) might become a purely Italian Government responsibility after the relief and rehabilitation program is undertaken by UNRRA. With the reduction of military personnel in this theatre, (b) is rapidly losing the little restrictive effect it ever had.

(3) Licensing systems in U.S. and U.K.

US Treasury license is required for the use of post-liberation dollar credits in the US. In addition, both import and export private transactions must pass through the US and UK licensing systems in the case of commodities which are still subject to special licenses.

(4) Shipping Control

(See point #4 in memo "Obstacles to Private Trading which appear to require action by Italian Government")

(5) Military Control of Ports and Frontier Posts

AC is prepared to give all assistance on specific problems by intervening with the Allied military authorities after Italian Government has presented the information outlined in item 3 of "Italian Government Obstacles".

(6) Insurance

External insurance transactions, including reinsurance, are still subject to prior AC approval. Consideration is being given to modifying this restriction.

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Ext. 220 INTER-OFFICE MEMORANDUM FU/lrv

131/Tn 1 5 September 1945

SUBJECT: Meeting of Special Committee on Postwar Economic Policy and Planning

TO : Lt.Col. W. P. Scoggins

1. If I am away from Rome on Saturday, 8 September 1945, would you please attend this meeting as representative of the Transportation Sub-Commission.

2. It would be difficult for me to suggest any recommendations to make without knowing the procedure the Committee will follow. In this connection, I would be willing to follow the judgment of Colonel Densmore as to the method of presentation of what may be called for from the individual Sub-Commissions.

3. It would seem to me that at this stage that the Italian Government might be brought into the picture somewhat directly. Again, on this score I would be inclined to rely on the judgment of the Economic Section.

FRANK URBAN, JR.
Director

1 Incl.
Ltr.

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HEADQUARTERS ALLIED COMMISSION
APO 394
Economic Section

LDD/sc

3 Sept. 1945

Tel: 267

Ref: ES/3.20

SUBJECT: Special Committee on Postwar Economic Policy and Planning.

TO : SUPPLY DIVISION
Agriculture S/C
Commerce S/C
Food S/C
Transportation & Shipping S/C
PRODUCTION DIVISION
Industry S/C
Public Works & Utilities S/C
FINANCE S/C
LABOR S/C
WAR MATERIAL DISPOSAL S/C

File 168/MAM

1. Reference is made to attached copy of letter C-69 G-5 AFHQ 14 Aug. to Headquarters Allied Commission on above subject.

2. Also attached is copy of Ref. 4024/41/EC Office of Executive Commissioner, 31 Aug. 45 to Economic Section, which requires that Economic Section and Sub-Commissions be prepared to furnish their monthly reports to the Committee; to meet the Committee in conference, and that meetings with relevant Ministers of the Italian Government be arranged.

3. Other than as indicated in Ref. C-69 dated 14 Aug., we have no advice as to exactly what information the Special Committee will require.

4. The Chief Staff Officer, Economic Section, will act as coordinator of this activity and desires a meeting with a representative of each of the addressees to this letter at 1000 hours Saturday 8 Sept., Office of the Vice-President, Economic Section. It is requested that at such meeting the various representatives be prepared to discuss and recommend action to be taken by their sub-commissions or divisions in connection with this activity. It is contemplated that at such meeting a definite course of action will be outlined and the extent to which the Italian Government will be brought into the picture will then be decided.

FOR THE ACTING VICE PRESIDENT:

L. D. DENSMORE
Colonel, FA
Chief Staff Officer

2 Incl:
m/a para. 1 & 2

cc: Executive Commissioner

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ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

Ref. G-69 14 August 1945

SUBJECT: Special Committee on Postwar Economic Policy and Planning.

TO : Headquarters, Allied Commission, APO 394.

1. A cable has been received from the War Department advising of a proposed visit to the theater of the Special Committee on Post-War Economic Policy and Planning of the House of Representatives.

2. The Committee, with the approval of the Secretary of War, will make a study of economic conditions as they relate to post-war problems. The committee is composed of Wm. Colmer, Chairman; Francis E. Walter; Orville Zimmerman; Charles A. Wolverton; Clifford R. Hope; Jesse P. Wolcott; Jay Le Fevre; and Sid Simpson. The members will be accompanied by William Y. Elliott, Committee Consultant; Marion B. Folsom, Committee Director; and James J. Farries, State Department Representative.

3. According to the present planned itinerary the committee will be in ROME for a period of two days in the latter part of September or early October. Should their proposed visit to RUSSIA not materialize, they will be in ROME approximately the same time, but for a period of five days.

4. It is requested that Allied Commission make necessary arrangements for any conference that may be required.

For the Assistant Chief of Staff, G-5:

/s/ R. C. Carson
R. C. CARSON
Major, G.S.C.
Economics & Supply Division

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HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

COPY

31 August 1945

Ref: 4024/44/EC

SUBJECT: Special Committee on Postwar Economic Policy and Planning.

TO : Economic Section.

Chief Commissioner has seen your ES/3.20 of 18 Aug 45 and letter attached, C-69, C-5 APHQ of 14 Aug 45. I suggest that your Section and Sub-Commissions be prepared to furnish their monthly reports to the committee, and to meet them in conference, and that meetings with the relevant Ministers of the Italian Government be arranged.

/s/ Mk.
Brigadier,
Executive Commissioner.

MKL/JO

Declassified E.O. 12356 Section 3.3/NND No. 785021

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

COPY

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SUBJECT: Special Committee on Postwar Economic Policy and Planning.

TO : Economic Section.

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/s/ MSL
Brigadier,
Executive Commissioner.

MSL/JG

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

181/Ec1

30 October 1945

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 30 OCTOBER 1945

Present:

Economic Section	Mr. Cleveland
	Col. Densmore
	Col. Walton
	Mr. Holstein
	Lt. Col. Moore
	Lt. Col. Quartier
	Lt. Col. Tooby
	Mr. Hayes
	Mr. Hughes
	Mr. Stauffer
	Major Smith
	Mr. Checchi
	Capt. Highland
	Capt. White (Ex. Comm. Off.)
Agriculture Sub-Commission	Mr. Merritt
Commerce Sub-Commission	Mr. Rudderham
	Major Gent
Food Sub-Commission	Major Scotten
Finance Sub-Commission	Major Cowper
	Col. Menapace
Industry Sub-Commission	Lt. Col. Timmons
	Mr. Land
	Major Fewings
Labor Sub-Commission	Mr. Braine
P. W. & U. Sub-Commission	Col. Ristedt
Transportation Sub-Commission	Col. Buchanan
W. R. D. Sub-Commission	Major Wilson

Mr. Cleveland presided:

1. At the Executive Commissioner's meeting this morning the question again arose as to publicizing the arrival of ships carrying freight. Although it seems to be agreed that this should be done, no procedures have been established. Col. Walton, with Requisitions Branch and PRO, will investigate the matter and work out a plan for carrying this into effect.

2. Mr. Cleveland reported that the strikes in the coal mines and at the docks have had the effect of our losing about 20 days loading of coal [illegible] will result in unem-

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Present:

Economic Section	Mr. Cleveland Col. Densmore Col. Walton Mr. Holstein Lt. Col. Moore Lt. Col. Quartier Lt. Col. Tooby Mr. Hayes Mr. Hughes Mr. Stauffer Major Smith Mr. Checchi Capt. Highland Capt. White (Ex. Comm. Off.)
Agriculture Sub-Commission	Mr. Merritt Mr. Fudderham
Commerce Sub-Commission	Major Gent Major Scotten
Food Sub-Commission	Major Cowper
Finance Sub-Commission	Col. Menapace Lt. Col. Timmons
Industry Sub-Commission	Mr. Land Major Fewings
Labor Sub-Commission	Mr. Braine
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2. Mr. Cleveland reported that the strikes in the coal mines and at the ports have had the effect of our losing about 20 days loading of coal and of October loadings and November arrivals. This will result in unemployment to the extent of a million man hours. To make sure that this matter is reviewed at the highest levels in Washington and London, a cable has been sent to Washington; Ambassador Kirk has been asked to send a message to the Secretary of State; the Executive Commissioner is asking SACMED to send a cable to the Combined Chiefs of Staff; and the British Ambassador has notified London about the situation. Simultaneously, there is an attempt being made to secure stronger and better representation for Italy in the European Coal Organization. Inasmuch as it costs three times as much for transportation charges from the U. S. to Italy as it does for the coal itself, and as money is a limiting factor, it is important that as much coal as possible be supplied from European sources.

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3. A situation similar to that of coal has been created in the petroleum field by the strikes in the oilfields and by the longshoremen. PETSEC is very much concerned about the deliveries not being made, and a cable is being sent to Washington. Commerce and Transportation Sub-Commissions were asked to confer and work out some sort of an agreement as to AC view with respect to petroleum.

4. Due to the fact that the original estimates for wheat were optimistic in terms of the actual situation, a request has been cabled for 125,000 more tons for December arrival and a warning that 200,000 tons over the program will be needed for January arrival.

5. The Italian Army, Navy and Air Force have recently become the charge of the Italian economy rather than of the military. It has been determined that the Category A Program should not be used to build up the Italian Army, Navy and Air Force, and a letter is to be written to inform the Italian government of this policy. Funds for this purpose should be taken out of the Italian Government program rather than the basic supply program.

6. At the Executive Commissioner's meeting, Col. Fiske raised the question of Inter-Regional barter agreements within and among the AMG Regions and Provinces. Col. Walton will meet with the appropriate groups and develop some directive for handling this problem.

7. Mr. Cleveland reported that it has now been decided to publish the terms of the armistice with Italy. A commentary as to its present applicability is being prepared at AFHQ, which will be issued simultaneously.

8. Discussions were held at the Executive Commissioner's meeting in regard to the system of elections which is being put in the form of a law to govern the national elections whenever they are held. There is still a problem on the advance publication that will be given to nominations. The present draft provides for posting of candidates the day of the election. Originally, non-commissioned officers and enlisted men were excluded from voting but that has now been changed so that they will be permitted to vote. Voters will have to vote a straight ticket and the system of proportional representation has been adopted. Each party will submit a priority list of its candidates. Civil Affairs Section are satisfied as to the secrecy at the polls, but not as to electioneers outside of the booth. This decree is before the Council of Ministers this morning.

9. The determination was made this morning that Venezia Giulia will no longer have priority as far as AC/AMG personnel is concerned.

10. AC has notified AFHQ that it has no objections to turning over ports that are still under AMG jurisdiction; that is, Leghorn, Taranto, Naples.

11. Because of the abolition of the liaison office in Sardinia, communications will have to go over civilian lines and will necessarily be slower than heretofore.

12. Col. Walton pointed out that the Italian Government has indicated its

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5. The Italian Army, Navy and Air Force have recently become the charge of the Italian economy rather than of the military. It has been determined that the Category A Program should not be used to build up the Italian Army, Navy and Air Force, and a letter is to be written to inform the Italian government of this policy. Funds for this purpose should be taken out of the Italian Government program rather than the basic supply program.

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11. Because of the abolition of the liaison office in Sardinia, communications will have to go over civilian lines and will necessarily be slower than heretofore.

12. Col. Walton pointed out that the Italian Government has indicated its desire to attend some of the committee meetings which are being held in Northern Europe from time to time, and inasmuch as the Chief Commissioner has responded in a sympathetic manner, care should be taken to ensure that the representatives that attend these meetings have been appointed by the Italian Government. Mr. Cleveland stated that there is a slight tendency on the part of these European Committees to make their own political decisions; each has its own idea on the status of Italy. As far as AC is concerned, it is pretty clear that Italy should be represented as soon as possible. Whenever we are involved we should attempt to get Italian representatives, if feasible.

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13. Col. Walton brought up the matter of obtaining surplus items for the Italian Government. In order to reduce the calls upon CANLC to a minimum, it has been suggested that when the sub-commissions become aware of items desired by the Italian Government that they notify the ministry in a memo stating that the Government should undertake to [illegible] it bought from the CANLC and inform us of the action taken.

14. The question of epuration was discussed briefly. The matter is in the hands of the Civil Affairs Section who are drafting a memo which will clarify this situation.

15. Col. Densmore reported that Gen. Ridgeway proposes to take a trip around Italy to see American AMG officers with a view to determining a better policy as to promotion, etc. It was indicated at the Promotion Board meeting that it was not likely that officers would receive promotions who are leaving before 1 March. Col. Fiske stated that officers might make themselves eligible if they will sign until March, but there is no assurance on promotions. It is expected that the new T.O. will be sent to AFHQ this week.

16. Capt. Highland requested that the MCC and TAP numbers of cables be left blank as these numbers will be supplied by the office of the Chief Staff Officer before despatch. The regular cable number secured from the signal office should be typed in as heretofore. To ensure that a copy of the cable is returned to the originating office with the MCC or TAP number supplied, a copy of each cable submitted should be marked for return to the proper sub-commission. A directive with regard to the handling of cables will be circulated within the near future.

17. It is becoming increasingly important that any actions with respect to personnel be reported to Col. Moore. Col. Densmore stressed the importance of the sub-commissions' keeping him informed of their activities with G-1 and the Establishments Section.

The meeting adjourned at 1310 hours.

Leslie S. Moore

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Admn. & Pers. Branch

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

6 November 1945

MINUTES OF ECONOMIC SECTION STAFF MEETING
HELD 6 NOVEMBER 1945

Present:

Economic Section	Mr. Cleveland Col. Densmore Col. Walton Mr. Holstein Mr. Luzzatto Lt. Col. Moore Lt. Col. Tooby Mr. Hugner Major Smith Mr. Allen Capt. Highland
Food & Agriculture Sub-Commission	Mr. Merritt Major Cowper Mr. Rudderham
Finance Sub-Commission	Col. Merupace Lt. Col. Timsonf
Commerce (Foreign Trade) Sub-Commission	Major Gant Major Scotten
Industry & Utilities Sub-Commission	Mr. Sullivan Col. Ristadt Mr. Hayes Major Fewings
Labor Sub-Commission	Mr. Sachs
Transportation & Shipping Sub-Commission	Col. Buchanan
Captured Enemy Materials Branch	Major Wilson

Mr. Cleveland presided:

1. As a result of pressure resulting from Secretary of State Byrnes' press conference last Wednesday, the terms of the Armistice with Italy (the long terms), are to be officially published and announced by the Italian

Present:

Economic Section	Mr. Cleveland Col. Dempsmore Col. Walton Mr. Holstein Mr. Luzzato Lt. Col. Moore Lt. Col. Tooby Mr. Hughes Major Smith Mr. Allen Capt. Highland
Food & Agriculture Sub-Commission	Mr. Merritt Major Cowper Mr. Rudderham
Finance Sub-Commission	Col. Menapace Lt. Col. Timmons
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Labor Sub-Commission	Mr. Sachs
Transportation & Shipping Sub-Commission	Col. Buchanan
Captured Enemy Materials Branch	Major Wilson

Mr. Cleveland presided:

1. As a result of pressure resulting from Secretary of State Byrnes' press conference last Wednesday, the terms of the Armistice with Italy (the long terms), are to be officially published and announced by the Italian Government at 1900 hours tonight, along with the Cunningham Department (?) Agreement and FAN 487, but not the Financial Directive and TAM 640.

2. Additional progress has been made during the past week with respect to procedures governing the coming elections. The only point of disagreement between Civil Affairs Section, AC, and the Italian Government people concerned appears to be the question of the official ballot paper. The Italians want a party ballot and Civil Affairs Section feel that there should be an official ballot put out by the Government.

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3. On the 14th of November, the Ministry of War and the Italian Army will be turned back to the Italian Government. This is one of the last parts of the Italian Government to be under the actual control of the Allied Commission. From that date, Land Forces Sub-Commission will serve in an advisory capacity to the Ministry of War. This turn-over does not apply to the Army in AMG areas.

4. The pressures applied concerning coal shipments which were discussed at the meeting last week have had some effect. In a telephone conversation with Washington, we have been advised that 59 ships will be available for November loadings of coal and should bring in a half million tons, which is more than our November allocation in an effort to make up the tremendous shortage in October loadings. AFHQ has sent a very strong cable to the Control Council in Germany to attempt to get 200,000 tons of coal shipped from there. As yet no reply has been received from this cable, but we have asked the people in Washington to apply a little pressure from that end on the German Control Council.

5. According to figures that are firm, the wheat ration will probably have to be reduced in January if the additional 125,000 tons of wheat do not arrived in December and 209,000 tons in January above the regular program. It would be undesirable politically to have the ration reduced in the middle of the winter about the time that the supply functions are taken over by UNRRA and just before the elections. The critical situation with regard to wheat has been created as a result of crop failures in almost every country in the world except the U.S.

6. A letter prepared by Mr. Harritt regarding epuration, particularly on the epuration of a few people in the Consorzio Agrari, was sent to Civil Affairs Section. That Section has issued a policy statement that in cases where we have a strong justification, the Civil Affairs Section, as the Section responsible for epuration policy, is ready to keep people in office until their trial comes up.

7. This afternoon a meeting will be held with the Inter-Ministerial Committee for Reconstruction at which discussions will center around machinery and policy on foreign trade, particularly with the re-establishing of private trade at the earliest possible date. At the Executive Commissioner's meeting, the question of facilities for private commercial visitors to Italy was brought up. Apparently there is a drill in a MTOUSA circular which permits their billeting, etc., and Brig. Bush is going to make an attempt to make similar arrangements in British areas, with reciprocity. AFHQ is still requesting security clearance from AC with respect to commercial visitors although it is felt in Washington that the only clearance needed is a G-2 security clearance. Mr. Cleveland suggested that inasmuch as the Commission has already suggested to AFHQ that this activity be abolished, we ask them not to refer security clearances to us in the future.

8. U.S.A. is now publicizing the departure of ships and it is anticipated that similar arrangements will soon be made by MNT.

9. Executive Order No. 77, effecting a reorganization of the Economic [illegible] Chief Commissioner. The Directors of the

Declassified E.O. 12356 Section 3.3/NND No. 785021

tons, which is more than our November allocation in an effort to make up the tremendous shortage in October loadings. AFHQ has sent a very strong cable to the Control Council in Germany to attempt to get 200,000 tons of coal shipped from there. As yet no reply has been received from this cable, but we have asked the people in Washington to apply a little pressure from that end on the German Control Council.

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8. W.S.A. is now publicizing the departure of ships and it is anticipated that similar arrangements will soon be made by MMT.

9. Executive Order No. 77, effecting a reorganization of the Economic Section, has been signed by the Chief Commissioner. The Directors of the Sub-Commissions have been supplied with a copy of this Order, and mimeographed copies will be available in the immediate future.

10. An Economic Section Memorandum setting forth a new procedure for the handling of cables will be issued in a few days.

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11. At the UNRRA Council meeting in London, it was decided that the economic position of the various countries receiving UNRRA assistance should be reviewed so that the supply programs could be balanced accordingly. Inasmuch as AC has the information needed for the first part of this report so far as Italy is concerned, Dr. Volk of the Washington Office, UNRRA, will be contacting each sub-commission to obtain this information. Copies of an outline of the type of material required were made available to the Directors of the Sub-Commissions. The tintative dead-line for the compilation of this information is 12 November.

13. During the conversation with Washington yesterday, the UNRRA appropriation was discussed. UNRRA has ear-marked 61.5 million dollars of the U. S. appropriation to be used to buy supplies for Italy; this material will be purchased and sent to sea-board but will not be shipped until and unless the new appropriation goes through. It is hoped that the appropriation will be acted upon before Congress adjourns 10 December.

14. It was decided to change the day of the Economic Section Staff meeting from Tuesday to Wednesday at 1200 hours so that Mr. Cleveland could inform the staff of the latest developments discussed at the Vice Presidents' meetings on Wednesdays, as well as those discussed at the Executive Commissioner's meeting on Tuesday.

15. Col. Densmore brought up the matter of the survey of munitions production which was requested by AFHQ some time ago. Due to lack of personnel and the apparent inadvisability of the survey, it was not undertaken at the time that it was originally suggested. Land Forces Sub-Commission and Air Forces Sub-Commission have issued special permits to Arms Manufacturers to produce arms for the new Italian army, and we have now been asked if we are prepared to coordinate the production with respect to their manufacture. Col. Densmore will arrange a meeting within the near future to discuss this problem with the interested groups.

16. With respect to Inter-regional trade, a letter has been sent out by the Executive Commissioner to all Regional Commissioners to the effect that any orders by prefects or others setting up independent blocs on anything are to be removed immediately.

17. Col. Bowman, Venezia Giulia, during his visit here made specific requests for certain personnel. Lt. Col. Moore will discuss this matter further with the heads of the sub-commissions involved.

18. Col. Densmore pointed out that in some instances correspondence is being addressed to higher echelons than it ought to be, and that, with the decentralization, some communications with AFHQ are becoming uncoordinated. He also stressed the importance of the sub-commissions and branches of the Supply Group (as set up in Executive Order No. 77) working through channels.

19. Mr. Merritt brought up the problem of transportation, particularly between Rome and Milan. Col. Densmore is to investigate the matter with a view to securing some relaxation of the 100-mile limit allowed for AC vehicles or arranging some sort of a station wagon courier service.

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29. Mr. Cleveland stated that a personnel organization chart for the supply and distribution functions to be taken over by UNRRA had been drawn up. In the near future conferences will be held with the heads of the sub-commissions to determine whether people who are now in certain positions are suitable for the job as it will exist in the new set-up, and if so, if they desire to remain in that capacity. Any questions along this line should be directed to Mr. Holstein.

The meeting adjourned at 1315 hours.

Leslie S Moore

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Admn. & Pers. Branch

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Lt. Colonel, AGD
Chief, Admin. & Pers. Branch

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

181/Ext 23 October 1945

MINUTES OF ECONOMIC SECTION STAFF MEETING
HELD 23 OCTOBER 1945

Present:

Economic Section:	Brig. Gen. McKinley
	Mr. Cleveland
	Col. Densmore
	Col. Walton
	Lt. Col. Martino
	Lt. Col. Quartier
	Lt. Col. Pooby
	Mr. Hughes
	Major Smith
	Mr. Checchi
	Capt. Highland
	Capt. White (Ex. Com. Off.)
	Lt. Durber
Agriculture Sub-Commission	Mr. Merritt
	Mr. Rudderham
Commerce Sub-Commission	Major Cent
	Major Scotten
Food Sub-Commission	Major Cooper
Finance Sub-Commission	Col. Menapace
	Major Timmons
Industry Sub-Commission	Mr. Land
	Major Jennings
Labor Sub-Commission	Mr. Braine
P. W. & B. Sub-Commission	Col. Ristedt
Transportation Sub-Commission	Col. Buchanan
	Lt. Col. Scoggins
U.N.R.R.A. Sub-Commission	Major Bates

General McKinley presided:

1. General McKinley stated that this would be the last Economic Section staff meeting at which he would be present, and he expressed his appreciation to the members of the staff for the splendid cooperation they had displayed. Mr. Harlan Cleveland has been named as Acting Vice President and Colonel Densmore, Deputy Vice President.

2. Colonel Walton reported that the requirements for Venezia Giulia have been worked out and Capt. Lathrop, G-5 AFHQ, has been informed that the requisitions will be completed this week. As there is some speculation about Bolzano remaining a military responsibility, Lt. Col. Quartier has been requested to

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	Col. Densmore
	Col. Walton
	Lt. Col. Martino
	Lt. Col. Quartier
	Lt. Col. Tooby
	Mr. Hughes
	Major Smith
	Mr. Checchi
	Capt. Highland
	Capt. White (Ex. Com. Off.)
	Lt. Durber
Agriculture Sub-Commission	Mr. Merritt
	Mr. Rudgerhan
Commerce Sub-Commission	Major Cent
	Major Scotten
Food Sub-Commission	Major Cowper
Finance Sub-Commission	Col. Menapace
	Major Timmons
Industry Sub-Commission	Mr. Land
	Major Fewings
Labor Sub-Commission	Mr. Braine
F. . & U. Sub-Commission	Col. Ristedt
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3. In response to General Mclinley's request, Mr. Cleveland spoke briefly regarding the Italian situation as it is viewed in Washington. Interest centers around the question of the peace treaty, but since the conclusion of the London Conference, no one expects the Italian peace treaty before spring. A second basis of interest is our economic work over here, and a third, the part that Italy plays in politics. The financing of the interim program has now been assured through the December loadings. Arrangements have been made with UNRRA whereby they will use part of the funds to buy and have at seaboard supplies for the January loadings. It is realized at high levels in Washington that it would be disastrous to cut off the supply program in the middle of the winter. Between now and the end of the year, the supply part of the Economic Section's functions will be greater than it has ever been before because there are more supplies coming in than ever before. Re-opening of trade between Italy and the

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U. K. and the U. S. should be possible in the near future as both Great Britain and the United States have now adopted policies which already have or are about to lift any restrictions on that kind of trade. Mr. Cleveland stated that he felt the next three months should be regarded as a period of construction toward a new and better kind of economic operation rather than a liquidating operation. This attitude should be adopted by the Sub-Commissions.

4. In regard to FEA, Mr. Cleveland stated that as a separate agency it was abolished by Executive Order as of 20 October, and its functions were absorbed by Commerce, Reconstruction Finance Corporation, and the State Department. The Italian Division of FEA is being transferred to the State Department intact and will remain intact until the end of the year. Although a paper transfer has been made, the status of civilians with FEA is unchanged.

5. Colonel Donapace called attention to the fact that the latest issue of the Weekly Bulletin erroneously stated that the supply accounts were a year behind. He also reported that the personnel situation in Finance Sub-Commission is now much improved.

6. With reference to the cable from FTUSA asking the 2675th Regiment for figures regarding the revision of allotment ceilings for the Regiment, Colonel Densmore suggested that they were merely trying to arrive at a new T/O and that it would seem advisable to contemplate that the turn-over would take place before 30 November, the personnel as of 30 November and 31 December should be calculated on that basis.

7. Colonel Walton brought up the question of the desirability of publishing arrival dates of freight ships. There was no dissension by any of the staff members present.

The meeting adjourned at 1300 hours.

LESLIE B. MOORE
Lt. Col., AGD
Chief, Adm. & Pers. Br.

Col Buchanan:

This information is being given by [illegible] to USFA and info is

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Col Buchanan:

This information is being given by Navy Div to WSA and info is then broadcast over Italian Radio

Navy
P&T
Ind.

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

181/Tm 1

30 October 1945

MINUTES OF THE ECONOMIC SECTION STAFF MEETING
HELD 30 OCTOBER 1945

Present:

Economic Section	Mr. Cleveland
	Col. Densmore
	Col. Walton
	Mr. Holstein
	Lt. Col. Moore
	Lt. Col. Quartier
	Lt. Col. Tooby
	Mr. Hayes
	Mr. Hughes
	Mr. Stauffer
	Major Smith
	Mr. Checchi
	Capt. Highland
	Capt. White (Ex. Comm. Off.)
Agriculture Sub-Commission	Mr. Merritt
	Mr. Rudderham
Commerce Sub-Commission	Major Gent
	Major Scotten
Food Sub-Commission	Major Cowper
Finance Sub-Commission	Col. Menapace
	Lt. Col. Timmons
Industry Sub-Commission	Mr. Land
	Major Fewings
Labor Sub-Commission	Mr. Braine
P. W. & U. Sub-Commission	Col. Ristedt
Transportation Sub-Commission	Col. Buchanan
W. R. D. Sub-Commission	Major Wilson

Mr. Cleveland presided:

1. At the Executive Commissioner's meeting this morning the question again arose as to publicizing the arrival of ships carrying freight. Although it seems to be agreed that this should be done, no procedures have been established. Col. Walton, with Requisitions Branch and PRO, will investigate the matter and work out a plan for carrying this into effect.

2. Mr. Cleveland reported that the strikes in the coal mines and at the ports have had the effect of our losing about 20 days loading of coal out of October loadings and November arrivals. This will result in unemployment to the extent of a million man hours. To make sure that this

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Present:

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Agriculture Sub-Commission	Mr. Merritt Mr. Rudderham
Commerce Sub-Commission	Major Gent Major Scotten
Food Sub-Commission	Major Cowper
Finance Sub-Commission	Col. Menapace Lt. Col. Timmons
Industry Sub-Commission	Mr. Land Major Fewings
Labor Sub-Commission	Mr. Braine
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2. Mr. Cleveland reported that the strikes in the coal mines and at the ports have had the effect of our losing about 20 days loading of coal out of October loadings and November arrivals. This will result in unemployment to the extent of a million man hours. To make sure that this matter is reviewed at the highest levels in Washington and London, a cable has been sent to Washington; Ambassador Kirk has been asked to send a message to the Secretary of State; the Executive Commissioner is asking SACMED to send a cable to the Combined Chiefs of Staff; and the British Ambassador has notified London about the situation. Simultaneously, there is an attempt being made to secure stronger and better representation for Italy in the European Coal Organization. Inasmuch as it costs three times as much for transportation charges from the U. S. to Italy as it does for the coal itself, and as money is a limiting factor, it is important that as much coal as possible be supplied from European sources.

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3. A situation similar to that of coal has been created in the petroleum field by the strikes in the oilfields and by the longshoremen. PETSEC is very much concerned about the deliveries not being made, and a cable is being sent to Washington. Commerce and Transportation Sub-Commissions were asked to confer and work out some sort of an agreement as to AC view with respect to petroleum.

4. Due to the fact that the original estimates for wheat were optimistic in terms of the actual situation, a request has been cabled for 125,000 more tons for December arrival and a warning that 200,000 tons over the program will be needed for January arrival.

5. The Italian Army, Navy and Air Force have recently become the charge of the Italian economy rather than of the military. It has been determined that the Category A Program should not be used to build up the Italian Army, Navy and Air Force, and a letter is to be written to inform the Italian government of this policy. Funds for this purpose should be taken out of the Italian Government program rather than the basic supply program.

6. At the Executive Commissioner's meeting, Col. Fiske raised the question of Inter-Regional barter agreements within and among the AMG Regions and Provinces. Col. Walton will meet with the appropriate groups and develop some directive for handling this problem.

7. Mr. Cleveland reported that it has now been decided to publish the terms of the armistice with Italy. A commentary as to its present applicability is being prepared at AFHQ, which will be issued simultaneously.

8. Discussions were held at the Executive Commissioner's meeting in regard to the system of elections which is being put in the form of a law to govern the national elections whenever they are held. There is still a problem on the advance publication that will be given to nominations. The present draft provides for posting of candidates the day of the election. Originally, non-commissioned officers and enlisted men were excluded from voting but that has now been changed so that they will be permitted to vote. Voters will have to vote a straight ticket and the system of proportional representation has been adopted. Each party will submit a priority list of its candidates. Civil Affairs Section are satisfied as to the secrecy at the polls, but not as to electioneers outside of the booth. This decree is before the Council of Ministers this morning.

9. The determination was made this morning that Venezia Giulia will no longer have priority as far as AC/AMG personnel is concerned.

10. AC has notified AFHQ that it has no objections to turning over ports that are still under AMG jurisdiction; that is, Leghorn, Taranto, Naples.

11. Because of the abolition of the liaison office in Sardinia, communications will have to go over civilian lines and will necessarily be slower than heretofore.

12. Col. Walton pointed out that the Italian Government has indicated its desire to attend some of the committee meetings which are being held in

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12. Col. Walton pointed out that the Italian Government has indicated its desire to attend some of the committee meetings which are being held in Northern Europe from time to time, and inasmuch as the Chief Commissioner has responded in a sympathetic manner, care should be taken to ensure that the representatives that attend these meetings have been appointed by the Italian Government. Mr. Cleveland stated that there is a slight tendency on the part of these European Committees to make their own political decisions; each has its own idea on the status of Italy. As far as AC is concerned, it is pretty clear that Italy should be represented as soon as possible. Whenever we are involved we should attempt to get Italian representatives, if feasible.

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13. Col. Walton brought up the matter of obtaining surplus items for the Italian Government. In order to reduce the calls upon CANLC to a minimum, it has been suggested that when the sub-commissions become aware of items desired by the Italian Government that they notify the ministry in a memo stating that the Government should undertake to [illegible] it bought from the CANLC and inform us of the action taken.

14. The question of epuration was discussed briefly. The matter is in the hands of the Civil Affairs Section who are drafting a memo which will clarify this situation.

15. Col. Densmore reported that Gen. Ridgeway proposes to take a trip around Italy to see American AFG officers with a view to determining a better policy as to promotion, etc. It was indicated at the Promotion Board meeting that it was not likely that officers would receive promotions who are leaving before 1 March. Col. Fiske stated that officers might make themselves eligible if they will sign until March, but there is no assurance on promotions. It is expected that the new T.O. will be sent to AFHQ this week.

16. Capt. Highland requested that the MOC and TAP numbers of cables be left blank as these numbers will be supplied by the office of the Chief Staff Officer before despatch. The regular cable number secured from the signal office should be typed in as heretofore. To ensure that a copy of the cable is returned to the originating office with the MOC or TAP number supplied, a copy of each cable submitted should be marked for return to the proper sub-commission. A directive with regard to the handling of cables will be circulated within the near future.

17. It is becoming increasingly important that any actions with respect to personnel be reported to Col. Moore. Col. Densmore stressed the importance of the sub-commissions' keeping him informed of their activities with G-1 and the Establishments Section.

The meeting adjourned at 1310 hours.

Leslie S. Moore

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

181/Ec/1

23 October 1945

MINUTES OF ECONOMIC SECTION STAFF MEETING
HELD 23 OCTOBER 1945

Present:

Economic Section:	Brig. Gen. McKinley
	Mr. Cleveland
	Col. Densmore
	Col. Walton
	Lt. Col. Martino
	Lt. Col. Quartier
	Lt. Col. Tooby
	Mr. Hughes
	Major Smith
	Mr. Checchi
	Capt. Highland
	Capt. White (Lx. Comm. Off.)
	Lt. Durber
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	Mr. Ruddernam
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P. W. & U. Sub-Commission	Col. Ristedt
Transportation Sub-Commission	Col. Buchanan
	Lt. Col. Scoggins
U.N.R.R.A. Sub-Commission	Major Bates

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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S E C R E T

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

16 October 1945

MINUTES OF ECONOMIC SECTION STAFF
MEETING HELD 16 OCTOBER 1945

Present:

Economic Section:	Brig. Gen. E. H. McKinley
	Col. Densmore
	Col. Walton
	Mr. Sullivan
	Lt. Col. Quartier
	Lt. Col. Tooby
	Mr. Hughes
	Mr. Stauffer
	Major Smith
	Mr. Checchi
	Capt. Highland
	Capt. White (Ex. Comm. Off)
	Lt. Durber
Agriculture Sub-Commission	Mr. Puddephun
Commerce Sub-Commission	Major Scotten
Food Sub-Commission	Major Cowper
Finance Sub-Commission	Col. Monapace
	Major Timmons
Industry Sub-Commission	Mr. Land
Labour Sub-Commission	Mr. Fraine
P. W. & U. Sub-Commission	Col. Riefkohl
Transportation Sub-Commission	Lt. Col. Scoggins
W. M. Disposal Sub-Commission	Lt. Col. Dockmejian
	Major Bates

General McKinley presided:

1. Gen. McKinley announced that inasmuch as the Executive Commissioner's meeting are now held only on Tuesday, it seems appropriate that the Economic Section Staff meeting should be changed to that day also so that the Sub-Commissions may be informed of items discussed at the Executive Commissioner's meeting as soon as possible.

2. No additional information regarding Mr. Cleveland's arrival has been received but he is expected to arrive within the week.

3. Col. Densmore stated that a memorandum regarding the Medal of Freedom is to be circulated throughout the Economic Section which sets forth the qualifications required of a person mentioned for this medal and the form

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Col. Walton
Mr. Sullivan
Lt. Col. Quertier
Lt. Col. Tooby
Mr. Hughes
Mr. Stauffer
Major Smith
Mr. Checchi
Capt. Highland
Capt. White (Ex. Comm. Off)
Lt. Durber

Agriculture Sub-Commission
Commerce Sub-Commission
Food Sub-Commission
Finance Sub-Commission

Industry Sub-Commission
Labour Sub-Commission
P. W. & U. Sub-Commission
Transportation Sub-Commission
W. W. Disposal Sub-Commission

Mr. Budderham
Major Scotten
Major Cooper
Col. Menapace
Major Timmons
Mr. Land
Mr. Braine
Col. Rietedt
Lt. Col. Scoggins
Lt. Col. Dockmejian
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2. No additional information regarding Mr. Cleveland's arrival has been received but he is expected to arrive within the week.

3. Col. Densmore stated that a memorandum regarding the Medal of Freedom is to be circulated throughout the Economic Section which sets forth the qualifications required of a person mentioned for this medal and the form in which the recommendation is to be presented. This medal may not be presented to U. S. military personnel. American civilians (for service outside of the U.S.), civilians of friendly nations, and military personnel of friendly nations may be recommended. The award may be made in four degrees and the degree recommended should be stated. It has been pointed out in some instances British officers have been recommended for the Legion of Merit; in a case of this sort an indication should be made on the report submitted that the individual has previously been recommended for the Legion of Merit. No quota has been established, but it is important that the recommendations be submitted on time.

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4. At the Executive Commissioner's meeting this morning the advisability of turning over to the Italian Government the monthly AMG reports from the Regions and the Sub-Commissions was discussed. If this procedure is adopted, General McKinley stated that the Regions and Sub-Commissions should be so informed so that the reports will be written on the basis that they are available for everyone to see. Col. Menapace called attention to the fact the fact that the reports of the Finance Sub-Commission are not adapted to this purpose due to the fact that the form in which they are prepared is specified by Washington and it would not be desirable to make them available to the Italian Government. General McKinley suggested that it might be possible to prepare a resume which could be used for this purpose.

5. The last few days G-1 has been working directly with the Sub-Commissions reviewing the names of those officers who will be assigned to liaison teams in the North. Col. Densmore stated that he had asked the Personnel Office to check with the Sub-Commissions to determine what report had been given to G-1 and to determine the designations of those people held over for liaison jobs.

6. The records found in the North of machinery, equipment, parts, etc. that were taken out of the North and sent to Germany are needed for discussions with the Italian Government. Industry Sub-Commission is to look into this matter.

7. Col. Walton mentioned that a meeting had been held with Col. Bickersteth yesterday to review his program of the military requirements for Venezia-Giulia and he inquired as to the progress that the sub-commissions were making with respect to securing the information requested at the meeting.

8. It is expected that the restatement of the wheat position will be completed this afternoon.

9. In disposing of U.S. salvage PBS has agreed to deal directly with the Italian Government instead of through the War Materials Disposal Sub-Commission. Col. Walton will investigate to see whether any AFHQ directive has been issued regarding this matter.

10. Major Cowper reported that Italian civilians who are sent out on specific jobs by AC are having to spend much more than the amount that they are reimbursed. The allowance is 250 L. a day and it is impossible for them to obtain accommodations and food for this amount. Col. Densmore will undertake to see if it is possible to have the allowance raised.

11. No further news has been received as to the turnover date.

12. Col. Menapace replied to Col. Densmore's enquiry regarding new accounting personnel by stating that two new officers have come in; however, no reply has been received from AFHQ or Washington on the major request for personnel. Mr. Hughes reported that 4 accountants who are now working in sub-commissions in a military status have been processed by FEA and as soon as they are demilitarized they will be available to Finance Sub-Commission.

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prepare a resume which could be used for both purposes.

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The meeting adjourned at 12:40 hours.

Leslie S. Moore
LESLIE S. MOORE
Lt. Col., AGD
Chief, Adm. & Pers. Branch

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S E C R E T

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Sec: 1.27/15 5 October 1945

MINUTES OF ECONOMIC SECTION STAFF
MEETING HELD 5 OCTOBER 1945

Present:

Economic Section	Brig. Gen. McKinley
	Col. Densmore
	Col. Walton
	Mr. Sullivan
	Lt. Col. Moore
	Lt. Col. Quartier
	Mr. Haynes
	Major Smith
	Capt. Hjelmund
	Capt. Kurtz (Ex. Comm. Off.)
Agriculture Sub-Commission	Mr. Merritt
Commerce Sub-Commission	Major Gant
	Major Scotten
Food Sub-Commission	Lt. Col. Toscani
Finance Sub-Commission	Col. Menapace
Industry Sub-Commission	Major Pewings
Labor Sub-Commission	Mr. Sachs
P. W. & U. Sub-Commission	Col. Dinsdale
Transportation Sub-Commission	Col. Buchanan
War Materials Disposal Sub-Commission	Major Bates
	Major Wilson

Brig. Gen. McKinley presided:

1. Gen. McKinley reported that a cipher had been sent to Washington requesting that Mr. Cleveland be sent to Rome as soon as possible. Inasmuch as he is going to head up the Supply Division of UNRRA and probably will also serve as FEA representative, all decisions with respect to such matters that can be postponed will be delayed until he arrives.

2. A letter written by the Civil Affairs section to the President of the Council of Ministers relative to Italian Government's communications to Venezia-Giulia was read by Col. Densmore. It was requested that instructions be given to all Italian Government Departments and all Prefects that under no circumstances shall they communicate with Venezia-Giulia. Any information desired by the Italian Government or any Prefect regarding Venezia-Giulia must be

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	Col. Densmore
	Col. Dalton
	Mr. Sullivan
	Lt. Col. Moore
	Lt. Col. Quartier
	Mr. Hughes
	Major Smith
	Capt. Highland
	Capt. White (Ex. Comm. Off)
Agriculture Sub-Commission	Mr. Merritt
Commerce Sub-Commission	Major Gent
	Major Scotten
Food Sub-Commission	Lt. Col. Toscani
Finance Sub-Commission	Col. Romanoff
Industry Sub-Commission	Major Fewings
Labor Sub-Commission	Mr. Caccia
P. W. & U. Sub-Commission	Col. Wistedt
Transportation Sub-Commission	Col. Buchanan
Materials Disposal Sub-Commission	Major Bates
	Major Wilson

Brig. Gen. McKinley presided:

1. Gen. McKinley reported that a signal had been sent to Washington requesting that Mr. Cleveland be sent to Rome as soon as possible. It was felt he is going to head up the Supply Division of UNRRA and probably will also serve as FCA representative, all decisions with respect to such matters that can be postponed will be delayed until he arrives.

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3. No further information regarding the date of the turn-over has been received.

4. The copies of output & signals which are furnished the Economic Section for information purposes are in many cases illegible. It is requested that in the future an attempt be made to supply copies that can be easily read.

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5. At the Executive Commissioners's meeting this morning the matter of A, B, and X statements was brought up. Col. Parkin reported that an effort is going to be made to get General Mahaney to write a responsible ruling on declaring persons essential. Col. Moore will contact the Sub-Commissions in order to ascertain the names of the officers in Category X that are felt to be essential and to secure a statement indicating why they are so considered.

6. Col. Hilton stated that UNRRA was continuing its effort to get set in taking over the responsibility of relief supplies. Dr. Welk has completed a very excellent report on requirements and is now attempting to learn something about distribution. Gen. Markley urged that the Sub-Commissions assist Dr. Welk in every way possible in getting together this information as it will not only be helpful to UNRRA, but will be valuable to us during the interim period. In connection with this distribution study, a review should be made of materials ordered and received to see that they have been properly disposed of and are not stored in warehouses. Major Scotton pointed out that in some instances goods were remaining in warehouses because as yet the Italian Government is not ready with price controls, etc., and, therefore, are not prepared for the distribution of these goods. A letter has been prepared for transmittal to Grocchi requesting that these distribution problems be handled at a higher level than A.C.S.

7. Lt. Col. Toscani reported that some progress had been made in clearing up the Naples warehouses, but that due to the fact that only 38 to 40 railroad cars were available daily instead of 60, as agreed, progress was necessarily slow. Col. Buchanan, Transportation Sub-Commission, is to investigate this matter.

8. An order has been presented to Admiral Stone which makes some minor changes in the organization of the Economic Section. The Production Division has been eliminated, as such, and an Industry & Commerce Division has been established. Commerce Sub-Commission has been transferred from the Supply Division to this new Division, of which Mr. Sullivan will be the Director. No replacement for a British Deputy has been named to succeed Brigadier Anderson.

9. General Echols reported that he had received orders releasing him from this assignment, effective on or about 15 October.

The meeting adjourned at 1235 hours.

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Admin. & Exec. Branch

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

21 September 1945

MINUTES OF ECONOMIC SECTION STAFF
MEETING HELD 21 SEPTEMBER 1945

Present:

Economic Section:	Gen. McKinley
	Col. Densmore
	Col. Walton
	Lt. Col. Martino
	Lt. Col. Moore
	Lt. Col. Quartier
	Major Smith
	Capt. Arnoldy (Ex. Comm. Office)
	Capt. Highland
	Capt. White (Ex. Comm. Office)
	Mr. Sabrina
Agriculture Sub-Commission	Mr. Merritt
	Mr. Rudderman
Commerce Sub-Commission	Major Scotten
Finance Sub-Commission	Brig. Graffiey-Smith
	Col. Menapace
Food Sub-Commission	Lt. Col. Toscani
Industry Sub-Commission	Lt. Col. Glendinning
	Mr. Land
	Major Fewings
Labor Sub-Commission	Mr. Braine
Public Works & Utilities Sub-Commission	Col. Ristedt
	Mr. Sullivan
Transportation Sub-Commission	Col. Buchanan
	Mr. Callo
War Materials Disposal Sub-Commission	Major Bates
UNRRA Representative	Dr. Volk

Brig. Gen. McKinley presided:

1. No reply has been received from the Combined Chiefs of Staff approving the turn-back of territory to the Italian Government. The matter was discussed at considerable length in the Executive Commissioner's meeting this morning. Civil Affairs Section stated that if the approval were received immediately, it would be 10 October before the mechanics of actually turning the territory back could be carried out. Politically, it would seem advisable for the turn-back to take place this month, but if the announcement of the date were made this month and the turn-back early next

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	Col. Densmore
	Col. Walton
	Lt. Col. Martine
	Lt. Col. Moore
	Lt. Col. Quartier
	Major Smith
	Capt. Arnoldy (Ex. Comm. Office)
	Capt. Highland
	Capt. White (Ex. Comm. Office)
	Mr. Satrina
Agriculture Sub-Commission	Mr. Merritt
	Mr. Ruddersaun
Commerce Sub-Commission	Major Scotten
Finance Sub-Commission	Brig. Graffiey-Smith
	Col. Benapace
Food Sub-Commission	Lt. Col. Toscani
Industry Sub-Commission	Lt. Col. Glendinning
	Mr. Land
	Major Fevings
Labor Sub-Commission	Mr. Braine
Public Works & Utilities Sub-Commission	Col. Histedt
	Mr. Sullivan
Transportation Sub-Commission	Col. Buchanan
	Mr. Gallo
War Materials Disposal Sub-Commission	Major Dehes
UNRRA Representative	Dr. Welk

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2. Gen. McKinley reported that he was well pleased with the plan for reorganization submitted by the sub-commissions and requested that the directors of the sub-commissions use these plans and apply personnel to them, giving name, nationality, rank, etc., and indicating whether or not the individual (either military or civilian) desires to leave immediately upon completion of his term or if he is willing to remain here, under what

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conditions he will remain and for what length of time.

3. Col. Walton reported that the factual reports to be used before Congressional Committees which were due on 20 September had been received from only two of the sub-commissions. The other sub-commissions were requested to submit their reports as soon as possible.

4. Mr. Keeny, Director of the Italian UNRRA Mission, is returning to Washington next week, and Dr. Wolk is attempting to prepare a statement of Italy's requirements for the first quarter of 1946 for him to take with him. This is not to be considered a firm program of requirements but rather general information of Italy's minimum needs and justification for the items listed. The sub-commissions were asked to work with Dr. Wolk in preparing this statement. Gen. McKinley stressed the importance of having the figures submitted channeled through the Supply Division so that the 1946 program will not be out of line. He also pointed out that the concept of UNRRA's objectives has changed somewhat. UNRRA had basic terms of reference in which rehabilitation played an important part. However, Italy, being a defeated nation and then changed to a co-belligerent, was not able to enjoy the status of an Ally. UNRRA was permitted to administer relief to feed nursing mothers and children and refugees, but the problem of disease and unrest was handled by the military. UNRRA is now taking over the disease and unrest program formerly handled by the Army. The highly technical rehabilitation of Italy will have to be financed by credits through the Export-Import Bank or something of that kind.

5. Col. Denmore reported that recently he visited five Food warehouses in Naples and found a considerable amount of material belonging to sub-commissions other than Food. Inasmuch as all of those items were ordered because they were urgently needed, it is requested that each sub-commission check its orders for materials with a view to making proper disposition of supplies that have been ordered rather than allowing them to remain stored in warehouses.

6. It was pointed out by Col. Denmore that, in view of the personnel changes that will be made shortly, it is important that the directors of sub-commissions should keep lists of important matters, particularly those in which the Italian Government has been given undertakings, so that they will not be overlooked by the new personnel.

7. Col. Denmore read the following minute from the Executive Commissioner's meeting of 19 September:

> "Austrian/Italian Trade. Ex C stated that a letter has been received from an Austrian Baron Wadenegg regarding Austrian/Italian Trade. Polads advised that no action should be taken as the Austrian Office in Rome was not recognized, and Ex C said he would inform CC accordingly. Econ Sec had already contacted the Italian Government with regard to trading with Austria."

8. The following minute from the Executive Commissioner's meeting of

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7. Col. Densmore read the following minute from the Executive Commissioner's meeting of 17 September:

> "Austrian/Italian Trade. Ex C stated that a letter has been received from an Austrian Baron Wadenegg regarding Austrian/Italian Trade. Polads advised that no action should be taken as the Austrian Office in Rome was not recognized, and Ex C said he would inform CC accordingly. Econ Sec had already contacted the Italian Government with regard to trading with Austria."

8. The following minute from the Executive Commissioner's meeting of 19 September was read by Col. Densmore:

> "Reduction of AC HQ. Ex C stated that this had been the subject of a meeting yesterday afternoon, and a letter was being forwarded to AFHQ. CC considered that the retention of a large economic group in Milan could not be reconciled with FAN 467, and wanted the economic group reduced below 25 by 1 December."

The meeting adjourned at 1250 hours.

LESLIE C. MOORE
Lt Colonel, AGD
Chief, Admin. & Pers. Br.

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

14 Sept 1945

MINUTES OF ECONOMIC SECTION STAFF
MEETING HELD 14 SEPTEMBER 45

Present:

Economic Section:	Gen. McKinley
	Col. Densmore
	Col. Walton
	Lt. Col. Quartier
	Lt. Col. Martino
	Mr. Hughes
	Major Anson
	Major Smith
	Capt. Highland
	Capt. Williams
	Capt. Arnoldy
	(Ex. Comm. Of)
Agriculture Sub-Commission	Mr. Merritt
Commerce " "	Major Gent
Finance " "	Col. Menapace
Food " "	Lt. Col. Toscani
	Major Cowper
Industry " "	Mr. Land
	Major Fe[illegible]ngs
Labor	Mr. Brain
Public Works & Utilties	Mr. Sulli[illegible]an
Transportation "	[illegible]. Upman
	Col. Buchanan
War Materials Disposal	Major McDonald

Gen. McKinley presided:

1. Copies of Cables

Col. Densmore stated that the information copies of cables which came to Economic Section were often difficult or impossible to read and requested that officers preparing cables insure that all copies made were legible.

2. Turn-back of Territory

Col. Densmore stated that AFHQ had informed the CCS that the Communes of Naples, Livorno, Pisa and Colle Salvetti were ready for hand over to the Italian Government

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Major Smith
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Capt. Williams
Capt. Arnoldy
(Ex. Comm. Of)

Agriculture Sub-Commission — Mr. Merritt
Commerce " " — Major Gent
Finance " " — Col. Menapace
Food " " — Lt. Col. Toscani
Industry " " — Major Cowper
Labor — Mr. Land
Public Works & Utilities — Major Fe[illegible]ngs
Transportation " — Mr. Brain[illegible]
War Materials Disposal — Mr. Sulli[illegible]van
[illegible]. Upman
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3. **Promotion for U. S. Officers**

Col. Densmore said that Col. Parkin had announced this morning that no American officer could be promoted unless he agreed to stay in the service for the duration of the emergency plus six months, if required. Col. Parkin was asking AFHQUSA if an officer who had signed this agreement but was not promoted could thereupon be permitted to withdraw his application.

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4. Office Hours

Col. Densmore said that it appeared highly probable that the office hours would be revised; however, as yet no official revision had been published and until such appeared, no Sub-Commission should publish any revision of its own.

5. Loss of Enlisted Personnel

Col. Densmore said that Col. Perkin had announced this morning that before the end of September approximately half the enlisted personnel of the 2675th Regiment must be released. Col. Densmore suggested that replacements be requested but pointed out that they would be difficult to obtain.

6. Personnel

Col. Densmore remarked that UNRRA was desirous of obtaining additional military or civilian personnel. They needed individuals who were familiar with AC and especially Economic Section functions. The question as to whether British or U. S. officers could be lent to UNRRA while retaining military status was still pending.

7. UNRRA Conference in London

Gen. McKinley reported on his trip to London and Washington and said that at the London UNRRA conference it had been decided that UNRRA would provide relief for Italy after January 1, 1946. He said that Maj. Gen. Anderson of the British War Ministry had expected at one time that UNRRA would take over on October 1, and that for this reason the British plans for continuance of civil supplies for the last quarter of 1945 had been delayed. However, the program was now well under way. The activities of UNRRA will, of course, depend on funds made available to it, which means in large part dependency on action of the U.S. Congress and therefore all arrangements are necessarily tentative at present. All planning, however, is on the assumption that UNRRA will get its money. Gen. McKinley pointed out that at the conference Mr. Will Clayton of the U. S. delegation had insisted on the relief for Italy by saying that if Italian requirements were not met, he was sure that the U.S. Congress would not approve appropriations for UNRRA.

8. Future of the AC

The concensus in Washington is that the AC will leave the picture rather rapidly especially after the handback of Northern territory. It will, however, exist in some formas long as the Armistice continues in its present state.

9. Reorganization of the Economic Section

Gen. McKinley said that as the AC was reduced, the functions which it now exercises must be divided into two categories (a) those functions which will be turned over to UNRRA and carried on by it;

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9. Reorganization of the Economic Section

Gen. McKinley said that as the AC was reduced, the functions which it now exercises must be divided into two categories (a) those functions which will be turned over to UNRRA and carried on by it; (b) all other functions. The latter can be further divided into two parts: (1) those functions which will be discontinued entirely; (2) those functions which may eventually be carried on by a combined economic mission, by separate economic mission, or by extensions of the embassies.

Gen. McKinley listed the economic functions which he thought would be continued:

(a) to facilitate the transfer of Italian import and export trade to normal commercial channels and practices as rapidly as possible.

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(b) to aid the Italian Government in fostering export trade and in planning imports into Italy and processing such imports.

(c) to assist UNRRA or any other non-Italian relief or welfare agency which may from time to time require information or assistance, either upon its request or the request of the Italian Government.

(d) to assist in the solution by the Italian Government of any economic problems brought to our attention by it and to formulate appropriate recommendations to the Italian Government or to the Allied Governments.

(e) to perform the ordinary functions of economic reporting and collection of information that the Allied Governments may be interested in.

Gen. McKinley requested the Directors of Sub-Commissions to consider these funtions and on this basis to review their activities and plan for a reduction of staff. He requested that by 1600 hours, Monday, September 17, each Director submit to him a detailed list of the functions his Sub-Commission performed, together with an indication as to whether that function would be turned over to UNRRA or not, and if not, as to whether it would be continued by the reduced AC or discontinued altogether. He suggested that Directors might find it convenient to list the individuals in their Sub-Commissions and then analyze the functions of each individual, inasmuch as some officers were performing both supply functions which would later be given to UNRRA and other functions which might either be carried on by AC or dropped. He said that from these reports he expected to be able to determine the precise functions which the Economic Section would have to continue and from that analysis, he could then determine the precise personnel needed. Similarly, he would be able to collect all the supply functions which the various Sub-Commissions carry on with a view to putting all the supply functions under one large supply division for eventual handing over to UNRRA.

10. Transportation for Italian Civilians

Col. Toscani turned over a letter embodying this question which Gen. McKinley requested Col. Densmore to handle.

11. Handback of Northern Regions

Mr. Braine inquired if anything new on this subject had been announced. Gen. McKinley confirmed that the CCS had been requested to approve the handback as of September 30 or as of three weeks after the date of approval, whichever was later. This might be changed to September 30 as a firm date, but as yet no such action had been taken.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Meeting adjourned at 1240 hours.

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Admn. & Pers. Br.

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Declassified E.O. 12356 Sec. 3.3/NND No. 785021

0822

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Tel. 536

10 September 1945

Ref: 1.27/ES

MINUTES OF ECONOMIC SECTION STAFF MEETING
HELD 7 SEPTEMBER 1945

Present:

Economic Section:

Col. Densmore
Col. Walton
Lt. Col. Quartier
Maj. Clark
Mr. Satrina
Capt. Highland
Capt. Williams
Capt. Arnoldy (Ex. Comm. Of.)

Agriculture Sub-Commission — Mr. Burcalow
Commerce " " — Maj. Scotten
Finance " " — Col. Menapace
Food " " — Col. Toscani
Industry " " — Maj. Cowper
Labor " " — Maj. Fewings
Public Works & Utilities — Mr. Land
Transportation — Mr. Braine
Col. Parker
Mr. Upman

Col. Densmore presided:

1. Misdirected Mail

The Executive Commissioner has called attention to the fact that mail is still being addressed to Emilia Region. Inasmuch as this Region has been turned back to the Italian Government, this practice should be discontinued at once.

2. Turn-back of Territory

As indicated at previous meetings, the turnover date will come from CCS through AFHQ. When AFHQ does release the date, there will be a processing period of from 14 to 21 days.

3. Newspaper Releases

The Executive Commissioner has requested that newspaper releases be prepared by each Sub-Commission. These are to be sent direct to the Public Relations Branch with a copy to the Economic Section. Stories outlining results accomplished by AMG and AC during their periods of operation are particularly desired. Col. Densmore requested each Sub-Commission to prepare its report at an early date and said that the Economic Section would study Sub-Commission reports and submit its own report [illegible] reports.

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

	Lt. Col. Quartier
	Maj. Clark
	Mr. Satrina
	Capt. Highland
	Capt. Williams
	Capt. Arnoldy (Ex. Comm. Of.)
Agriculture Sub-Commission	Mr. Burcalow
Commerce " "	Maj. Scotten
Finance " "	Col. Menapace
Food " "	Col. Toscani
	Maj. Cowper
Industry " "	Maj. Fewings
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Labor " "	Mr. Braine
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Something is coming soon. N. action on this note.

1-11

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4. Hours of Employment--Allied and Italian Civilians

Mr. Braine summarized the discussions held at the recent special meeting of the Labor and Wage Control Committee of the AFLR(I)B at which it was unanimously decided to recommend the continuance in this theater of the 48 hour work week for Italian civilians. He reported that the U. S. services feel that any reduction of existing periods for civilian employees in the theater would:

(a) delay the completion dates for existing essential commitments;
(b) cause a wastage of the use of rail cars, shipping and transportation facilities in general;
(c) have an adverse effect on the morale of military personnel in that any delay in completion of theater commitments would delay their release.

Mr. Braine said that after a decision had been reached on the basis of these objective factors, the Committee had further considered that the 48 hour week was desirable because it is generally followed by the Italian Government, and because any reduction of hours which reduced civilian wages would handicap the Allied Forces employment policy. Mr. Braine pointed out that the discussion had been on a theater wide basis and that the AC policy had not been acted on at the Labor and Wage Control Committee meeting.

There was discussion on the following suggestions:

(a) that the AC operate on a 48 hour week with each Allied officer having one day off each week besides Sunday.
(b) that the present system of Wednesday and Saturday afternoons off for Allied personnel be continued, but that the Italian civilians be retained on duty all day Wednesday and Saturday.
(c) that the present system be retained without change and that the monthly salary of Italian civilians be maintained without reduction.

The consensus was in favor of Plan C. However, Mr. Braine observed that the next meeting of the Labor and Wage Control Committee would probably result in the publication of a definition of a "work month" which would relate monthly pay to hours worked.

5. Travel Accommodations for Italian Civilians

Major Cowper raised the question of accommodations for Italian civilians travelling on official AC business. It was pointed out that no Allied rations or billets are legally available to them under present rulings and that the ration allowance provided them is insufficient to cover the cost of living when Allied resources are not made available. Since most Sub-Commissions now have an increase in the number of essential Italian employees visiting the North, Col. Densmore said he would request reconsideration of the current Establishment Section rulings.

The meeting adjourned at 12:50 hours.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Leslie S. Moore

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Adm. & Pers. Br.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

Ext. 220

INTER-OFFICE MEMORANDUM

FU/lrv

181/Tn 1

5 September 1945

SUBJECT: Meeting of Special Committee on Postwar Economic Policy and Planning

TO : Lt.Col. W. F. Scoggins

1. If I am away from Rome on Saturday, 8 September 1945, would you please attend this meeting as representative of the Transportation Sub-Commission.

2. It would be difficult for me to suggest any recommendations to make without knowing the procedure the Committee will follow. In this connection, I would be willing to follow the judgment of Colonel Densmore as to the method of presentation of what may be called for from the individual Sub-Commissions.

3. It would seem to me that at this stage that the Italian Government might be brought into the picture somewhat directly. Again, on this score I would be inclined to rely on the judgment of the Economic Section.

FRANK UPMAN, JR.
Director

1 Incl.
Ltr.

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File

Tel. 536

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: 1.27/E3

28 August 45

MINUTES OF ECONOMIC SECTION STAFF
MEETING HELD 24 AUGUST 45

Present:

Economic Section:	Col. Densmore
	Col. Walton
	Lt. Col. Quartier
	Lt. Col. Martino
	Lt. Col. Moore
	Mr. Hughes
	Maj. Anson
	Maj. Rively
	Maj. Smith
	Capt. Arnoldy (Ex. Comm. Off)
	Capt. Highland
Agriculture Sub-Commission	Mr. Merritt
Commerce " "	S/L MacKenzie
Finance " "	Col Menapace
Food " "	Maj. Cowper
Industry " "	Maj. Fewing
	Mr. Land
Labor " "	Mr. Braine
	Mr. Sachs
Public Works & utilities	Col. Ristedt
Transportation	Mr. Upman
	Col. Buchanan

Colonel Densmore presided:

1. Office Hours

Due to the fact that the policy now in effect, whereby each sub-commission or section makes arrangements regarding a day off for their own personnel is not functioning as satisfactorily as had been anticipated, it has been suggested by the Executive Commissioner's Office that all of the Allied Commission personnel be allowed Wednesday afternoon and Saturday afternoon as a day off. This proposal received the approval of those in attendance at the staff meeting except that there was a suggestion for all day Wednesday off rather than the two half days. Col. Densmore will present this suggestion to the Chief Commissioner.

2. Surplus Personnel

Declassified E.O. 12356 Section 3.3/NND No. 785021

	Lt. Col. Quartier
	Lt. Col. Martino
	Lt. Col. Moore
	Mr. Hughes
	Maj. Anson
	Maj. Rively
	Maj. Smith
	Capt. Arnoldy (Ex. Comm. Off)
	Capt. Highland
Agriculture Sub-Commission	Mr. Merritt
Commerce " "	S/L MacKenzie
Finance " "	Col Menapace
Food " "	Maj. Cooper
Industry " "	Maj. Fewing
	Mr. Land
Labor " "	Mr. Braine
	Mr. Sachs
Public Works & utilities	Col. Ristedt
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2. Surplus Personnel

Lt. Col. Moore in cooperation with the heads of the sub-commissions, has prepared lists of personnel which it is anticipated might be considered surplus or not required at the time of the turn-back of the North, and these lists have been transmitted to the Establishment Section. Col. Menapace raised the question as to what arrangements are being made for handling the officers released from the field. Col. Densmore replied that the Establishments Section had been instructed some time ago to work out a plan and now that they have been furnished with information regarding the amount of personnel that will be released, it is expected that the plan will be completed.

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3. Redeployment of Officers to the Pacific

In response to Mr. Sach's inquiry as to whether or not it is anticipated that AC officers will be redeployed to the Pacific, Col. Densmore indicated that at the time that he was in Washington, there was nothing definite on this matter and that he had heard nothing new on it.

4. Turn-back of Territory

Col. Densmore stated that, in view of the fact that no definite date regarding the turn-back of territory has been received from AFHQ, it is expected that the date will not be before 15 September. Civil Affairs Section has indicated that it will take three weeks from the time that the information regarding the actual date of turn-back is received before it can become effective on account of printing, publishing proclamations, etc.

5. Telephone Service to Milan

Complaints regarding the telephone service between this Headquarters and Milan were received and Col. Densmore agreed to take the matter up with the Executive Commissioner's office immediately.

6. Entry of Commercial Visitors into Italy.

Major Rively brought to the attention of the meeting that AFHQ is sending follow-up cables on the subject of entry of commercial visitors into Italy. Col. Densmore reported that the Chief Commissioner had raised that same point this morning and had indicated that he could see no need for the follow-ups and that unless there is some very good reason they should receive prompt approval.

7. Rock Phosphate from North Africa

In response to Mr. Merritt's question regarding rock phosphate from North Africa, Col. Walton stated that the Italians and French had reached an agreement and the arrangements for securing the rock phosphate had been completed.

The meeting adjourned at 1:30 hours.

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Adm. & Pers. Br.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

S E C R E T

Tel: 536

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

File

11 August 45

Ref: 1.27/ES

MINUTES OF ECONOMIC SECTION STAFF
MEETING HELD 10 AUGUST 45

Present:

Economic Section:

Col. Densmore
Lt. Col. Moore
Lt. Col. Quartier
Major Rively
Major Smith
Major Hanson
Capt. Crupe
Mr. Dickens
Mr. Cerrito
Mr. Hughes

Agriculture Sub-Commission
Commerce " "
Finance " "
Food " "
Industry " "
Labor " "
P.W. & U. " "
Transportation "

Mr. Rudderham
Major Gent
Major Scotten
Brig. Grafftey-Smith
Major Sinclair
Lt. Col. Glendinning
Mr. Sachs
Col. Ristedt
Mr. Upman

Colonel Densmore presided:

1. Regional Commissioners Meeting

A meeting of the Regional Commissioners is scheduled for Monday and Tuesday of next week. The agenda will include a discussion as to the situation of the North immediately before and after the turn-over to the Italian Government (sometime after September 1), particularly as to what their functions will be after the turn-over and what liaison representation will be required from Economic Section. Regional Commissioners were requested to submit suggestions as to the composition of liaison teams but only one has been received. A meeting was, therefore, held this morning with the Executive Commissioner and the conclusion was that Economic Section will probably operate in much the same way as previously outlined but that we will probably leave a little heavier coverage for the purpose of having good reporting information. This is particularly desirable in such fields as Public Safety, Labor, Transportation, etc. Brig. Anderson felt that the economic liaison staff should be confined to a single group stationed in Milan with the exception of Transportation.

In the Province of Udine, there will probably be a military government which will be carried in that way until December 1, although it will be somewhat modified from that of Venezia-Giulia. A suitably large staff

Declassified E.O. 12356 Section 3.3/NND No. 785021

Lt. Col. Quartier
Major Rively
Major Smith
Major Hanson
Capt. Crupe
Mr. Dickens
Mr. Cerrito
Mr. Hughes

Agriculture	Sub-Commission	Mr. Rudderham
Commerce	" "	Major Gent
		Major Scotten
Finance	" "	Brig. Grafftey-Smith
Food	" "	Major Sinclair
Industry	" "	Lt. Col. Glendinning
Labor	" "	Mr. Sachs
P.W. & U.	" "	Col. Ristedt
Transportation	"	Mr. Upman

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In the Province of Udine, there will probably be a military government which will be carried in that way until December 1, although it will be somewhat modified from that of Venezia-Giulia. A suitably large staff should be left there as a pool so that if any trouble arises elsewhere, an emergency staff will be available.

Tentatively, the officers who will not be centralized in Milan will probably be attached to the various districts rather than consist of a separate Allied Commission organization, depending on the size of the group. It would probably be more acceptable to the Italian Government if they were attached to the Districts.

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Only the military personnel are to be declared surplus and Allied civilian personnel should not be so declared unless they are absolutely incompetent or not suitable to positions in Allied Commission.

Each Sub-Commission is asked to indicate a representative to confer with Colonel Densmore this afternoon, on liaison officers after the turn-over of the northern regions. Major Smith will arrange a schedule for interview of representatives of Sub-Commissions with Colonel Densmore to discuss preparation of paper to be presented at the Regional Commissioners meeting on 13 and 14 August.

2. Archives

Arrangements are now being made for the bringing of Archive Records from the North to Rome. This matter of archives is important and as the various instructions come out, it is requested that they be carefully carried out.

3. New Office Hours

Since the Allied Commission is now officially working a forty-hour week, Mr. Hughes suggested that FEA civilians be given their day off on Monday or Saturday which are the only days available if they do not wish to lose four hours pay because of the new Civil Service rules. Col. Densmore asked that Sub-Commissions having FEA personnel assigned give that personnel either Monday or Saturday off if that is possible without crippling the operation. The question was raised as to whether or not it could be certified by supervisors that overtime over forty hours was authorized. Because AC is now on the forty-hour week, as far as the military is concerned, Col. Densmore said that might be arranged as he thinks AC is still on a forty-eight hour duty week but that one day is for recreational duty. Mr. Rudderham asked that the hours of service of the British civilians should also be examined, but Col. Densmore said that British personnel will work the same hours as other personnel. As far as the military is concerned, each officer will have one day off, the senior officer having his choice.

4. Wheat Amassing

Mr. Rudderham said that one-third of the total wheat amassed this year was collected last week. This is a good indication that the whole procedure is speeding up. Weekly reports on target figures should be submitted to the Chief Commissioner.

5. Transportation of Wine

Mr. Upman said that Col. Baker has been having several conferences with various Sub-Commissions on the subject of transportation of wine. Further conferences will be held with other Sub-Commissions as necessary.

LESLIE S. MOORE
Lt. Colonel, AGD
Chief, Admn. & Pers. Branch

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Chief, Admn. & Pers. Branch

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File

SECRET

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Tel. 538

Ref. 1.27/ES

MINUTES OF ECONOMIC SECTION STAFF MEETING HELD
3 AUGUST 1945

Present:

Economic Section	Col. Densmore
	Col. Malton
	Lt. Col. Martino
	Lt. Col. Moore
	Lt. Col. Quartier
	Mr. Hughes
	Mr. Stauffer
	Major Anson
	Major Clark
	Major Rively
	Major Smith
	Mr. Cerrito
	Mr. Checchi
	Capt. Arnoldy (Ex. Comm. Off.)
	Capt. Crupe
	Capt. Highland
Agriculture S/C	Mr. Merritt
	Mr. Rudderham
Commerce S/C	Major Gent
Finance S/C	Brig. Grafftey-Smith
Food S/C	Major Cowper
Industry S/C	Lt. Col. Glendinning
Labor S/C	Mr. Braine
Public Works & Utilities S/C	Col. Ristedt
Transportation	Mr. Taylor
	Mr. Upman
	Col. Buchanan

Col. Densmore Presided:

1. The following items were discussed at the Executive Commissioner's meeting 3 August:

Declassified E.O. 12356 Section 3.3/NND No. 745021

MINUTES OF ECONOMIC SECTION STAFF MEETING HELD
3 AUGUST 1945

Present:

Economic Section	Col. Densmore
	Col. Walton
	Lt. Col. Martino
	Lt. Col. Moore
	Lt. Col. Quartier
	Mr. Hughes
	Mr. Stauffer
	Major Anson
	Major Clark
	Major Rively
	Major Smith
	Mr. Cerrito
	Mr. Checchi
	Capt. Arnoldy (Ex. Comm. Off.)
	Capt. Crupe
	Capt. Highland
Agriculture S/C	Mr. Merritt
	Mr. Rudderham
Commerce S/C	Major Gent
Finance S/C	Brig. Grafftey-Smith
Food S/C	Major Cowper
Industry S/C	Lt. Col. Glendinning
Labor S/C	Mr. Braine
Public Works & Utilities S/C	Col. Ristedt
Transportation	Mr. Taylor
	Mr. Upman
	Col. Buchanan

Col. Densmore Presided:

1. The following items were discussed at the Executive Commissioner's meeting 3 August:

a) Monday, August 6th, will be a holiday for all British officers and ORs.

b) The decision has been made that the Italian army will be maintained at 140,000 men (65,000 for Carabiniere), and administration thereof will pass to the Italian government sometime after 30 September.

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The Supply Division and Food Sub-Commission have a particular interest in this force because of the problem of maintenance of food supplies. The Executive Commissioner pointed out that the Italian army has priority over civilians on food.

c) No decision has been made on the turn-back of the Italian air and naval forces.

d) It is anticipated that General Duff will replace General Robertson as Chief Administrative Officer, AFHQ.

e) The turn-back date for the North, generally, is still 1 September.

f) The Province of Udine will remain under Allied military government until 1 December. The Province of Emilia was turned back today (3August) as planned. The Commune of Ancona was not included in this turn-back.

g) The official name of the office in Milan is, "The Office of the Representative of the Chief Commissioner, Milan." The Executive Commissioner will publish instructions as to how to address correspondence and cables which are to be sent to that Office for the attention of Col. Fiske, Lt. Col. Maskery, Lt. Col. Imrie, or other officers, and it is hoped that these instructions will be carefully adhered to so there will be a distinct separation between the office of Col. Fiske and that of Col. Poletti.

2. Major Smith has been designated as Assistant Chief Staff Officer, and Lt. Col. Moore as Chief of Administrative and Personnel Branch. The staff of the Chief Staff Officer also includes Major Rively, Major Anson (recently arrived at this Hq.) and Captain Highland.

3. The Regional Commissioners in the North have been asked to make a recommendation as to what liaison group of officers they feel should be retained in Piemonte and Liguria after the 1 September turn-back. As soon as these recommendations have been received, Lt. Col. Moore will meet with the responsible people in the Economic Section so that this Section's views may be presented to the Executive Commissioner.

4. The Executive Commissioner feels that the time has arrived when plans should be formulated as to what changes are to be made in the Headquarters staff after the 1 September turn-back. He would appreciate an indication of what staff can be dispensed with and at what time. Inasmuch as the position of the AC has not been altogether clarified, this planning cannot be expected to be completely accurate, but some thinking should be directed along these lines.

5. Col. Densmore indicated that a report will soon be forthcoming in regard to the number of Italians that are expected to return from Germany and elsewhere. This will involve several hundred thousand

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persons and will have a definite bearing on the food situation. As soon as the report is received, it will be forwarded to Food Sub-Commission.

6. General McKinley requested prior to his departure for London that the Agriculture Sub-Commission be prepared to present a report on the status of the wheat amassing at the Economic Section Staff Meeting each Friday.

7. In response to Brig. Grafftey-Smith's request that, as soon as possible, some definite policy be developed with regard to surplus officers of the Allied Commission, Col. Densmore reported that the Executive Commissioner has directed the Establishment Section to work out a plan to cope with this problem.

8. Brig. Grafftey-Smith stated that Decree No. 116, raising wages of Government employees in the North, was implemented as of 1 August. A letter from Col. Poletti indicates that it is generally known in the North that Prime Minister Parri desired the effective date to be 1 May. However, inasmuch as several attempts have been made to secure an official recommendation to this effect from the Italian government and none has been forthcoming, it is deemed advisable not to take action making the Decree retroactive until such official recommendation has been received.

9. Major Smith reported that about 5 July the 15 Army Group was redesignated as U.S. Forces in Austria. He also pointed out that, although Phase II went into effect 15 July, it is noted that some correspondence is coming through still referring to Phase I.

10. Mr. Merritt reported that, although the amassing is not going too well, it would amount to about the same as last year and a fair performance could be expected. As of this last week, allocation of fuel and the radio and press campaign in the North are major additions to the program to stimulate the amassing.

11. Lt. Col. Glendinning reported that the plan for the production of steel is dependent on the supply of materials of the import program. It is hoped that when this steel production program is functioning it will employ about 500,000 persons directly and indirectly.

12. Mr. Stauffer stated that five of the seven Price Committees have been established in the North. He indicated that these five committees have received the approval of both the Italian government and the Regional Commissioners. Col. Densmore stressed the fact that the Price Committees do not take over the problem of pricing generally but only with respect to those items that are referred to them through the channels provided.

13. Major Gent stated he would attempt to secure information regarding the NICC meeting scheduled for 31 July in response to Col. Walton's request that such information be made available to the Executive Commissioner.

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14. Mr. Hughes requested that the FEA side of the picture be kept in mind when recommendations regarding surplus officers were made.

15. Mr. Taylor reported that he had turned over all responsibility to his successor, Mr. Upman, and announced the arrival of Col. Buchanan, who will replace Col. Seiff as Chief of Movements, Transportation Sub-Commission.

The meeting adjourned at 1240 hours.

Norman R. Smith
NORMAN R. SMITH
Asst. Chief Staff Officer

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Tel. 536

Ref. 1.27/ES

MINUTES OF ECONOMIC SECTION STAFF MEETING HELD
27 JULY 1945

Present:

Economic Section:	Brig. Gen. McKinley
	Col. Densmore
	Col. Walton
	Lt. Col. Moore
	Lt. Col. Tooby
	Lt. Col. Quartier
	Mr. Hughes
	Major Rively
	Major Smith
	Mr. Cerrito
	Major Clark
	Capt. Arnoldy (Ex.Comm.Off.)
	Capt. Highland
Agriculture S/C	Mr. Merritt
	Mr. Rudderham
Commerce S/C	Major Gent
	Major Scotten
Finance S/C	Brig. Grafftey-Smith
	Col. Menapace
Food S/C	Major Cowper
Industry S/C	Major Fewings
Labour S/C	Mr. Braine
	Mr. Sachs
Public Works & Utilities S/C	Col. Ristedt
Transportation S/C	Mr. Taylor
	Mr. Upman

Brig. Gen. E. B. McKinley presided:

1. The following FEA personnel have arrived during the past week: Mr. Upman, who is to replace Mr. Taylor as Director of the Transportation Sub-Commission; Mr. Moss, Chief, Rail Division; Mr. Gallo, Administrative Assistant, Transportation Sub-Commission; and Miss Wade, Professional Assistant to Mr. Whitehead, Textiles. From latest reports, it appears that Mr. Douglas will not be coming to Italy.

2. Regarding the turnback of territory, approval has been received

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27 JULY 1945

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	Col. Densmore
	Col. Walton
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	Lt. Col. Quartier
	Mr. Hughes
	Major Rively
	Major Smith
	Mr. Gerrito
	Major Clark
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	Capt. Highland
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	Mr. Rudderham
Commerce S/C	Major Gent
	Major Scotten
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	Col. Menapace
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2. Regarding the turnback of territory, approval has been received which would permit us to turn back the entire region of Emilia and the Provinces of Apuania and Lucca on the 31st of July. However, in order to permit the Advisory Council for Italy, which next meets on 3rd August, to be notified, the probable effective date will be the 4th August. The Communes of Naples and Ancona will not be included in this turn-back.

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3. The Executive Commissioner has issued a report, with very limited distribution, on his recent trip to Venezia-Giulia, in which he states that the Military Government in the area is showing decided improvement.

/Gen. McKinley cautioned. . .

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Gen. McKinley cautioned the Economic Section staff that the situation as regards channels and relationships is not clear and read the following paragraph concerning organization from the Executive Commissioner's report:

> "HQ XIII Corps definitely consider AMG VENEZIA GIULIA as part of XIII Corps organization. The Corps Commander has no objection to the title SCAO, VENEZIA GIULIA in order to distinguish him from the Provincial Commissioners of the three Provinces of VENEZIA proper who will shortly come under the military jurisdiction of XIII Corps. XIII Corps also recognize the arrangement by which technical direction is given by Sub-Commissions to specialist officers in the area on technical points. They feel, however, that on any matter of policy XIII Corps should seek direction from AFHQ: this includes certain matters of personnel such as the appointment of a new SCAO, or Chief of Police. The SCAO himself is fully alive to the value of remaining under the technical control of the Allied Commission and so long as care is exercised both from this HQ and by the SCAO, I think a satisfactory method of working can be achieved. I have made it quite clear to the SCAO that neither he nor his staff are entitled to correspond with AFHQ and if they receive instructions direct from AFHQ, they should refer them to XIII Corps."

Gen. McKinley pointed out that AFHQ is showing unusual interest in AMG matters in Venezia Giulia, the situation is tense, and extreme care must be exercised to see that our contacts are made through the proper channels.

4. At the request of Col. Bowman, the Executive Commissioner has requested that all minutes of future Economic Section and Price Committee meetings be sent to the SCAO, VENEZIA GIULIA, in order that he may be informed of AC activities.

5. The 8th Army ceased to function administratively on the 25th July, XIII Corps took over military administration in the Provinces of Udine, Treviso, and Venice. These Provinces remain under Brigadier Dunlop and there is no change in AMG territory. The XIII Corps as a military area has moved back and included these three Provinces.

6. Col. Walton reported that an attempt is to be made to improve the organization of ICE. Major Gent is to confer with Minister Gronchi to examine the organization and to make suggestions as to improvements. It would be helpful if the Sub-Commissions would inform Major Gent of specific matters that they want taken up with Minister Gronchi. Gen. McKinley stated that a signal has recently been received on foreign trade which will turn trade back to the Italians. Therefore, it is vital that ICE be in a position to handle the situation until trade between individual principals can go forward.

7. In response to Col. Walton's question as to what personnel would be left in Emilia, Gen. McKinley indicated that he had presented a list to the Executive Commissioner setting forth the detailed assignment of each officer that would become available and indicating where it was intended that he should be placed. The Executive Commissioner appears to favor these recommendations.

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8. Mr. Braine stated that it is difficult to forecast staff requirements after 30 September until it is clear what the staff is supposed to accomplish. Gen. McKinley suggested that, for planning purposes, it should be assumed that all AMG territory except Venezia Giulia and certain isolated enclaves would be turned back to the Italian Government by the end of August;

/ that AC would continue. . . .

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that AC would continue in its present state for one month following that date; and at the end of September, it is probable that the economic functions of AC may be broken into two missions -- one British and one American -- which would work jointly. There may be some economic functions of the Commission that might have to continue as a combined activity. The future after September 30 is not clear. What will be done in regard to Labor specifically is not known.

9. Brig. Grafftey-Smith reported that, as yet, no successor had been appointed to fill the vacancy caused by the death of Minister Soleri. All questions of high financial policy are temporarily to be addressed to the Presidency of the Council of Ministers.

10. At a meeting with the Italian Ministers, Minister Soleri proposed that the 116 Decree, which is the final decree raising wages of Government employees in the North so that all of Italy will be on one level, be made effective 1 May instead of 1 August, as planned. Col. Monapace stated it was anticipated that some official communication on this matter would be forthcoming recommending that this order be issued. A request for an official recommendation was sent to Prime Minister Parri, but as yet no response has been received.

11. Brigadier Grafftey-Smith raised the question of whether or not the economic price of bread could go into effect prior to the posting of the General Order. Gen McKinley will investigate this matter.

12. Mr. Sachs, who has just returned from Trieste, reported that it had been decided to apply the Milan Agreement, which provides for a 100 lire a day increase in wages paid in this area. It was also decided to approve the liberation bonus running up to 3500 lire. Mr. Sachs expressed concern over the attitude of AMG officers to apply without scrutiny all the programs to Venezia Giulia that have been adopted in Italy. No attention is being paid to what the Jugoslavs are doing on the other side of the Morgan Line. He also reported that it was not anticipated that unemployment will be a problem in Venezia Giulia.

13. Mr. Cerrito reported that, with the elimination of the 25% margin limitation, the Italian Government will be free to fix its own prices on imported goods without waiting for landed costs. The question of price control in Venezia Giulia was brought up by Brig. Grafftey-Smith, and Gen. McKinley indicated that this would have to be given special consideration.

14. As of 25 July 1945, 5 berths are available for Liberty ships and schooners in the Port of Genoa. Mr. Taylor said that no word had been received concerning Liberty ships actually entering the Port, but the berths are available. Savona will continue to be used as the Port for unloading coal.

The meeting adjourned at 1300 hours.

0845

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Norman R. Smith 1667
NORMAN R. SMITH
Major, AGD
Chief, Adm. & Pers. Branch

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Tel. 267

Ref. 1.27/ES

MINUTES OF ECONOMIC SECTION STAFF MEETING HELD
20 JULY 1945

Present:

Economic Section	Brig. Gen. McKinley
	Brig. Anderson
	Col. Walton
	Lt. Col. Moore
	Lt. Col. Quartier
	Mr. Hughes
	Major Smith
	Major Rively
	Mr. Cerrito
	Capt. Highland
	Capt. Arnoldby (Ex. Comm. Off.)
Agriculture S/C	Mr. Merritt
Commerce S/C	Mr. Ruiderham
Finance S/C	Major Gent
	Brig. Graffety-Smith
Food S/C	Col. Menspace
Industry S/C	Col. Legg
Labor S/C	Lt. Col. Glendinning
	Mr. Braine
	Mr. Sachs
Public Works & Utilities S/C	Col. Ristedt
Transportation S/C	Col. Thomas

Brig. Gen. McKinley presided:

1. The minutes of the Economic Section Staff Meeting held 6 July 1945 were amended by the following addition which serves to clarify Paragraph 9 regarding opening of the Ortona - Ancona Line:

> "With the opening of the Tunnel between Osimo and Ancona on 30 June 45 and the likelihood that the bridge over the PO River will be opened within the next day or two, through main line rail connection will be established from Southern Italy via Ancona, Bologna and Verona to Milan, Turin, and Venice."

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Declassified E.O. 12356 Section 3.3/NND No. 785021

MINUTES OF ECONOMIC SECTION STAFF MEETING HELD
20 JULY 1945

Present:

Economic Section	Brig. Gen. McKinley Brig. Anderson Col. Walton Lt. Col. Moore Lt. Col. Quartier Mr. Hughes Major Smith Major Rively Mr. Cerrito Capt. Highland Capt. Arnoldby (Ex. Comm. Off.)
Agriculture S/C	Mr. Merritt Mr. Rudderham
Commerce S/C	Major Gent
Finance S/C	Brig. Graffety-Smith
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2. General McKinley reported that he had no further information on the future of AC. Although considerable publicity has been given to the appointment of Mr. Douglas, it is not certain that he will arrive during this month as expected. As far as the objectives of AC

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are concerned, they remain the same. We will attempt to turn the North, except the territory under the XIII Corps, over to the Italians at the end of August.

3. A large number of personnel has been promised by FLA: 5 for Industry; 3 for Transportation, 1 for Agriculture, 3 for Public Works, 4 for Economic Section. Three of these persons arrived today - Mr. Land, Electrical Engineer for Industry; Mr. Whitehead, Textile Expert for Industry; and Mr. Dickerman for Agriculture. Eight people are scheduled to leave Washington in July and eight, including three stenographers, in August.

4. Col. Hensley has been appointed Liaison Officer with P.B.S.

5. It was pointed out by General McKinley that Phase II went into effect on July 15th. Col. Fiske is back and an agreement has been reached with 5th Army as to their jurisdiction. The enclave occupied by the 5th Army will be under the Regional Commissioners and 5th Army AMG functions will be only advisory. In view of our activities in connection with the industrial plan and disposition of captured war materials, Col. Fiske is arranging to take over the building now occupied by IV Corps Headquarters when it is vacated.

6. There has been considerable activity in connection with the economic price of bread. After the meeting with the Italian Ministers, there was some implication that there would be an attempt made to give a greater ration in the North at the same time the economic price of bread goes into effect. No such increase is possible, but we are ready to proceed on the price. Col. Legg indicated that all of the spade work is completed for the issuance of the necessary signals and directives. A draft of the directive has been submitted to the Italian Ministry of Food for approval and agreement.

7. General McKinley stressed the importance of assuming a not too optimistic attitude in our contacts with the Italian government in connection with future financing of their programs. The Italians should be warned that the future is not bright and that they might have to count on pay account balances even to feed themselves after the end of the calendar year. The Italian representative in Washington is aware of this condition and has stopped some of his purchases against the available Italian balances because of the fact that he foresees these possible emergencies. No arrangements have been made as yet for financing relief supplies for Italy after December 31, 1945. In response to Col. Legg's suggestion that the Prime Minister and the Council of Ministers be notified that unless their planning is changed, they will be heading for disaster, General McKinley indicated that he was trying to get information on the whole program to present to Admiral Stone for that purpose, but in the meantime in daily contacts with the Italian government, we must adopt this new more sober attitude.

8. A letter written by Minister Ruini in which he requested that he be advised on all economic matters was discussed. General McKinley stated that it is not intended that keeping Minister Ruini apprised of activities should assume the tremendous proportions implied in his note. The Economic Section will supply him with information regarding POL allocations, coal deliveries and approval of programs, but the rest of

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9. Brig. Anderson reported that a Joint Economic Committee with 50% Jugoslav and 50% Anglo-American representation has been set up for

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Venezia-Giulia, with three sub-committees for Commerce and Industry, Fuel & Power, and Transportation. The American representation on the Committee for Commerce and Industry are AMG; on Fuel & Power, ..C; and Transportation, 8th Army. A list of food requirements is being prepared. The attitude concerning the Istrian Coal mines is deplored and the matter is being processed through military channels. Unemployment in Venezia-Giulia is alarming the Port Commander, and a commission is being set up to carry out a survey of the possibility of starting up the Montefalconi shipyards, but that will revolve around the availability of coal.

10. In response to Col. Walton's inquiry concerning the pricing limitation of landed cost plus 25%, General McKinley stated that he could find no basis for this practice except as a rule of thumb and that he was ready to rescind the order and give the government a free hand in pricing imported materials.

11. Col. Legg reported that Transportation Section of G-5 has been disbanding and that we are not receiving the 10-day shipping report as prepared by Movements Branch of G-5. He further stated that this report is vital to the Food Sub-Commission and some instructions that the continuance of this report be assured should be issued. Col. Thomas volunteered to get an answer as to whether it could be supplied. General McKinley stated that this same trend could be expected in all branches of G-5 as their personnel has been decreased considerably and many activities are reduced or eliminated. Lt. Col. Quartier is to serve as coordinator between G-5 and the sub-commissions regarding shipping operations formerly handled by G-5 which they are discontinuing, effective August 1st.

12. Mr. Braine urged that some sort of a labor policy for Venezia-Giulia must be forthcoming soon. Brig. Anderson feels that Venezia-Giulia must be considered as a separate labor problem and would prefer to consider it a separate problem on the industrial side.

13. Major Gent raised the question of the directive in regard to disposition of captured enemy material to which General McKinley replied that he was taking care of this matter today.

14. The situation of the port of Genoa remains unchanged and Col. Thomas reported that the date at which the port will be re-opened still is not known.

The meeting was adjourned at 13:15.

NORLIN R. SMITH
Major, AGD
Chief, Adm. & Pers. Branch

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Norman R. Smith

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Major, AGD
Chief, Adm. & Pers. Branch

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Tel. 267

Ref. 1.27/ES

MINUTES OF ECONOMIC SECTION STAFF MEETING HELD 6 JULY 1945

Present:

Economic Section	Brig. Gen. McKinley Brig. Anderson Col. Walton Lt. Col. Quartier Mr. Cerrito Major Smith Capt. Highland Mr. Hughes Lt. Col. Moore Major Tooby Lt. Col. Martino
Agriculture S/C	Mr. Burcalow
Commerce S/C	Capt. Bergersen Major Gent
Finance S/C	Major Scotten Brig. Grafftey-Smith
Food S/C	Col. Menapace Col. Legg
Industry S/C	Lt. Col. Imrie
Labor S/C	Lt. Col. Glendinning Mr. Braine
Public Works & Utilities S/C	Mr. Sachs Col. Ridstedt
Transportation S/C	Mr. Taylor

Brig. Gen. McKinley presided:

1. Executive Commissioner's Meeting. The government has requested a Regional Commissioners' meeting and Rear Admiral Stone has set the date as 13 July. An attempt is being made to secure from the Ministry a list of questions to be discussed, in order that the Regional Commissioners may bring in the staff officers involved.

2. Col. Bowman is relieving Col. Monfort as CAO, XIII Corps, and Col. Thomas will replace Col. Bowman.

3. It is hoped to turn back additional territory to the Italian Government. The original date of the turn-back, 23 July, may be extended to 31 July, with a possible final turn-back at the end of August, with the exception of Venezia Giulia Region, which will remain under AMG.

4. The plan for handling industry and commerce in the North through the organization of local committees, as discussed at the Regional Commissioners' meeting and drafted by Brig. Gen. McKinley, Col. Poletti, and Ministers Gronchi and Ruini, has been formalized and approved by the Italian Government. It is anticipated that the Industry Sub-Commission's Advance Office will be organized in

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	Mr. Hughes
	Lt. Col. Moore
	Major Tooby
	Lt. Col. Martino
Agriculture S/C	Mr. Burcalow
	Capt. Bergersen
Commerce S/C	Major Gent
	Major Scotten
Finance S/C	Brig. Grafftey-Smith
	Col. Menapace
Food S/C	Col. Legg
	Lt. Col. Lurie
Industry S/C	Lt. Col. Glendinning
Labor S/C	Mr. Braine
	Mr. Sachs
Public Works & Utilities S/C	Col. Ridstedt
Transportation S/C	Mr. Taylor

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5. A meeting is to be held on the economic price of bread, at which it is hoped to crystallize the Allied Commission's point of view so that a firm representation can be made to the Italian Government within the next 48 hours.

6. Washington has requested that there be on hand in Washington by 15 July the entire program for the remainder of this calendar year. This program was distributed to all Sub-Commissions and it was stated that all comments on the program should be in the office of the Requisitions Branch not later than noon of 9 July. Inasmuch as it will be necessary to work against time, only the broadest phases can be included, with details subsequently to be clarified by signals. 181

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7. Mr. Braine reviewed the labor situation in the North. A sliding scale of bonuses brings the northern wages in Milan up to or above those in Rome and the South. The Italian Government agreed to provide funds from the State Treasury to enable payment of persons on the payroll but not working. As a result of this concession, AMG approved on 25 June the labor agreement as drawn up between employers and employees. Regrettably, a labor demonstration had been staged in Milan prior to AMG's approval.

A labor demonstration, more political than that of Milan and reputedly instigated by Communist factors, was staged in Turino.

It is expected that the bonus agreement, approved in Milan, will soon be in force throughout the entire North, with minor variations for rural districts. In this event, the North will be pretty much in step with the South at a date much earlier than had been anticipated.

8. Brig. Grafftey-Smith stated that accusations are being made in the North that A G is not fulfilling its functions in feeding the people in the Northern areas. He suggested, and Brig. Gen. McKinley approved, that proper publicity be given to correct this impression.

Brig. Grafftey-Smith also mentioned that the deletion from the proclamation of 2 September of the clause permitting financial and commercial transactions between Venezia Giulia Region and the rest of Italy is causing trouble. It is being strongly recommended that the proclamation, as signed, be amended to permit such transactions.

9. Mr. Taylor, in reviewing the transportation picture, said that Genoa has limited facilities for coasters, but no liberty ships are being admitted into Genoa Harbor. Coal ships are going into Savona. There are also berths for other ships in Savona, where the miscellaneous supplies can be railed to Genoa and from there up to Milan and Turino.

With the completion of the Ortona, Ancona line, there is complete railway from Bologna to Milan and Turino, with the exception of the bridge across the Po, which should be completed within the next day or two. The main line from Bologna to Milan and Turino will not be completed until the first of August. However, there is direct rail service now from Southern Italy to Milan, Turino, and Venice.

10. Mr. Brucalow said that there is no change in the wheat crop forecast as presented at the previous meeting. It is still planned to ship cattle, but not sheep from Sardinia to Italy for slaughter.

The meeting was adjourned at 12:50.

Norman R. Smith
NORMAN R. SMITH
Major, AGD
Chief, Adm. & Pers. Branch

Declassified E.O. 12356 Section 3.3/NND No. 785021

SECRET
HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Tel. 267

Ref. 1.27/ES

MINUTES OF ECONOMIC SECTION STAFF MEETING HELD 22 JUNE 1945

Present:

Economic Section	Brig. Gen. McKinley Brig. Anderson Col. Walton Lt. Col. Quartier Mr. Stauffer Mr. Hughes Lt. Col. Moore Major Smith Captain Highland
Agriculture S/C	Mr. Merritt
Commerce S/C (Coal Division)	Major Scotten Col. Evans
Finance S/C	Brig. Graffety-Smith
Food S/C	Col. Menapace
Industry S/C	Lt. Col. Imrie
Labor S/C	Lt. Col Glendinning
Public Works & Utilities S/C	Mr. Sachs
Transportation S/C	Major Preedy Mr. Taylor, Lt. Col. Sieff

Brig. Gen. McKinley presided:

1. With respect to the new government, comments are that it is a decided swing to the Left and that it is very well received in US and UK.

2. Executive Commissioner's meeting. Current plans are that Col. Jones should return Saturday with information from the Commissioners which will be crystallized into a list of questions for E/S comments before the meeting on 27-28 June.

3. Colonna Hotel This problem has not been decided and an attempt is now being made to permit these people to live there but no mess is to be provided.

4. It is reported that on 25 June, an air courier service will be started to the North. A schedule will be published shortly. Service will not include Genoa but a sea plane service to Genoa probably will be started about the first of July.

5. Brigadier Anderson made a report reference applications of officers for Civil Affairs work. He reviewed the procedure to be used in screening this per-

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	Lt. Col. Quartier
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	Major Smith
	Captain Highland
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5. Brigadier Anderson made a report reference applications of officers for Civil Affairs work. He reviewed the procedure to be used in screening this personnel at a meeting held the afternoon of 22 June.

6. Col. Fiske is now in Milan and has sufficient automobile transport for local travel. He can provide transportation within the city and Col. Poletti will handle any requests for transportation outside the city.

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7. It was stated in the Executive Commissioners meeting, that Regional orders issued from Milan should be studied by the other Regions with a view to their adoption.

8. Venezia Giulia Situation. General McKinley reviewed the comments made by Brigadier Upjohn at the Executive Commissioners meeting relative to the new governmental and economic policies established in the Venezia Giulia Area. Joint committees of Jugoslavs and Allies will confer in this sector, with Allied personnel having already been requested from Sub-Commissions. Brig. Anderson will head up the Economic Section representation on the negotiations of these several committees.

9. Sardinia. Publicity of recent date has caused many questions about this situation at high levels. There has been considerable confusion with respect to the transportation end. A meeting will be held this afternoon with the Italian Government to let them know that they can not abuse the transportation which they ordered and are now rejecting, involving a boat for stock carrying.

Col. Lerie stated that the Sardinian situation has been much exaggerated and then briefed the existing status of food supply for the coming few months. General McKinley approved the departure for Sardinia on June 23 of two representatives of Agriculture S/C, one from Transportation S/C and one from the Italian Government.

10. Port Facilities. Colonel Sieff outlined the status of the ports at Genoa, Savona, Venice, Trieste, Piombino and other Italian ports. He discussed the problems of demolition mines, long road hauls from ports to using agencies etc.

11. Price Control and Movement Control in the North. General McKinley has been conferring with Minister Gronchi in an attempt to get the Government's views. These conferences are to be continued this afternoon. The present approach is that only the minimum list of foods would be under control.

12. Mr. Merritt presented copies of a signal on current crop estimate which went forward to UK and US from AFHQ this morning. The shortage in Italy is therefore 2 million tons greater than last year and will be the shortest crop since 1922. This signal was drafted with care to present the true gravity of the problem to UK and US.

13. Brigadier Graffety-Smith asked what is the position on the revision of General Order 41. He was advised that it was also a subject which will be taken up with Minister Gronchi. The wage side is not to be touched since the provision in General Order 41 is that wages would be frozen as of April 3 1945 subject to modification upward on approval by Regional Commissioners. This advance has been given on public wages and Finance wishes to recommend that two decrees should now be permitted in the North to give a partial increase in salaries and wages. There is tremendous pressure so the increase would be advisable. This is in line with the policy of arriving at the Southern Italy level by August.

14. Mr. Taylor discussed his memorandum bringing out the important facts reference tonnage moved and to be moved, the wastage experienced and the reasons for such wastage.

15. Mr. Sachs discussed the wage situation in the North, stating the wage status of private and governmental employment. He brought out the point that wages in private employment could be negotiated subject to control of AMG. while public employment is controlled by Italian Government Decree, which does not

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15. Mr. Sachs discussed the wage situation in the North, stating the wage status of private and governmental employment. He brought out the point that wages in private employment could be negotiated subject to control of A.C.G. while public employment is controlled by Italian Government Decree, which does not allow for any fluctuations. Brigadier Graffety-Smith stated that General Order No. 41 was not generally understood. General McKinley indicated that if there is an area of doubt, it should be cleared up. The natural tendency has been that Regional Commissioners are reluctant to break the ice. They are afraid of the authority. However, Emilia Region did go ahead according to instructions. Mr. Sachs stated that he would see that these matters were cleared up.

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16. Major Scotton was asked what the attitude of the Ministry of Industry & Commerce was towards control with regard to non-subsistence material. At the Engineering Materials Committe meeting Monday, it was decided to reduce the list of controlled materials to only five. Commerce Sub-Commission must now inquire from the Italian Government as to what extent they wish to continue control.

The problems which will arise reference the release of these formerly controlled items in the Northern Regions was discussed. General McKinley was of the opinion that the items to be controlled solely by the Italian Government be controlled not by the central government but possibly by some form of decentralization. General McKinley will discuss these problems further at later meetings with the Ministers.

The meeting was adjourned.

Norman R. Smith

NORMAN R. SMITH
Major, AGD
Chief, Adm. & Pers. Branch

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The meeting was adjourned.

Norman R. Smith

NORMAN R. SMITH
Major, AGD
Chief, Adm. & Pers. Branch

Distribution
"A"

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JWB/mb

TRANSPORTATION SUB-COMMISSION

INTER OFFICE MEMORANDUM

Tele : 478704

28 June 1945

181/3/Tn.3.

SUBJECT : Action required as result of Executive Commissioner's Meeting - 26 June '45.

TO : Economic Section

1. Reference ES/1.21 dated 26 June '45.

2. Rail Lines. Attached is rail chart for submission to Executive Commissioner. Lines marked in green are open for traffic and those marked in red are under repair.

3. Movement of Axis Diplomats. Arrangements are in hand for the movement of the group of Axis Diplomats from Taormina.

MERRITT H. TAYLOR
Director

Declassified E.O. 12356 Section 3.3/NND No. 785021

HQ. ALLIED COMMISSION
TRANSPORTATION SUB-COMMISSION

FROM

DIRECTOR
Mr. MERRITT H. TAYLOR
DEPUTY DIRECTOR
COLONEL M.B. THOMAS
PLANNING STAFF
Mr. CHARLIE RYAN
MAJOR F.P. RICHARDSON
ADMINISTRATIVE DIVISION
LT.COL. W.P.SCOGGINS
CAPT. C.S. WYATT
MOVEMENTS DIVISION
COLONEL M.J.SIEFF
LT.COL. J.W.BAKER
LT.COL. C.N.CHRISTENSEN
MAJOR G.B.GODFREY
RAIL DIVISION
LT.COL. O.H.LINDBERG
MAJOR A.C. PING
MAJOR M.G. MATSON
MAJOR A.H. STREET
MAJOR S.L. BAISTER
MAJOR C.M. LONG
ROADS DIVISION
Mr. GEORGE G. GROSS
LT.COL. G.FERNYHOUGH
MAJOR D.C. MOYLE
MAJOR H.M. DOWNER
CAPT. W.G. PETERSON
PORTS & WAREHOUSE DIV.
Mr. R.M. BAZZANELLA
Mr. JAMES D. HURLEY
MAJOR R.H. KLEIN
CAPT. G.W.E.WARLEY

TO

DATE & TIME REC'D
26 JUN 1945 1520

Return buck slip to Chief Clerk, Admin. Div. with reference of file on which attached has been put.

REMARKS:

Lt Col Baker
for action on
Items 3 + 4

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Transportation

IMMEDIATE ACTION

Tel. 546 HEADQUARTERS ALLIED COMMISSION CAW/bd
APO 394
ECONOMIC SECTION
SUPPLY DIVISION

ES/1.21

28 June 1945

SUBJECT: Action Required as Result of Executive Commissioner's Meeting - 26 June 1945

TO : Agriculture Sub-Commission
Commerce Sub-Commission
Food Sub-Commission
Transportation Sub-Commission
Requisition Branch

1. Regional Commissioners Meeting: 27 - 28 June

The agenda for the meeting, with a time schedule, is in process of preparation and should be available during the day. The following preliminary instructions have been issued:

(a) Sub-Commission Directors and the Chief of the Requisition Branch will be available for call on the two days of the meetings.

(b) The desire of the Chief Commissioner that the meetings be kept small, as to numbers attending, will be met by designating the Sub-Commission or Sub-Commissions which should attend.

(c) No Italian representatives will attend the sessions on the morning of 27 June. ~~Beginning with the afternoon (1345) 27 June, such Italian representatives as may be deemed necessary by Vice-Presidents and Directors of Sub-Commissions may attend.~~

(d) The meetings will be held in Room 18, 3rd Floor, at the hours to be announced in the agenda.

(e) Luncheon will be served on each of the two days in the main conference room with a limit of 35 persons in attendance. Visitors will be lodged at the Flora Hotel.

Action: All Addressees

2. Methane Cylinder Proclamations by RC's

(a) In view of the increased availability of methane and the reductions in petrol, it is desired that a directive to RC's

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be prepared with the object of causing them to issue new proclamations covering the denouncement and registration of methane cylinders.

(b) It was brought out by a Regional Commissioner, Colonel Bowman, that a proclamation would be desirable even though standing SOP calls for the collection of cylinders.

(c) Commerce should initiate the preparation of such a directive. A sample of the recent proclamation in Lombardia is said to be available in Colonel Talbot's office.

Action: Commerce S/C

3. Rail Lines.

The Executive Commissioner wishes to have the latest information on the rail lines now open. The Transportation Sub-Commission is requested to prepare a report or chart for submission to the Executive Commissioner. The interest of the Executive Commissioner particularly pertains to lines to the North and in the North.

Action: Transportation S/C

4. Movement of Axis Diplomats.

There is a group of Axis diplomats (details available from Captain Newberg, Liaison Branch - Telephone ~~6507~~ 47800) at Teormina, whose movement to Montecatini is desired.

Action: Transportation S/C

5. Food Program.

The Executive Commissioner desires to be informed as to the outlook for imported food, particularly wheat, which may be expected for Italy after the August loadings. May shipments be anticipated? Who will finance? Is there any necessity for getting advance advice to the Italian Government.

Action: Food S/C collaborating with Agriculture S/C

6. A and B Programs.

What are the indications, if any, of the progress on the A and B programs in Washington? A brief on this subject addressed

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to the Executive Commissioner for the signature of the Acting Vice President should be helpful.

Action: Requisition Branch

7. Bolzano Dumps.

A signal has been received from V Army indicating that the Army is listing the supplies in the Bolzano dumps and that after they determine their needs any remainder will be reported as available for the civil economy. This signal is being repeated by this Headquarters to AFHQ to determine whether the action of the V Army is to be approved policy.

Information only.

8. Regional Orders.

The Executive Commissioner instructed that Sub-Commission Directors give their special attention to the following item from the minutes of his meeting 22 June:

> "Econ Sec said concern had been expressed that RCs were acting independently. Ex C had sent out a memorandum on the necessity for cooperation and exchange of ideas between Regions. He agreed with CA Sec that a General Order should be issued from this HQ in respect to policy applying equally to all Regions. CA Sec should watch this point."

The Executive Commissioner emphasized the desire that Sub-Commission Directors scrutinize RC orders to ensure appropriate interchange of ideas.

Action: All Addressees

9. Items for Weekly Bulletin.

The Executive Commissioner reminded all that items of general interest should be furnished to the PRO for inclusion in the Weekly Bulletin. Pencil memoranda and copies of directives will suffice to start the PRO on preparation for publication. It is requested that such items be submitted either directly to the PRO or to the Chief of the Supply Division, at the discretion of the Director.

Action: All Addressees

CWW 1537

CHARLES W. [illegible]
Colonel
Chief, Supply Division

1 Ep meeting file

MJS/bjs

HEADQUARTERS ALLIED COMMISSION
APO 394
Transportation Sub-Commission

22nd June 1945

Tel. Ext 318

Ref. 181/~~Sub~~/Tn.1

SUBJECT. Points for discussion at the Economic Staff meeting.

TO. The Director, Transportation Sub-Comaission.

1. Italian port position

South of the Pisa - Rimini line, with the exception of Leghorn, port capacities as allocated are sufficient to meet A.C. requirements against the disease and unrest programme. Tonnages, which ~~have been~~ it was desired to bring through Leghorn, are being handled through Piombino. Steps are being taken to increase the port capacity of Piombino to 1,500 tons per day. The present capacity at Piombino is 1,200 tons per day, which is inadequate. The main redeployment ports are Naples, Leghorn, Ancona and Bari. To a large extent the Naples programme during this period is being met through the Naples satellite ports, and the Bari - Ancona position is being eased by the opening of a main railway line along the east coast.

2. Northern ports

Civil supplies in the north west in the main will be moved through Genoa and Savona. There has been delay in these ports due to the discovery of a new type of mine. At present Genoa is discharging coasters inside the port, and liberty craft in the outer harbour; the acceptance of a greater number of vessels at Genoa is under consideration. Savona has not yet been opened; it should be possible to operate this port within the next four weeks. The delays in opening these ports has considerably affected the A.C. programme for the north, and meant the continuation of the long inland hauls along the Ancona and Bologna axis for a longer period than originally

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3. Other ports on the north west coast have suffered considerable damage due to Allied bombing and enemy demolitions, and while it is anticipated that they may be seen open to schooner traffic, the bulk of the A.C. tonnages for some time to come will be handled through Genoa and Savona.

4. Main ports for the handling of A.C. traffic in the N.E. will be Venice and Trieste. ~~establishment~~ fulfilment of the full programme/

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programme to both ports has been delayed due to political trouble at Trieste, and mines at both Trieste and Venice. It is anticipated that there will be no difficulty in meeting the desired programmes after the ~~end of June.~~ mid July

5. The following tonnages have been accepted for movement through main ports as shown -

	June	July	Aug	Sept
Naples Group	68428	65968	62214	65982
Civitavecchia	10194	28116	27696	17160
Piombino/Leghorn	16463	31859	23966	24531
Genoa/Savona (a)	92800	81550	82100	70543
Toe Group	11000	7700	10300	12000
Heel Group	35378	27620	25912	28628
Ancona	14119	22000	18453	22913
Venice/Trieste (a)	32000	32000	32000	32000

Note - 1 (a) acceptance based on ports being declared free of mines. Restricted acceptance for June is-

Genoa/Savona 9000 Venice/Trieste 9200

2 All figures in tons per month.

6. Analysis of A.C. tonnages moved by rail

(i) Analysis of loading programmes over the four week period 30 April - 27 May 1945 gives the following figures -

(a) Tonnage programmed to load	352318 tons	
(b) Tonnage moved	204806 tons	
(c) Tonnage not moved	131057 tons	
(d) Tonnage not accounted for	16455 tons	= 352,318 tons
(e) Percentage of total programme moved = 58%		

(ii) Breakdown of tonnage not moved (para 6 (c)) shows reasons for failure to move as follows -

(a) Shortage of wagons	34,578 tons	= 27%
(b) Failureof consignor to load	44,062 tons	= 33%
(c) Numerous accidental reasons	52,427 tons	= 40%
TOTAL	131,057 tons	= 100%

(iii) It may happen that owing to large military move-

Declassified E.O. 12356 Section 3.3/NND No. 785021

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(iii) It may happen that owing to large military movements of high priority an acute scarcity of wagons is caused in certain areas for a short period, or that a large ~~army~~ personnel move absorbes all covered wagons, thus upsetting the plans of civilians requiring this type of car for their goods, but in general the largest figure of tonnage not moved is accounted for by failure of consignors to implement their bid. Analysis of failures to load shows that the worst offenders are -

(a) the Consorzio Agrario which seems unable, in 6505 many cases, to keep an up to date record of

what its/

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what its stocks are in stations or station areas

(b) Merchants contracting to load perishable fruits and vegetables who, through weather conditions which spoil the crop or because of price changes, decide, during the interval between placing their bid and receiving their allotment of cars, that they do not wish to complete their contract

(c) Speculators who wait for the assignment of a wagon beforemaking any arrangements to purchase the goodsthey have proposed to ship.

7. It is believed that there has been some improvement in the proportion of tonnage moved during June. The improvement, insofar as wagon availability is concerned, would have been much greater, if it had not been necessary to allocate so much rail capacity to the movement of refugees.

M.J. SIEFF, Colonel.
Chief, Movements Division

Declassified E.O. 12356 Section 3.3/NND No. 757031

File

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Tel. 536 NRS/mem

Ref. 1.27/ES

MINUTES OF ECONOMIC SECTION STAFF MEETING HELD 15 JUNE 1945

Present:

Economic Section	General McKinley Brigadier Anderson Colonel Walton Lt. Col. Quartier Lt. Col. Moore Mr. Cerrito Major Smith Captain Highland Capt. Arnoldy (Ex. Comm. Off)
Agriculture Sub-Commission	Mr. Merritt, Mr. Rudderham
Commerce Sub-Commission	Col. Evans
Finance Sub-Commission	Brig. Grafftey-Smith Colonel Menapace
Food Sub-Commission	Lt. Col. Imrie, Col. Legg
Industry Sub-Commission	Lt. Col. Glendenning Coal, Col. Evans
P.W.& U. Sub-Commission	Col. Ristedt
Transportation Sub-Commission	Col. Thomas Mr. Taylor
Labor Sub-Commission	Mr. Braine

Brigadier General McKinley presided:

1. On the 27th and 28th of June there will be a Regional Commissioner's meeting in Rome. The meeting of the 27th will be devoted to broad subjects. On the 28th it is intended to split up the meeting and to go into committees on the various subjects which correspond roughly to our sub-commissions. The exact subjects to be discussed will be formalized and distributed at a later date.

2. It was announced that Venezia Giulia Region is now administered by 13th Corps and Col. Monfort is the Civil Affairs Officer and to become Regional Commissioner.

3. Colonna Hotel - A proposal was made at the last Executive Commissioner's meeting to close the Colonna Hotel. Establishment Section reported that 31 Italian civilians are now living in this hotel. General McKinley asked if this action would effect any of the sub-commissions and the only comment was voiced by Colonel Legg (Food S/C) who stated that one girl from his sub-commission resided in the Colonna. It was suggested that the matter be left in abeyance until decision is reached as to whether or not the Italian Government will requisition this hotel.

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	General McKinley
	Brigadier Anderson
	Colonel Walton
	Lt. Col. Quartier
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	Mr. Cerrito
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	Capt. Arnoldy (Ex. Comm. Off)
Agriculture Sub-Commission	Mr. Merritt, Mr. Rudderham
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Finance Sub-Commission	Brig. Grafftey-Smith
	Colonel Menapace
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Industry Sub-Commission	Lt. Col. Glendenning
	Coal, Col. Evans
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4. On Monday next it is expected that a private telephone wire to Milan will be in operation between 8:30 a.m., and 7:30 p.m. At 7:30 it will be turned over to the Italians for night service. Colonel Fiske may be reached in Milan at 7 Via Appina, Tel. 12621.

5. General McKinley stated that the following policies will be placed in effect within the Economic Section for the purpose of eliminating confusion and increasing the operating efficiency of the Section:

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a. Decentralization, as far as possible, of the operations of the section to the sub-commissions which will in turn keep the Acting Vice President informed in all major activities and other activities which he should know.

b. Matters which will require coordination or information from one or more other sub-commissions within the Economic Section will be so acted upon prior to referring to the Economic Staff Section. Exception to this are those cases which cannot or appropriately should not be settled upon a sub-commission's level.

c. In these matters of coordination and decentralized operation there can be no hard and fast rules and no substitute for good judgment.

6. Matter of Committees:

General McKinley suggested that when junior member of sub-commissions attend committee meetings they report back to their directors immediately in order that the directors may be well informed of the problems and solutions discussed.

7. General McKinley stated that price control in the North and South is at present in a very acute state of confusion. This is partly due to the military phase in the North remaining longer than was anticipated. Mr. Stauffer who is presently in the North has been requested to return to Room as soon as possible. As soon as he is back a meeting of all Directors of all sub-commissions and the anti-inflation committee will be held at the same time, with a view to taking drastic action to eliminate all of the rigidity that has been introduced in the North and to initiate a system of control of foods similar to that now in effect in the South. A few cost of living items, clothing, shoes, etc., will be exempt from this relaxation of control. The Central Economic Committee of the CLNAI is greatly in favor of such a plan.

8. Copies of General Order 41 and the proposed "Price Memo No. 1" wer distributed to all sub-commissions so that when the proposed price meeting is called all will be thoroughly informed.

9. Mr. Taylor stated that General Order 42 is being re-written on the subject of transportation changes. This will place a pattern similar to that of the South, into the North.

10. Mr. Braine stated his concern about socialization of industry in the North. At present the Labor Sub-Commission has the responsibility of this problem and he stated that it involves a much wider aspect including political, legal, financial, industrial and labor. As a result he recommended that the problem be approached on a level higher than that of sub-commissions. (Subsequent to the meeting it developed that Brigadier Anderson had been handling this matter for Mr. Antolini. He will continue to do so).

11. Mr. Braine brought up the question of absorption of surplus labor which now exists and which gives every indication of increasing in the coming months. In his opinion the problem was one that involved all other sub-commissions as well as Labor. (Required action to be directed by Brigadier Anderson. see para 10).

12. Brigadier Grafftey-Smith presented the plan which had been approved for [illegible] and repatriated employees in the North. The plan

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good judgment.

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12. Brigadier Grafftey-Smith presented the plan which had been approved for increasing the pay of statal and parastatal employees in the North. The plan provided for monthly increases which by August would place the salaries of these employees in the North on a parity with the rates paid in the South. Employees carried North and paid the Southern scale would enjoy no increase.

The meeting adjourned at 13:15 p.m.

NORMAN R. SMITH
Major, AGD
Chief, Adm. & Pers. Branch

Declassified E.O. 12356 Section 3.3/NND No. 785021

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref. [illegible]36 EB3/jcn

Ref. 1.37/E3

MINUTES OF ECONOMIC SECTION STAFF MEETING HELD ON 6 JUNE 1945

Present:

Economic Section	Mr. Antolini Brig. Gen. McKinley Brig. Anderson Col. Walton Lt. Col. Quartier Lt. Col. Kurtagh Major Smith Capt. Highland Mr. Hughes
Agriculture Sub-Commission	Mr. Merritt, Mr. Rudderham
Commerce Sub-Commission	Major Cotten
Finance Sub-Commission	Brig. Graiftey-Smith, Col Menarace
Food Sub-Commission	Col. Legg
Industry Sub-Commission	Lt. Col. Maskrey, Maj. McEwuchton-Smith
Labor Sub-Commission	Mr. Breine
Public Works & Utilities S/C	Lt. Col. Riotett
Transportation S/C	Col Thomas
Executive Comm. Office	Capt. Arnold
American Embassy	Col. G.A. Green

Mr. Antolini Presided

1. Mr. Hughes was introduced as a new arrival from the United States. He will act as FEA business manager replacing Mr. Lehman. One of his first jobs will be done with Gen. McKinley in reorganizing the secretarial staff with a view to better utilization of personnel.
2. No items of importance to the Economic Section were discussed at the Executive Commissioner's weekly meeting.
3. Vice Presidents meeting was not held this week.
4. Mr. Antolini announced that Col. Densmore had arrived in Washington yesterday. Mr. Antolini was advised from Washington that the program which Colonel Densmore had carried back was accepted and also the Allied Commission's request that it get top priority over the First Aid Emergency Program was granted. Some of this program, which emphasizes production goods rather than finished goods, had already been sent to the procurement agency. When Mr. Antolini talked with Washington, he mentioned the extreme importance of the coal program and they were not as pessimistic as the Central Coal Committee in London. He asked them to consider all raw materials in the light of coal rather than to consider coal separately from other raw materials.
5. Mr. Antolini announced the date of his departure as Monday 11 June, in accordance with war shipping schedules. He commended the staff

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	Col. Walton
	Lt. Col. Quartier
	Lt. Col. Murtagh
	Major Smith
	Capt. Highland
	Mr. Hughes
Agriculture Sub-Commission	Mr. Merritt, Mr. Budderman
Commerce Sub-Commission	Major Potter
Finance Sub-Commission	Brig. Griffiey-Smith, Col Menarace
Food Sub-Commission	Col. Legg
Industry Sub-Commission	Lt. Col. Mashrey, Maj. McNaughton-Smith
Labor Sub-Commission	Mr. Irsine
Public Works & Utilities S/C	Lt. Col. Ristedt
Transportation S/C	Col Thomas
Executive Comm. Office	Capt. Arnold
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5. Mr. Antolini announced the date of his departure as Sunday 11 June, in accordance with war shipping schedules. He commended the staff on the splendid job done while he was here, wishing each one the best of luck and expressing his hope that they could stay on and give General McKinley their fullest support, especially since the personnel of the Economic Section is now being decreased rather than increased.
   Brig. General McKinley and Brigadier Anderson responded for the American and British sides respectively.
6. Brigadier Anderson reported briefly on the status of the Production Advisory Board's -- the proposals have now been sent to COS for approval before it is taken up with the Italian Government.
7. Col. Menarace reported on the situation regarding the new French francs.

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8. Col. Thorne asked when the Toscano Region is closing. June 19 was given as the closing date. This does not cover Livorno.

9. Mr. Freine was asked to state the current position on labor subsidies in the North. Briefly, his statements were as follows: The Government will continue to subsidize labor until the end of July in accordance with the CLC Decree. In connection with wages and prices, he said that we had hoped to control prices more closely in the North but this would only have been possible if wages had also been kept down. We have seen in the South that prices are falling in the expectation that goods are coming down from the North, but there has been a corresponding increase of prices in the North. Mr. Freine said he didn't know if the falling of prices in the South would be reflected in a wage roll-back.

The meeting adjourned at 1240 hours.

HERMAN R. SMITH
Major, AGD
Chief, Adm. & Pers. Branch.

Unclassified E.O. 12356 Section 3.3/NND No. 785021

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Tel: 415

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

JET/es

Ref: 1.27/ES

Minutes of Economic Section Staff Meeting Held on 11 May 1945

Present:

Economic Section	Brigadier General McKinley Brigadier Anderson Colonel Densmore, Colonel Walton Lt. Col. Thompson, Major Smith
Agriculture Sub-Commission	Mr. Ruddorham, Mr. Burkelow
Commerce " "	Major Scotten, Lt. Col. Oxley
Finance " "	Brigadier Grafftey-Smith
Food " "	Lt. Col. Imrie
Industry " "	Lt. Col. Muskrey, Major Kilner
Labor " "	Mr. Sachs, Mr. Scott
Public Works & Utilities S/C	Lt. Col. Thompson
Transportation S/C	Colonel Thomas
Executive Comm. Office	Capt. Arnoldy

Brigadier General McKinley Presided

1. Items from the Executive Commissioner's Meeting, May 11:

   a. All officers making journeys to the North must keep HQ continually informed of their movements and whereabouts in case they are required urgently. Sub-Commissions will have this information available on call by Economic Section.

   b. Transport for Displaced Persons. It will probably be impossible to satisfy all demands; hence Transportation S/C should be prompt in reviewing such demands so that calls can be made on AFHQ where necessary.

   c. Civilianization. CAC, AFHQ has called upon the AC for a long-term plan predicated upon turn-back of territory by stages. Sub-Commissions to give thought so that when called upon they will be able to give their views without delay.

   d. There is in prospect a turn-back of more territory in the area of Livorno and Pisa. Civil Affairs Section will forward a draft to Economic Section for concurrence.

2. Brigadier General McKinley referred to the matter of representation at meetings of Italian Ministers on economic problems. Sub-Commissions to keep in touch.

3. Brigadier General McKinley asked help and cooperation of all in connection with new organization of Economic Section to make it function properly, particularly to facilitate transaction of business, handling of correspondence and administration in general. Sub-Commissions to give added emphasis to their own administration. It is desired to stop outside complaints on slowness of action of AC.

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Agriculture	Sub-Commission	Mr. Rudderham, Mr. Burkelow
Commerce	" "	Major Scotten, Lt. Col. Oxley
Finance	" "	Brigadier Graffrey-Smith
Food	" "	Lt. Col. Imrie
Industry	" "	Lt. Col. Maskrey, Major Kilner
Labor	" "	Mr. Sachs, Mr. Scott
Public Works & Utilities S/C		Lt. Col. Thompson
Transportation S/C		Colonel Thomas
Executive Comm. Office		Capt. Arnoldy

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3. Brigadier General McKinley asked help and cooperation of all in connection with new organization of Economic Section to make it function properly, particularly to facilitate transaction of business, handling of correspondence and administration in general. Sub-Commissions to give added emphasis to their own administration. It is desired to stop outside complaints on slowness of action of AC. Sub-Commissions should not send down buck-slips indicating action to be taken, but rather prepare final letter for signature of Economic Section. Sub-Commissions will review correspondence and papers for form and manner of expression, particularly the letter, so that it is entirely clear what action is to be taken and by whom. Interim replies should be given on all matters of delayed action. All memorandums should receive attention and be answered, if required. Sub-Commissions requested to let Economic Section know any deficiencies when they occur.

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4. Information on Conditions in North. An answer is required, by end of week, to AFHQ signal which asks: "Does AC want to hold the economic boundary as at present, modified or do away with it?" Information has been so slow in coming back that an interim reply has been given by phone that an answer cannot be given until the return of Mr. Antolini.

Labor Sub-Commission stated that if wage level is to be kept at present low level, prices will have to be kept at present level also. Labor S/C recommended keeping economic boundary.

Brigadier Grafftey-Smith considered that it is well worth trying to hold economic boundary.

Commerce Sub-Commission stated that prices in shops are rising rapidly in Bologna, approaching Florence prices.

Food Sub-Commission stated that the food situation in Venezia is quite good except for province of Udine, where food supplies are to be dropped by air, owing to breakdown in road transport. It is reported that merchants from Bologna are in Apulia offering very high prices for wine.

5. Office Space. HQ Commandant has responsibility for moving outside organizations from AC. When this is done, unless plans are changed, a slow move within AC will take place. Brigadier General McKinley said that the allocation of space within sub-commissions would be made by individual sub-commissions. More space will be required for additional Economic Section staff. Allocations to sections and divisions should allow for contraction and expansion. Furniture will not be moved, as far as possible.

6. Fumigation of second floor annex was requested by Agriculture Sub-Commission. Major Smith to see HQ Commandant for immediate action.

7. Three WAC stenographers recently arrived were assigned as follows:

1 - Brigadier Anderson - temporary duty till 17 May 45.
1 - Commerce Sub-Commission.
1 - Transportation Sub-Commission.

J. Bruce Thompson.

J. B. THOMPSON
Lt. Colonel, A. A.
Chief Staff Officer
Economic Section

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Declassified E.O. 12356 Section 3.3/NND No. 785021

Tel: 536 HEADQUARTERS ALLIED COMMISSION JBT/maa
APO 394
ECONOMIC SECTION

Ref: 1.27/ES

Minutes of Economic Section Staff Meeting held on 4 May 45

Present:

Economic Section			Mr. Antolini, Brig. Gen. McKinley, Brig. Anderson, Col. Murphey, Col. Densmore, Col. Walton, Lt. Col. Thompson
Agriculture	Sub-Commission		Mr. Allbaugh
Commerce	"	"	Col. W. P. Evans, Col. P. R. Evans, Major Scotten
Finance	"	"	Brig. Crafftey-Smith, Col. Menapace
Food	"	"	Col. Legg, Lt. Col. Imrie
Industry	"	"	Lt. Col. Maskrey, Maj. Kilner
Labour	"	"	Mr. Braine
PW&U	"	"	Col. Ristedt
Transportation	"	"	Col. Thomas, Col. Sieff
Executive Comm. Office			Capt. Arnoldy
American Embassy			Col. Green
British Embassy			Mr. Nosworthy

Mr. Antolini presided

1. Minutes of last meeting

   a. Item 1 - Office Space. The Accommodation Committee's plan for the reallocation of office space in this Headquarters has been approved. No move can be made until certain AC functions have been moved from AC HQ building. It is hoped to start the move in a week's time.

2. Mr. Antolini introduced Col. Green of the American Embassy. Divisions and Sub-Commissions were requested to give him such information as he may require. In the post war period the Embassies may have to assume many of the economic functions of AC and must, therefore, be informed of the current position.

3. Mr. Antolini referred to the party that he was taking North with him. He regretted that all Directors of Sub-Commissions could not be included. Economic statistics and data gathered on the trip will be coordinated on return by the Advisory Anti-Inflation Committee.

4. Mr. Antolini referred to a directive just received (501/76/LC dated 1 May 45, subject "AMG policy - Northern Italy). Copies are being distributed. All Sub-Commissions to study.

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Agriculture	Sub-Commission		Mr. Allbaugh
Commerce	"	"	Col. W. P. Lvans, Col. P. R. Lvans, Major Scotten
Finance	"	"	Brig. Grafftey-Smith, Col. Menapace
Food	"	"	Col. Legg, Lt. Col. Imrie
Industry	"	"	Lt. Col. Maskrey, Maj. Kilner
Labour	"	"	Mr. Braine
PW&U	"	"	Col. Ristedt
Transportation	"	"	Col. Thomas, Col. Sieff ✓
Executive Comm. Office			Capt. Arnoldy
American Embassy			Col. Green
British Embassy			Mr. Nosworthy

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5. Mr. Antolini referred to the political and economic situation in the North and stated that it seems to be in good shape.

6. German Prisoners of War. Sub-Commissions asked what use they thought could be made of P.O.W. most of whom would be centered in Emilia Region. It had been decided impracticable to use them in the Sardinian coal mines, as, under the terms of the Geneva Convention, they would be fed better than the local miners. Col. Sieff stated that AFHQ have suggested that they be formed into GY companies. Brig. Gen. McKinley will look further into this.

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Col. Legg stated that the question of ration scales for the Germans was being reviewed. If they are treated as a disbanded army and not as P.O.W. it is proposed to give them one-third of the British/US ration.

7. Brig. Anderson stated that it was proposed to set up an Industrial Advisory Board with sub-committees each dealing with a basic industry, composed of representatives of AC, the Italian Government and the industry concerned. These boards would consider: (a) which industries should be put into commission, (b) when factories or industries could be handed over by the military to civil management, (c) how industries can be kept going until normal channels are open again.

8. Position of Transportation Officers in Naples Commune. Mr. Antolini directed that the position of Transportation Officers on Col. Pennycuick's staff should be settled between the Sub-Commission and the Commissioner. It is not desirable to raise this matter formally.

9. Col. Sieff reported on the conditions found in the port of Genoa. The port is in good shape but the block will take some time to remove. Fleet salvage experts estimate that it will take 30 days to blow the gap. Once the block is freed AFH stated that AC can have as much tonnage as they require within 15 days - by the middle of June, five to six thousand tons a day. Col. Sieff also reported on Venice and Trieste and the satisfactory state in which rail bridges had been found.

10. Railway wagons. A census is being made of the railway wagons found in the North and a controlling body will be set up for their allocation.

11. Transportation Sub-Commission wished to place on record their appreciation of the help given them by other Sub-Commissions in regard to future shipping demands.

12. Col. Legg reported on the food position found in the North. The position appears to be favourable but no really reliable reports have been received except from Emilia Region.

13. Sub-Commissions all stated that they were being heavily taxed by demands for British officers for escort duties, courts of enquiry, etc. Facts to be supplied to Brig. Anderson.

14. Col. Densmore referred to the new organisation of the Economic Section. He stated that the intention was that the Vice Presidents office should be burdened with the minimum amount of operation. Sub-Commissions to prepare papers in final action form so that they do not have to be written up in the Economic Section, except where the work of two or more Sub-Commissions is being coordinated. The Deputies will usually sign for the Vice President. Finance and Labour Sub-Commissions will report direct to the Vice President.

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14. Col. Densmore referred to the new organisation of the Economic Section. He stated that the intention was that the Vice Presidents office should be burdened with the minimum amount of operation. Sub-Commissions to prepare papers in final action form so that they do not have to be written up in the Economic Section, except where the work of two or more Sub-Commissions is being coordinated. The Deputies will usually sign for the Vice President. Finance and Labour Sub-Commissions will report direct to the Vice President.

15. Category B goods. The import programme will have to be revised and reshaped, as the need will now be to introduce production goods rather than consumer goods. In order to gather data for the revision of the programme officers have been sent North. The intention is not to investigate industry by industry until the critical factors of transport coal and electricity have been surveyed. The

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programme is now in the mill and published. Therefore, we must produce revisions rather than a new programme. Sub-Commissions will have to work on the information when it is received from the North.

16. Col. Ristedt reported on the power situation in the North, which was satisfactory. The generating stations were hydro and did not depend on coal. Ferrara is the only city without electricity and this should be fixed up within a week.

J. Bruce Thompson

J. BRUCE THOMPSON
Lt. Col., R.A.
Admin. & Personnel Branch
Economic Section

Transport s/c

SECRET

JBT/mac

HEADQUARTERS ALLIED COMMISSION
ECONOMIC SECTION
APO 394

ES/1.27

Minutes of Economic Section Staff Meeting held on 27 April 45

Present:

Economic Section		Mr. Antolini, Brig. Gen McKinley Brig. Anderson, Col. Murphey Col. Walton, Lt. Col. Thompson Major Tooby, Mr. Stauffer
Agriculture	Sub-Commission	Mr. Allbaugh
Commerce	" "	Col. Evans, Mr. Kugel
Finance	" "	Brig. Crafftey-Smith
		Col. Menapace
Food	" "	Col. Legg, Lt. Col. Imrie
Industry	" "	Lt. Col. Maskrey, Major Milner
Labour	" "	Mr. Braine
P.W. & U.	" "	Col. Ristedt
Transportation	" "	Col. Thomas, Col. Sleffi
Executive Commission Office		Major Rively

Mr. Antolini presided

1. Minutes of last meeting

   a. Office space. The office space committee are reporting on Monday morning (30 April 45) when it is hoped to have the approval of the Executive Commissioner for moving the Economic Section to the 1st and 2nd floors and annex of 3rd floor.

2. The chairman referred to the new Organisation Chart. The two Deputy Vice Presidents will visit AFHQ 30 April 45 and will discuss personnel and other problems with Directors of Sub-Commissions before they leave.

3. The chairman stated that there will be no AC advance HQ in Milan. There will be provision made for a forward office and billet. Forward movement of Directors and their Deputies is to be cleared through Economic Section.

4. Sub-Commissions will be under constant pressure to obtain permits for Ministers and Industrialists to visit the North. No permits are to be given at this stage.

5. Representation on Allied Forces Local Resources (Italian) Board. Brig. Anderson stated that Industry Sub-Commission had asked for a revision of AC representation on the committees of the Board. This matter will be discussed later.

Brig. Anderson

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Commerce	"	Col. Evans, Mr. Angel
Finance	"	Brig. Grafftey-Smith
		Col. Menapace
Food	"	Col. Legg, Lt. Col. Imrie
Industry	"	Lt. Col. Maskrey, Major Kilner
Labour	"	Mr. Braine
P.W. & U.	"	Col. Ristedt
Transportation	"	Col. Thomas, Col. Sieff
Executive Commission Office		Major Rively

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6. AC Priorities Board. Brig. Gen. McKinley and Brig. Anderson have both recommended that disposal of salvage be dealt with by the AC Priorities Board rather than by IP&U and WMD Sub-Commission. Brig. Anderson also considered that priorities of movement should be a staff function of the Economic Section rather than a function of the Transportation Sub-Commission. Agreed to look into the functions of the Priorities Board. More staff will probably be needed.

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7. Currency and prices in the North

Brig. Grafftey-Smith explained the reason for lower prices in the North.

a. Production and stocks are larger.
b. Hoarding of high denomination notes. They are at a premium and are kept out of the banks so as to conceal wealth from the authorities.
c. There has always been stronger enforcement in the North.

For these reasons prices are lower in the North in spite of the fact that there are large stocks of currency there. Paradoxically we shall feel the weight when confidence returns.

Mr. Braine stated that in Bologna the Army had already started paying double the current wages. This matter was to be discussed during the afternoon at the Labour & Wages Control Committee meeting of the AFLR(1)B.

Sub-Commissions instructed to obtain and circulate all information they can on wages and prices.

8. Turn back of Umbria-Marche to Italian Government.

The Chief Commissioner wishes this turn back to take place with the exception of certain towns, if Sections agree. Brig. Grafftey-Smith said that he was against a whole Commune or province staying under Military Government as this meant Finance Officers had to be left behind.

9. Records of Movements of Tonnages Bid for, Accepted and actually moved.

Col. Sieff stated that of 45,000 tons programmed for movement by rail over certain areas, 30,000 tons had moved. Of the remaining 15,000 tons, the Military had been unable to provide wagons for 3,000 tons and for the remaining 12,000 tons no stores had been available to load. During January there was a wastage of 250,000 tons. This figure was being reduced but not sufficiently to please AFHQ. There will shortly be an acute wagon shortage. Transportation Sub-Commission will discuss this matter with other Sub-Commissions concerned.

10. Mr. Allbaugh stated that reports from newly liberated areas showed that plenty of food items were being found. However, these were normally exporting areas and this must not be forgotten. To be further discussed at the Advisory Anti-Inflation Board 26 April 45.

11. Col. Murphey referred to the latest No. 2 District Directive. No. 2 District will be responsible for, but will require AMG operation for:

Traffic control
Maintenance of Public Utilities
Signal Communications

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Traffic control
Maintenance of Public Utilities
Signal Communications
Coordination of local resources

J. Bruce Thompson.

J. BRUCE THOMPSON
Lt. Col., R.A.
Admin. & Personnel Branch
Economic Section

SECRET

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Transportation

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

JBT/drr

18 April 1945

Ref ES/1.27

SUBJECT Economic Section Staff Meeting 20 April 1945.

TO All Sub-Commissions

The Staff Meeting originally scheduled for Friday 20 April is hereby cancelled.

Notification will be made later as to the date of the next meeting.

J. Bruce Thompson.
J. BRUCE THOMPSON
Lt. Col., R.A.
Chief Admin & Pers Div
Economic Section

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[illegible]

[illegible] HEADQUARTERS ALLIED COMMISSION [illegible]
APO 394
BUCHAREST SECTION

17 April 1945

Refs M/ 1.27

SUBJECT: Requests for Home Rest Vacations

TO : Air Vice-Marshal [illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

1. In reply to your memorandum of [illegible] subject as above, I am forwarding herewith Requests for Home Rest Vacations.

For the Acting President:

J. Bruce Thompson

J. BRUCE THOMPSON, Lt.Col., F.A.
Chief, Adm. & Fiscal Sec.
Allied Commission

1516

CW/emg

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

ES/1.27

Minutes of Economic Section Staff Meeting held on 13 April 1945.

Present:

Economic Section	Mr. Antolini, Brig. Gen. McKinlay, Col. Murphey, Col. Densmore, Lt. Col. Thompson, Major Doe, Major Murtagh, Capt. Atkins, Capt. Williams, Capt. Highland, Lt. Morgan.
Agriculture Sub-Commission	Mr. Allbaugh
Commerce " "	Col. Evans
Finance " "	Major Timmons
Food " "	Col. Legg
Industry " "	Lt. Col. Laskrey
Labor " "	Mr. Sachs
P.W. & U. " "	Col. Ristedt
Transportation	Col. Thomas
PRB	Major Lencacos
F B	Mr. Cohrssen
Exec. Comm. Office	Major Rively

Mr. Antolini presided.

1. Minutes of last meeting

a. Item 6 - Office Space. The Chairman stated he had raised this question at Executive Commissioner's meeting this morning and was told that non AC bodies, such as International Refugee Board, will be moved out of this building, which would relieve the crowding to some extent. Major Doe informed the meeting that the A/Executive Commissioner has now made a decision on the plan of the reallocation of office space and the Committee propose to commence work at once.

b. Item 8 - Shipping Availability. The Chairman asked for any further comments on this item. Col. Legg said he had submitted a memorandum to the Economic Section. He said that port clearance and the uncertainty of arrival of ships at ports were very definite factors of which account must be taken, necessitating in some cases bids being put in well in advance. Col. Thomas mentioned that they could take emergency bids and the matter was left for clearance between Food and Transportation Sub-Commissions.

Lt. Col. Laskrey intimated that subject to the question of freight rates on phosphate from Africa being cleared with the French Industry Sub-Commission could take all unaccepted tonnage. The Chairman said that in connection with the freight question we were awaiting notification from the French Embassy that the contract had been signed.

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Agriculture	Sub-Commission	Mr. Allbaugh
Commerce	" "	Col. Evans
Finance	" "	Major Timmons
Food	" "	Col. Legg
Industry	" "	Lt. Col. Haskrey
Labor	" "	Mr. Sachs
P.W. & U.	" "	Col. Ristedt
Transportation		Col. Thomas
PRB		Major Leacacos
FEB		Mr. Cohrssen
Exec. Comm. Office		Major Rively

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2. POLITICAL. The Chairman said there was virtually no change during the week. A lot of attention was paid to the recent Communist conference and to Togliatti's two speeches which were widely reported. In one he suggested the establishing of Regional assemblies, the meaning of which is not clear but raises interesting political questions. Togliatti has taken a positive stand as to the role the Communists should play in the war effort. We intend to draw him into play with Gronchi on the question of coal production in Sardinia where the slow down strike had been sponsored by Communist agitators. In this connection the Chairman pointed out the importance of FAN 487 under which we have full authority to take the mines back, which however, implies a very aggressive AMG control, which is highly questionable from a political point of view.

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3. Civil Applicants for Visits in the Army Areas. The Chairman reported that the ruling has been given that applications from the Government for permission to send certain people north should be discouraged as much as possible. If necessary, he should be consulted. Army Commanders are very averse to having civilians going forward. Lt. Col. Haskrey said that he had been informed that 15 Army Group were collecting together a number of experts and technicians who would go forward with 15 Army Group. Industry Sub-Commission had already detached three engineers for this purpose and knew nothing about the people chosen by the 15 Army Group, and suggest that AC be given the opportunity of screening them. Mr. Antolini replied that these experts had been cleared with the Ministry of War and G-2 and it was not in our province to question the Army on these matters.

4. The Chairman reported that the Anti-Inflation Board had concluded its final paper and it will be approved by the Chief Commissioner today. It will be issued as a secret document and circulated and he briefly outlined the paper.

5. The Chairman mentioned that Minister Ruini had had a narrow escape from being shot at Arienzano and that he (Mr. Antolini) expressed his congratulations on his escape.

6. Mr. Antolini informed the meeting that Brig. Gen. D. L. Anderson would take up his duties as Deputy Vice President, Economic Section on Monday next. He briefly explained the role which Brig. Anderson will take in the Section.

7. The question raised with Mr. Antolini by Lt. Col. Harris (Transportation) on the question of priorities in the north as regards food, etc., was left with Col. Thomas to deal direct with Lt. Col. Harris.

8. The Chairman referred to the fact that we were now establishing policies in connection with trade, etc., which the American and British Embassies may have to operate under in the next phase. It was, therefore, very important that the Commercial Attaches of the two Embassies should be kept fully informed by the Sub-Commissions by the inclusion in the distribution lists of Mr. Livengood, American Commercial Attache, and Mr. Nosworthy, British Commercial Attache, for all items and letters on these matters.

9. Relations with the Italian Government. Col. Donsmore referred to Chief Commissioner's letter, Ref. 4001/163/20, dated 27 of March 1945, subject "Relation with the Italian Government". He stressed the fact that it was important that Directors should go over the paper with their staff and especially with regard to the paragraph stating that "AC should occupy itself principally with consultation and advice to the Italian Government at a high level."

10. Trentino and Bolzano. The Chairman said that Finance Sub-Commission had received a communication from AFHQ stating it was understood that the territories of Trentino and Bolzano had been absorbed into the Reich Mark Area with the Viennese scheme of finance. The matter was being dealt with by Finance Sub-Commission but it was worthy of consideration by all Sub-Commissions in view of the possible complications which may arise.

11. Departure of Commander Lawler. Major Timmons stated that Commander Lawler is returning to U. S. for a new assignment and that he had asked

Well decide ourselves, take the Navy Dep do.

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11. Departure of Commander Lawler. Major Timmons stated that Commander Lawler is returning to U. S. for a new assignment and that he had asked Major Timmons to express his very real regret on leaving AC and his very warm appreciation of the cooperation he had received from all Sub-Commissions. The Chairman asked Major Timmons to convey to Commander Lawler the best wishes of the Economic Section for him in the future.

12. Rail Bids. Col. Thomas reported that a system of reporting actual movements against rail bids had been instituted and for the first week gave the following information:
4000 bids accepted representing tonnage of 38000.
29000 tons was actually moved leaving 9000 tons not taken up. Of this 9000 tons -
2000 was due to shortage of wagons, and the remaining 7000 due to traffic

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not being available. An investigation of this 7000 is being made through local officers. The Chairman said this information is very valuable and asked Col. Thomas to submit similar reports at these meetings.

13. Labor. Mr. Sachs made a brief report on the recent meeting of the Labor and Wages Control Committee. He also reported that the Civilian Personnel Committee dealing with AC civilian employees had put forward a recommendation that AC employees going north should be carried on the pay roll of AC HQ and thus not be subject to a cut in wages. Mr. Antolini said that there was no need to take any civilians up north. Directors of Sub-Commissions would be going north and could find their staff from the northern labor market. The meeting agreed that the taking of civilians north should be discouraged and recommended that those who go forward be subject to the prevailing rates in the area in which they will be employed.

14. Directives for the North. Col. Murphey referred to a directive issued by Food Sub-Commission to their Supply Officers for the northern regions and he considered it an excellent paper and suggest that other Sub-Commissions issue similar directives. Transportation, Industry, Finance and P. W. & U. Sub-Commissions intimated that they had already done so. The Chairman advised other Sub-Commissions to issue similar instructions.

15. Personnel Matters. Col. Densmore said that he had noticed that some Sub-Commissions were still communicating with G-1 on personnel matters. Lt. Col. Thompson is Chief of Personnel Division and all personnel matters should channel through him. It would be advisable for all Sub-Commissions to appoint a personnel officer and forward his name to Col. Thompson.

C. W. Atkins Capt. R.A.

C. W. ATKINS, Capt. R.A.
S.C. III (C.A.)
Economic Section

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Transport s/c

181/TN1

ES/1.27

Minutes of Economic Section Staff Meeting held on 6 April 1945.

Present:

Economic Section	Mr. Antolini, Brig. Gen. McKinley Col. Murphey, Lt. Col. Thompson Maj. Doe, Maj. Murtagh, Capt. Atkins, Capt. Macnamara.
Agriculture Sub-Commission	Mr. Allbaugh
Commerce "	Col. Evans
Finance "	Commander Lawler, Maj. Timmons
Food "	Col. Legg
Industry "	Lt. Col. Haskrey
Labor "	Mr. Braine
P. . & U. "	Col. Ristedt
Transportation "	Col. Thomas, Col. Sieff
PRB	Maj. Leacacos
PWB	H. Cohrssen

Mr. Antolini presided

1. The Chairman referred to the meeting held on 5 April with Col. Ladue of the IV Corps and said that a conference will take place at 1430 hours on Monday in the main conference room and he requested the attendance of all Directors at this meeting. Two main points will be discussed:

   (a) Review as of Monday, of the findings of the Anti-Inflation Board meeting
   (b) The specific Economic Section program for the North

2. The R.C.s will be leaving on Tuesday by air for an advance conference with IV Corps. They will return here on Wednesday and the Chairman asked Directors to stand by on that day and/or Thursday to go with him ti IV Corps HQ. Travel will be by air, returning to Rome same day. Col. Murphey will prepare a provisional agenda.

3. DECOMMISSIONING The Chairman said that in the next few days the sheet of all American officers will be cleared and issued. It applies to the entire theatre. He asked Directors to let him have a confidential note on the qualifications etc, on the American officers of their S/Cs who apply for decommissioning. Similar reports on field officers should be included, if possible

   Finance officers will not be included in this scheme.

   The British side has not yet been resolved.

   The Chairman said he would get clarification on the point of

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Finance	"	Col. Legg
Food	"	Lt. Col. Maskrey
Industry	"	Mr. Braine
Labor	"	Col. Ristedt
P... & U.	"	Col. Thomas, Col. Sieff
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   Finance officers will not be included in this scheme.

   The British side has not yet been resolved.

   The Chairman said he would get clarification on the point of whether officers earmarked for Austria will be included. He understood that they would be excluded.

4. ANTI-INFLATION BOARD The Chairman asked for comments on the notes on anti-inflation handed to Directors at yesterday's meeting. In reply to a question by Mr. Allbaugh, he stated that the period for freezing prices in the north will be determined entirely by the values existing and the pressures that will arise but the policy was to maintain the freeze as long as possible.

   Mr. Antolini informed Col. Legg and Mr. Allbaugh that they were co-opted to the Anti-Inflation Board in connection with

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a question raised by Bonomi in regard to the price of wheat for the north.

5. TRANSPORTATION Col. Sieff referred to the transport position for the north. Insufficient transport available would make it necessary to rely upon civilian transport especially for the north-east and from experience in liberated areas, such reliance would be insufficient. The Chairman said he expected to find a higher sense of competence in the northern population. Col. Sieff suggested that as two different military formations are involved, the terms of planning should be on a higher level than IV Corps. Col. Murphey was of the opinion that that was the responsibility of AFHQ.

6. OFFICE SPACE Maj. Doe informed the meeting that the Office Space Sub-Committee was still awaiting a decision from the Chief Commissioner as to the plan to be adopted in allocating space. He understood that the paper was at present in Col. Fisk's office. The fact that the offices occupied in the basement and 1st floors by Labor, Agriculture and Transportation had been condemned by the M.O. was brought out and it appeared that this was being ignored. Mr. Antolini said he would take up the matter with the Chief Commissioner.

The question of pooling stenographers was raised and this is to be discussed later. Mr. Braine asked what arrangements were being made for secretarial assistance to Directors on their visits to the North. The Chairman said that our control of the economy in the north was extremely important and that he anticipated that Directors would aopend a lot more time there. The question raised by Mr. Braine would be considered.

7. PERSONNEL Col. Thomas said complaints were still being received on the insufficient personnel assigned for transportation duties in the north. The Chairman said the matter should be brought before the Man-Power Board.

8. SHIPPING AVAILABILITY Col. Sieff referred to 28,000 tons of extra shipping offered to AC and said that bids received up to 1100 hours that morning totaled 1500 tons only. The Chairman said he was astonished and shocked to find this situation arising.

Col. Legg said that so far as Food was concerned, the question of getting goods to the loading points, sacking, and internal transportation to the ships side, were difficult problems that had to be solved before a bid could be requested. He envisaged moving 600,000 sacks from Sardinia soon. He was doing everything possible to take advantage of the shipping offered.

Lt. Col. Maskrey said Industry S/C could use all the shipping offered for phosphates from North Africa but there was a hold-up by the French authorities on the question of price. The Chairman said he would take up this matter with the Italian

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Lt. Col. Maskrey said Industry S/C could use all the shipping offered for phosphates from North Africa but there was a hold-up by the French authorities on the question of price. The Chairman said he would take up this matter with the Italian Government. The movement of salt and wheat from Northern stockpiles etc., were referred to. Mr. Antolini said he was vitally interested in ensuring that all shipping was utilized and instructed S/Cs concerned to use every endeavor to accomplish this.

C. W. Atkins, Capt. RA.

C. W. ATKINS, Capt. R...,
S.O.III,(C...),
Economic Section

Declassified E.O. 12356 Section 3.3/NND No. 785021

Tel:558
ES/1.27

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

CWA/

Minutes of Economic Section Staff Meeting held on 2 April 1945

Present:

Economic Section		Mr. Antolini, Brig. Gen. McKinley, Col. Densmore, Col. Murphey, Lt. Col. Thompson, Maj. Murtagh, Maj. Doe, Capt. Atkins, Capt. Macnamara.
Agriculture	Sub-Commission	Mr. Allbaugh
Commerce	"	Col. Evans
Finance	"	Commander Lawler
Food	"	Col. Legg
Industry	"	Mr. Vaughan
Labor	"	(none)
P.W. & U.	"	Col. Ristedt, Lt. Col. Lapper
Transportation	"	Col. Sieff
PRB		Lt. Robbins
PWB		H. Cohrssen

Mr. Antolini presided

1. POLITICAL Mr. Antolini stated there has been no significant political developments in the last week. He thought it was safe to say that the Government was anxious to maintain its status-quo position pending liberation of the north, hoping for recognition in the north. The C.L.N. will prove to be a significant political factor and it is assumed that it will exert considerable pressure. These factors are important to us only so far as they relate to the economic situation. Although S/Cs have been obtaining various data of the economic position in the north, the A/VP felt that we should enter the north with an open mind in order to determine the economic values there existing without prejudice. He considered that it was necessary to break a line between the economy of the north and that of the south, and set up two economies. The tendency on military occupation is inflation but the price structure in the north is at present lower than the south and he thought we could establish a set of standards in the north which we could ultimately roll back and thereby considerably reduce the present high values existing here.

2. ANTI-INFLATION BOARD The Chairman stated that a revised Anti-Inflation Board had been set up and on the instructions of the Chief Commissioner, the Acting V/P Economic Section had been appointed chairman. The other members were V/P CA Section, Joint Director of the Finance S/C, the Director of Labor S/C and it was hoped to co-opt the Treasury Attaches of American and British Embassies and a member of the Italian Government. The board has met informally and its first findings will be presented tomorrow afternoon (3 Apr.). The Chairman referred to the fact that liberated

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Finance	"	Commander Lawler
Food	"	Col. Legg
Industry	"	Mr. Vaughan
Labor	"	(none)
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3. CIVILIANS FROM THE NORTH Lt. Col. Lapper stated that two Italian electrical engineers had arrived from Switzerland. They were top officials of electrical plants in the north but had been in Switzerland for over a year. Their information on the electrical power plants in the north was being noted by PW & U S/C. Col. Lapper said he was not in a position to give anything definite at the moment. One important point the two officials had mentioned was that the Swiss were unable to manufacture electrical parts in consequence of the lack of raw materials. He suggested other S/Cs might wish to contact these two gentlemen. Mr. Antolini asked Col. Lapper to report again next week.

4. IV CORPS PLAN Col. Murphey read out a plan emanating from IV Corps in which the attachment of 365 AC officers was envisaged. The plan also set out to which sections of IV Corps HQ various AC Sections would correspond. This plan was at considerable variance with that understood by AC. It also transpired during the discussion that Finance and Transportation S/Cs already had officers at IV Corps. It was decided that clarification should be sought and no further action taken until the position or authority of IV Corps was established. Gen. McKinley and Col. Murphey were requested to take up the matter.

5. CORRESPONDENCE Gen. McKinley raised the question of Economic S/Cs being enumerated as concurring in a policy in correspondence going out of this Section instead of stating the matter as the policy of the Commission as such. It was agreed that this practice should cease.

6. ASSIGNMENT OF CARS Lt. Col. Thompson, who represented E/S on the sub-committee reviewing the assignment of cars, reported that the list of such cars had been reduced. In reply to a question from the Chairman he thought that the pool was operating satisfactorily but several directors disagreed and instanced a number of complaints. Gen. McKinley mentioned that in correspondence he had seen, there was a definite difference of opinion between Transp. S/C and Establishment Section on the efficient running of the pool. In view of the expressions of opinion now put forward he would go into the matter again.

7. OFFICE SPACE Maj. Doe reported that 3 possible plans for allotting office space had been submitted to the Chief Commissioner and when the latter decided which plan would be adopted progress would be made. It was his endeavor to get all E/S S/Cs together.

8. FURTHER MEETINGS The next staff meeting will be held in the main conference room on the 3d floor. Future meetings will be held there until the conference room on the main floor is available.

9. PERSONNEL The Chairman stated that the A/Ex. Comm. had reiterated that the working hours of the Italian civilian

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9. PERSONNEL The Chairman stated that the A/Ex. Comm. had reiterated that the working hours of the Italian civilian personnel are 0830 to 1800 hours weekdays, and 0930 to 1800 hours Sundays, with 1½ hours for lunch. The Directors of the S/Cs were reminded of these hours.

10. JOINT PROGRAM The Chairman stated it was hoped that the Joint Program would leave Caserta 7 Apr. Col. Butterworth who will be going to Washington with the program, will be visiting this HQ next week to clear up certain matters. The question was raised as to whether the application to AFHQ for permission to go should separate Mr. Vaughan & Maj. Merritt from the 2 Italian officials. The Chairman thought that it would strengthen the Italian case if the AC representatives were included and the whole mission treated as one unit.

C. W. ATKINS Capt/ AGD

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HQ. ALLIED COMMISSION
TRANSPORTATION SUB COMMISSION

FROM:

TO

DIRECTOR
MR. MERRITT H.TAYLOR
DEPUTY DIRECTOR
COLONEL M.B. THOMAS
PLANNING STAFF
MR. CHARLIE RYAN
LT.COL. M. HARRIS
MAJOR F.P. RICHARDSON
ADMINISTRATIVE DIV.
LT. COL. W.P. SCOGGINS
CAPT. C.S WYATT
MOVEMENTS DIV.
COL. M.J. SIEFF
LT.COL. J.W. BAKER
LT.COL. C.N.CHRISTENSEN
LT.COL. J.A. BALFOUR
RAIL DIV.
LT. COL. O.H.LINDBERG
MAJOR W.C. FLETCHER
MAJOR A.C. PING
MAJOR M.G. MATSON
MAJOR A.H. STREET
MAJOR S.L. BAISTER
MAJOR C.M. LONG
ROADS DIV.
MR. GEORGE G. GROSS
LT.COL.G. FERNYHOUGH
MAJOR D.C. MOYLE
MAJOR H.M. DOWNER
CAPT W.G. PETERSON
PORTS & WHOUSE DIV.
MR. R.M. BAZZANELLA
MR. CHARLES C. CROOKS
MR. JAMES D. HURLEY
MAJOR R.R. KLEIN
LT. G.W.E. WARLEY

DATE & TIME REC'D
29 MAR 1945 1615

Return buck slip to Chief Clerk, Admin. Div. with reference of file on which attached has been put.

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ADMINISTRATIVE DIV.
LT. COL. W.P. SCOGGINS
CAPT. C.S WYATT

MOVEMENTS DIV.
COL. M.J. SIEFF
LT.COL. J.W. BAKER
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DATE & TIME REC'D
106 29 MAR 1945 1615

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REMARKS

This message passed on to Col Thomas by phone at 1620 hrs by Mrs. Hollister Sgt Gardner

181 STH

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Tel: 558

HEAD QUARTERS ALLIED COMMISSION
AMG 394
ECONOMIC SECTION

CSA/bln

Ref: EB/1.27

29 March 1948

SUBJECT: Economic Section Staff Meeting

TO : Agriculture Sub-Commission "
Commerce "
Finance "
Food "
Industry "
Labor "
P.E. & T. "
Transportation "

1. Please note that Economic Staff Meeting due to be held at 1100 hours, Friday, 30 March '48, is postponed until 1100 hours Monday, 5 April 1948.

C. W. Atkins, Lieut.
C. W. ATKINS, Lieut. R.A.
S.O.III, (C.A.),
Economic Section

cc: Maj. Lencucos

ES/Conference file

1031

Tel 558 HEADQUARTERS ALLIED COMMISSION CMA 3rd
APO 394
ECONOMIC SECTION

Minutes of Economic Section Staff Meeting held on 23 March 1945

Present:

Economic Section	Mr. Antolini, Brig.Gen. McKinley, Col. Densmore, Col. Murphy, Maj. Doc, Maj. Tooby, Capt. Atkins.
Agriculture Sub-Commission	Maj. Merritt
Finance "	Commander Lawler
Food "	Col. Legg
Commerce "	Maj. Scotten
Industry "	Lt.Col. Maskrey
Labor "	Mr. Braine
PW & U "	Lt.Col. Lapper
Transportation "	Col. Sieff
PRB	Maj. Lascacos
Exec. Comm. Office	Maj. Rively

Mr. Antolini presided.

1. DISCUSSION WITHHELD FROM MINUTES

2. INDUSTRY IN THE NORTH The Chairman stated that he had discussed with the Directors of Labor, Commerce and Industry Sub-Commissions the question of the probable socialization of industry in the north. He thought that there were three assumptions we shall have to face up to:

(1) Certain industries will be handed over to new management. The previous Fascist heads will have disappeared.

(2) Owing to the time lag between military occupation and AMG occupation, the Cometato will have entered and appointed heads of plants and factories.

(3) We will find good administrators in business who we will protect.

We will probably run into (1) above more than the others. A directive has been prepared setting out clearly the functions of receivers or managers appointed under the decree setting up receivers. He regarded this directive as very important and it will be circulated to all Sub-Commissions for approval or comment. Under (2) we shall probably find that the Cometato will appoint receivers who are not administrators. AMG will probably have to hold on to the Cometato's appointments but parallel it with a competent administrator.

3. IMPORTS - EXPORTS The Italian Government through the Interministerial Committee have forwarded three specific plans on the Import-Export side.

(1) Import of machinery and other goods from Switzerland to be paid for by facilities granted to the Swiss rather than by

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Food	"	Col. Legg
Commerce	"	Maj. Scotten
Industry	"	Lt.Col. Maskrey
Labor	"	Mr. Braine
PW & U	"	Lt.Col. Lapper
Transportation	"	Col. Sieff
PRB		Maj. Lencacos
Exec. Comm. Office		Maj. Rively

Mr. Antolini presided.

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3. IMPORTS - EXPORTS The Italian Government through the Interministerial Committee have forwarded three specific plans on the Import-Export side.

(1) Import of machinery and other goods from Switzerland to be paid for by facilities granted to the Swiss rather than by payment in cash. These facilities include a pipeline to Genoa, rail facilities to Genoa, Inland-waterway from the Adriatic.

(2) Import of frozen meats from the Argentine which the Italian Government hopes would be an increase on the total imports allowed and not result in a reduction of those from the Allied nations. This question is awaiting official expression of opinion from AFHQ. 1040

(3) Italian Government have a credit in Spain in respect of 10,000 tons of wheat supplied to Spain which the latter are not able to return.

File ES/Conference file

Declassified E.O. 12356 Section 3.3/NND No. 785031

4. JOINT PROGRAM It is hoped that the Joint Program will be completed and on its way early next week. It is hoped that the Mission itself will be in Washington the second week in April. Mr. Cleveland will spearhead the Mission composed of General McKinley, Mr. Vaughan and Maj. Merritt and probably several from AFHQ. The Chairman expressed the view that AC did not sufficiently publicize itself. This Joint Program is a very important job. He was of the opinion that it should be made known. He had discussed the matter with Mr. Stewart Brown (PRB) with regard to a public announcement on it. It would have to be cleared with AFHQ first.

5. CORRESPONDENCE Col. Densmore referred to a complaint from Regional Commissioner, Tuscana Region, as to correspondence going through to Regional Officers and not through him. Col. Densmore referred the Directors to existing instructions on the subject i.e., that all correspondence to Regions is to go the Regional Commisiiner, marked for the attention of the officer more particularly concerned.

6. OFFICE SPACE This is still being dealt with by the special committee appointed by the Executive Commissioner, Ec. Sec, being represented by Maj. Doc.

C. W.ATKINS, Capt. R.A.
S.O.III, (C.A.),
Economic Section

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HEAD QUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

1811/TN1

ES/1.27

Minutes of Economic Staff Meeting held 16 March 1945

Present:

Economic Section:		Mr. Antolini, Brig. Gen. McKin[illegible] Lt.Col. Thompson, Maj. Murtagh, Capt. Atkins, Capt. Macnamara.
Agriculture	Sub-Commission	Lt.Col. Watts
Commerce	"	Col. Evans
Food	"	Col. Legg
Finance	"	Maj. Osmon
Industry	"	Mr. Vaughan
Labor	"	Mr. Braine
P.W. & U.	"	Col. Jenny
Transportation	"	Col. Scief

Mr. Antolini presided

1. OFFICE ACCOMODATIONS

The Chairman referred to the question of office space. He had brought up the matter at the Executive Commissioner meeting that morning stressing the undesirability of having S/Cs of this Section on all floors from the basement up. A committee under the chairmabship of H.Q. Commandant had been formed, each section appointing a representative. Maj. Murtagh will represent E/S. Mr. Antolini asked directors of S/Cs to review their present facilities, especially having regard to the desirability of dropping some of the functions of their S/C. In the latter case directors will first clear through him.

2. HOTEL ACCOMODATIONS

The Chairman stated that the Executive Commissioner had decided to move certain civilian personnel from the Flora Hotel, thus making room for field officers.

3. CIVILIAN PERSONNEL

Mr. Antolini referred to the cut of 25% in Italian civilian staffs. He was not fully informed of the reason for this but he suggested that it be treated more as an indication that staffs should be reviewed with a view of reduction rather than a direct order. He was informed that it had been given as an order and he suggested that no further action be taken until he had received further clarification on the subject.

Mr. Braine reported that he had dismissed certain highly paid civilians but he desired more clerical staff and G-1

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Food	"	Col. Legg
Finance	"	Maj. Osmon
Industry	"	Mr. Vaughan
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P.W. & U.	"	Col. Jenny
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Mr. Braine reported that he had dismissed certain highly paid civilians but he desired more clerical staff and G-1 Establishment Section had refused to allow him to engage them. The chairman said he would get a policy decision on this point.

1339

4. DISCUSSION WITHHELD FROM MINUTES

5. PERSONNEL - REGIONAL COMMISSIONER'S MEETING

The Chairman stated that a meeting of Regional Commissioners was being held on Monday next to consider what the firm committments for the Austrian team are. E/S has been asked to have a representative on call. Maj. Murtagh suggested

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ES/1.27

that E/S was vitally concerned in this matter and th[illegible] should have a representative at the meeting. He said th[illegible] the American personnel was firm but not the British. For the latter Col. Jones, G-1, is dealing with S/Cs as well for the British Austrian team. Names of British personnel have been submitted for northern Regions and he thought they were also included in the Austrian team. Certain particulars were still due from all S/Cs except Finance. Maj. Murtagh was appointed as E/S representative to attend the meeting and S/C directors were asked to submit their requirements to him immediately.

6. MR MACMILLAN'S PAPER

Mr. Antolini said he intended to go over this paper so far as the Economic side was concerned with the Director of each S/C and hoped to produce from that paper new terms of reference for E/S.

7. DE-COMMISSIONING

The Chairman said that a communication on this subject should shortly be received from Washington. On receipt he would call a special staff meeting. The communication concerned American side only, the British side was not yet clear.

8. NON ACCEPTANCE OF TRANSPORTATION BIDS

Col. Scief stated that AFHQ had notified them that in a period ending 11 March, 26,000 tons of allocated tonnage had not been utilized. This was a serious matter as AFHQ in the past few months had built up a feeling of confidence with AFHQ and repetitions of this would soon undermine it. It was not possible to give a detailed breakdown in order to determine where blame could be placed but he asked S/Cs to check up on it and emphasized the need of very careful screening.

9. PRIORITIES BOARD

Col. Scief stated that Transp. S/C had not received replies to letters to the Priorities Board. Mr. Antolini said this would be looked into.

10. TRANSPORT OF WHEAT

Col. Legg referred to the tentative withdrawal of two G.T. Companies now hauling grain and pointed out the serious position that would arise if these companies were withdrawn, especially if the North were to break soon. It was

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C. W. ATKINS, Capt. R...,
S.O.III,(C...),
Economic Section

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

TNP. S/C (3)
File

ES/1.20

Minutes of meeting held at AC -HQ 1430 hours 14 March 1945, to discuss the importation, allocation and distribution of solid fuels in Italy.

Present: Brigadier General T. H. Ramsey, Chief QM AFHQ
Mr. A. G. Antolini, Acting Vice President, Economic Section
Brigadier General E. B. McKinley, Deputy Vice President, Ec. Sec.
Colonel P. R. Evans, QM (Coal Section) AFHQ
Mr. Braine, Director Labour Sub-Commission
Mr. W. S. Vaughan, Director Industry Sub-Commission
Lt. Col. C. W. Oxley, Coal Division Industry Sub-Commission
Capt. D. S. Kingery, Mining Division Industry Sub-Commission
Capt. C. W. Atkins, S.O. Economic Section
Lt. Page, QM AFHQ

Brigadier General T. H. Ramsey presided

The chairman explained that the meeting had been called to discuss a draft revised of AFHQ Administrative Memorandum No. 40 dated 3 June 1943 which had already been provisionally agreed within AFHQ and subject to the views of AC was intended to be submitted to the C.A.O. for final approval. The approximate effect of the Memorandum was to transfer the handling of all coal and lignite, except that required for military purpose as first priority, to AC. AFHQ would continue to procure and import all coal from outside the theatre and would approve, subject to availability, shipping allocation, and port capacity, the requirements of AC of imported coal.

AFHQ were prepared, in order to enable AC the better to fulfill these functions, to attach the necessary personnel to AC.

The memorandum as drawn was agreed subject to the alterations embodied in attached third draft.

Mr. Antolini referred to a report from the Labour Sub-Commission on a conference, with H.E. Minister Gronchi, Minister of Industry, Commerce & Labour held on 12 March 1945, regarding the production of coal and labour situation in the Sardinian Coal Mines. Mr. Antolini said he thought it improbable that labour could be found on the mainland to go the Sardinia and referred to the probable release of 500 Sardinian Miners now prisoners of war. The chairman was asked if he would endeavour to expedite their release. The need of shoes and clothing for the miners was mentioned. The employment of German P.O.W.s was thought to be impracticable.

The Chairman raised the question of the policy of supply of coal to the Gas Works. General McKinley referred to figures and plan from Public Works Sub-Commission. It was decided to refer this matter back to Public Works & Utilities for more details of the policy on the domestic ration of gas and gas for industrial use.

The withdrawal of AC personnel from the South of Italy was raised by the Chairman who said it was essential that proper figure of stocks of coal, consumption etc. were available for AFHQ, London and Washington. Mr. Antolini said AC were leaving liaison officers and suggested [illegible] the matter.

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Mr. W. S. Vaughan, Director Industry Sub-Commission
Lt. Col. C. W. Oxley, Coal Division Industry Sub-Commission
Capt. D. S. Kingery, Mining Division Industry Sub-Commission
Capt. C. W. Atkins, S.O. Economic Section
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AFHQ were prepared, in order to enable AC the better to fulfill these functions, to attach the necessary personnel to AC.

The memorandum as drawn was agreed subject to the alterations embodied in attached third draft.

Mr. Antolini referred to a report from the Labour Sub-Commission on a conference, with H.E. Minister Gronchi, Minister of Industry, Commerce & Labour held on 12 March 1945, regarding the production of coal and Labour situation in the Sardinian Coal Mines. Mr. Antolini said he thought it improbable that labour could be found on the mainland to go the Sardinia and referred to the probable release of 500 Sardinian Miners now prisoners of war. The chairman was asked if he would endeavour to expedite their release. The need of shoes and clothing for the miners was mentioned. The employment of German P.O.W.s was thought to be impracticable.

The Chairman raised the question of the policy of supply of coal to the Gas Works. General McKinley referred to figures and plan from Public Works Sub-Commission. It was decided to refer this matter back to Public Works & Utilities for more details of the policy on the domestic ration of gas and gas for industrial use.

The withdrawal of AC personnel from the South of Italy was raised by the Chairman who said it was essential that proper figure of stocks of coal, consumption etc. were available for AFHQ, London and Washington. Mr. Antolini said AC were leaving liaison officers and suggested Mr. Vaughan should go into the matter.

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DISTRIBUTION:

AFHQ, C-3	3	Estab.Sec	1
AFHQ, QM,CoalSec	3	Ex.Comm.	1
AC Ec. Sec.	3	LABOR S/C	3
" Finance S/C	2		
" Transp. S/C	3		
" Ind. S/C	3		

Attachment: Third Draft

C. W. ATKINS, Capt. C.A.
S.O.III,(C.A.),
Economic Section

181/TNI

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THIRD DRAFT

1. COAL IMPORTATION AND ALLOCATIONS

. Administrative Memorandum No. 40 dated 3 June 1943, revised to 25 November 1943; Administrative Memorandum No. 16 dated 1 April 1944; and Administrative Memorandum No. 34 dated 22 August 1944, each of this Headquarters are rescinded and the following substituted therefor.

. 2. The following instructions outline the major duties and division of responsibilities in connection with the importation, production, allocation, distribution and the fiscal accounting for all coal and lignite, whether imported from outside the theate r, or produced within this theater, except that required by the several maritime agencies, (viz: the Royal Navy, United States Navy, Greek Navy, French Navy, Italian Navy, Ministry of War Transport, War Shipping Administration, and French, Italian, Yugoslav and Greek merchant shipping) which is procured by these agencies, and is excluded from the scope of these instructions.

3. NORTH AFRICA, INCLUDING CORSICA

All matters pertaining to the requirements, requisitioning, importation, allocation, distribution, fiscal accounting and the maintenance of records pertaining to coal for North Africa and Corsica were transferred as of 1 November 1944 to NAJEM (now the American and British Economic Missions) and this headquarters relieved of further military responsibility as of that date.

4. ITALY, SICILY & SARDINIA

a) Military

The Quartermaster (Coal Section) is charged with the followin responsibilities.

(1) Requirements

The determination of all military coal and lignite requirements, and final approval of all civilian requirements of imported coal considered in the latter case on the grounds of availability of coal, port capacity and shipping allocations for the purpose.

(2) Requisitions

(a) The requisitioning of all coal imported from outside the theater.

(b) The requi sitioning of all Sardinian coal and locally produced coal and lignite for military requirements from the AC/ Italian Government. Military requirements will have priority over all civilian requirements, except that equal priority will be given to civilian and military hospitals and bakeries.

(3) Importations

The arrangement for the importati on and distribution of all coal imported from outside the theater.

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3. NORTH AFRICA, INCLUDING CORSICA

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(a) The requisitioning of all coal imported from outside the theater.

(b) The requisitioning of all Sardinian coal and locally produced coal and lignite for military requirements from the AC/ Italian Government. Military requirements will have priority over all civilian requirements, except that equal priority will be given to civilian and military hospitals and bakeries.

(3) Importations

The arrangement for the importation and distribution of all coal imported from outside the theater.

(4) Allocations

The allocating of all coal imported from outside the theater.

b) Allied Commission

The AC/ Italian Government is charged with the following responsibilities as from 1 April 1945.

(1) Requirements

The survey and determination of all civilian requirements of Sardinian coal and locally produced coal and/or lignite and the survey of all civilian requirements of imported coal subject to -

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(a) the priority of military requirements as defined in 4a (2) (b) in so far as Sardinian Coal and/or locally produced coal or lignite are concerned and

(b) final approval by the QM (Coal Section) as set out in para 4a (1) in so far as imported coal is concerned.

(2) Requisitions

The requisitioning on the QM (Coal Section) of coal imported from outside the theater for civilian requirements.

(3) Allocations

(a) The suballocation for civilian purposes of all coal procured under para 4b (2) preceding.

(b) The allocation of all Sardinian and locally produced coal and/or lignite after satisfying the military requirements as in para 4a (2) (b) above.

(4) Importation

(a) The arrangements for importation and distribution of Sardinian coal and for the distribution of all locally produced coal and/or lignite.

(b) Authority will be given by this Headquarters from time to time for the assumption by AC of any or all of the following functions insofar as they apply to coal in such ports or territories as may be notified:
(I) Discharge ex ships.
(II) Handling operations in the port.
(III) Transport by rail or otherwise insofar as such transport is not assured by the military authorities.
(IV) Distribution.
(V) Keeping such records or receipts and issues of coal and lignite and the maintenance of such accounting procedures as are necessary.
(VI) Furnishing such reports and information on the above matters as may be required by this headquarters from time to time.

(5) Production

The development of the production of coal and lignite within the theater to the extent of approved programs, including:

(a) Surveying the productive capacity of all mines and workings of coal and lignite, initiating all requests for machinery, supplies and equipment which may be required in the production or in aiding or increasing the production.

(b) Procuring of all labour necessary for operation of the mines.

(6) Finance, Sales Prices and Records

(a) Making all necessary financial arrangements and

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(3) Allocations

(a) The suballocation for civilian purposes of all coal procured under para 4b (2) preceding.

(b) The allocation of all Sardinian and locally produced coal and/or lignite after satisfying the military requirements as in para 4a (2) (b) above.

(4) Importation

(a) The arrangements for importation and distribution of Sardinian coal and for the distribution of all locally produced coal and/or lignite.

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(I) Discharge ex ships.

(II) Handling operations in the port.

(III) Transport by rail or otherwise insofar as such transport is not assured by the military authorities.

(IV) Distribution.

(V) Keeping such records or receipts and issues of coal and lignite and the maintenance of such accounting procedures as are necessary.

(VI) Furnishing such reports and information on the above matters as may be required by this headquarters from time to time.

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The development of the production of coal and lignite within the theater to the extent of approved programs, including:

(a) Surveying the productive capacity of all mines and workings of coal and lignite, initiating all requests for machinery, supplies and equipment which may be required in the production or in aiding or increasing the production.

(b) Procuring of all labour necessary for operation of the mines.

(6) Finance, Sales Prices and Records

(a) Making all necessary financial arrangements and charges in connection with the production, transport and disposal of all coal and lignite produced in or imported into Italy and its islands.

(b) Determining and fixing sales prices, and the execution of fiscal matters pertaining thereto (including conditions of sale), collections and maintenance of all pertinent records connected therewith.

(c) Keeping records of stocks, receipts and issues of imported coal allocated to AC by this Headquarters.

(d) Furnishing such reports and information as may be required by this headquarters from time to time.

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5. GREECE

a) The Quartermaster (Coal Section) is charged with the following responsibilities:

(1) Requirements

The determination of all military and civil requirements of imported coal and of military requirements of locally produced lignite.

(2) Requisitions

(I) The requisitioning of all coal imported from outside the theater.

(II) The procurement through HQ LF & ML Greece of all military requirements of locally produced lignite.

(3) Importations

The arrangements for the importation of all coal for military and civilian purposes.

b) HQ LF & ML Greece is charged with the following responsibilities:

(1) Requirements

The survey of all imported coal required for military and civilian purposes and of military requirements of locally produced lignite for submission to Quartermaster (Coal Section) for determination.

(2) Allocations

The allocation to all consumers both military and civilian of all coal in accordance with the requirements determined as in 5 a (1) above and of locally produced lignite.

(3) Distribution

Issue of necessary instructions for the discharge of all colliers and for transport by rail or otherwise to consumers.

(4) Records

The maintenance of such records and the submission of such reports as may be necessary and as may be from time to time required by Quartermaster (Coal Section).

(5) Finance and Sales Prices

(a) Making all necessary financial arrangements and charges in connection with the production, transport and disposal of coal and lignite produced in or imported into Greece.

(b) Determining and fixing sales prices (including conditions of sale), executing fiscal matters pertaining to sales and collections and maintaining all pertinent records connected therewith.

(c) At such times as the responsibility of HQ LF &

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outside the theater.

(II) The procurement through HQ LF & ML Greece of all military requirements of locally produced lignite.

(3) Importations

The arrangements for the importation of all coal for military and civilian purposes.

b) HQ LF & ML Greece is charged with the following responsibilities:

(1) Requirements

The survey of all imported coal required for military and civilian purposes and of military requirements of locally produced lignite for submission to Quartermaster (Coal Section) for determination.

(2) Allocations

The allocation to all consumers both military and civilian of all coal in accordance with the requirements determined as in 5 a (1) above and of locally produced lignite.

(3) Distribution

Issue of necessary instructions for the discharge of all colliers and for transport by rail or otherwise to consumers.

(4) Records

The maintenance of such records and the submission of such reports as may be necessary and as may be from time to time required by Quartermaster (Coal Section).

(5) Finance and Sales Prices

(a) Making all necessary financial arrangements and charges in connection with the production, transport and disposal of coal and lignite produced in or imported into Greece.

(b) Determining and fixing sales prices (including conditions of sale), executing fiscal matters pertaining to sales and collections and maintaining all pertinent records connected therewith.

(c) At such times as the responsibility of HQ LF & ML Greece for civil relief and rehabilitation in Greece ceases, the necessary further instructions will be issued.

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HQ. ALLIED COMMISSION

TRANSPORTATION SUB-COMMISSION

FROM:

DIRECTOR:
MERRITT H. TAYLOR

DEPUTY DIRECTOR
COLONEL M.B.THOMAS

PLANNING STAFF
MAJOR F.P.RICHARDSON
GEORGE G. GROSS

ADMINISTRATION DIV.
LT.COL.W.P.SCOGGINS
CAPT.C.S. WYATT

MOVEMENTS DIV.
LT.COL.M.J. SIEFF
LT.COL.J.W. BAKER
LT.COL.J.H. BORDASS
LT.COL.J.A. BALFOUR

RAIL DIV.
LT.COL.O.H.LINDBERG
MAJOR W.C. FLETCHER
MAJOR A.C. PING
MAJOR P.C. MATSON
MAJOR A.H. STREET
MAJOR S.L. BAISTER
MAJOR C.M. LONG

ROADS DIV.
COLONEL J.J.CARNES
MAJOR C.W.A.PEPPER
MAJOR D.C.MOYLE
MAJOR W.A.SEWELL
CAPT.W.G.PETERSON

PORTS & WHOUSE DIV.
CHARLES C.CROOKS
JAMES B. HURLEY
S.P. FRANCE
MAJOR R.H.KLEIN

DATE & TIME REC'D

82 29 JAN 1945

Return buck slip to Chief Clerk, Admin.Div.with reference of file on which attached has been put.

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CAPT.C.S. WYATT

MOVEMENTS DIV.

LT.COL.M.J. SIEFF
LT.COL.J.W. BAKER
LT.COL.J.H. BORDASS
LT.COL.J.A. BALFOUR

RAIL DIV.

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MAJOR R.H.KLEIN

DATE & TIME REC'D

82 29 JAN 1945

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REMARKS:

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TNP. S/60 HR. TAYLOR 151/2a/TNI

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Minutes of Economic Staff Meeting held on 26 Jan. '45.

Present:

Economic Section Staff:		Col. Densmore, Mr.Cleveland, Maj. Doe, Major Nash, Capt. Macnamara.
Agriculture Sub-Com	:	Mr. Allbaugh
Commerce	"	Maj. Scotten
Finance	"	Col. Grafftey Smith, Cmdr. Lawler
Food	"	Col. Legg
Industry	"	Mr. Vaughan
Labour	"	Mr. Breine
P.W. & U.	"	Col. Jenny
Transportation	"	Mr. Taylor
P.R.B.		Major Leacocos

1. Col. Densmore raised the matter of interviews with Italian journalists and and suggested that they be reminded that AC is not the Italian Government. Finance expressed themselves willing to provide background and Labour remarked on tactics in concealing leading questions amongst those innocent of any design and AC liability for scoops and the possible publicity at home. Food questioned the sincerity of enquiries and Transportation were nervous as to policy. It was agreed that doubtful points be referred to the Section and that all correspondents be screened by P.R.B.

2. Communication between the Italian Government and its officials in Army Areas was discussed and it was observed that whereas in certain technical matters such as in Public Works the privilege would be an advantage, confusion would be caused by possible conflict of AMG and Government Policies. It was remarked that Postal Services functioned in some parts of the Army areas.

3. Office Space would be allotted solely in accordance with the ceiling laid down by the Man Power Committee.

4. Cables, congestion was caused by the casual classification of Priority. Sub-Commissions were asked to remember that Routine took only three or four hours more and that the A.L.S. enjoyed the advantage of Message Centre distribution.

5. The Italian Ministry of Industry were seeking representation on the Electricity Board.

6. AMG is to start on February 1, no delay to be brooked

7. The Labour Section of the A.F.L.N.S. had recommended the free carriage of labour in Allied employ. The question was raised as to its jurisdiction and it was agreed that steps should be taken to reverse the [illegible] the competence of the AFLNS to decide.

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Agriculture Sub-Com	:	Mr. Allbaugh
Commerce	"	Maj. Scotten
Finance	"	Col. Grafftey Smith, Cmdr. Lawler
Food	"	Col. Legg
Industry	"	Mr. Vaughan
Labour	"	Mr. Braine
P.W. & U.	"	Col. Jenny
Transportation	"	Mr. Taylor
P.R.B.		Major Leacocos

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C. J. [illegible],
Capt. P.C., S.O.III.
Economic Section

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION SUB-COMMISSION

MHT/hl

AG/TW/GTn

20 Jan. '45

Tel: 220

SUBJECT: Abstract of Minutes - A/C Staff Meeting

TO : Deputy Director
Chief, Road Division
Chief, Rail Division
Chief, Port & Warehouse Division
Chief, Administration Division
Coordinator of Movements.

1. The following abstract of minutes brought up at the Economic Section Staff Meeting are set out for your information:

a) Mr. William H. Braine has been appointed Director of the Labor Sub-Commission.

b) All matters having a political implication must be referred to the Political Section.

c) All Northwest Planning will be coordinated thru Col. Penney and Col. Marshall, Regional Commissioners of Liguria Region and Piemonte Region respectively.

d) The Director or his Deputy have been instructed to visit each region within the next two months.

e) No memoranda will be written to the Chief of Staff except thru the Economic Section.

f) No copies of memoranda to the Economic Section will be sent to anyone outside of the Allied Commission.

g) In exceptional cases, it may be possible to have American EMs deferred from transfer to active service. This point has not yet been settled.

h) All American officers in King's Italy must be assigned to regions in unoccupied Italy or AMG territory, and these officers will serve in King's Italy on a temporary duty basis.

i) Three American transportation officers, Lt. Friedman, Capt. McCarty, and Capt. Hart, have been designated for service in Austria.

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j) In the future, when Regional Commissioners visit headquarters, they will be assigned a room in the AC Bldg building and will notify the Economic Section of their arrival. Economic Section, in turn, will notify Transportation Sub-Commission, so that any questions to do with that particular region may be taken up direct with the Regional Commissioner while at this Hq.

Merritt H. Taylor
Director.

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