

ACC 10000/148/234

326/TN/1

COGENA

MAR. - Ap 1945

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HEADQUARTERS ALLIED COMMISSION

LDD/es

APO 394

ECONOMIC SECTION

6.01/ES

6 April 1945

SUBJECT : CO.GE.NA

TO : The Executive Commissioner.

4931

1. This letter is written to make recommendations with reference to the control and operation of Italian vessels.

2. It is recommended that all Italian vessels under 500 tons gross registered tonnage should be returned to the Italian Government. More than half of this tonnage is at present under the direction of the Royal Army Service Corps; the balance is under the direction of CO.GE.NA.

3. The owners of all such vessels belong to schooner owners' associations. Military and civilian supplies will be moved more economically and expeditiously if these vessels are operated by the owners organized in these associations. The Director General of the Mercantile Marine can control or supervise the movement of, and rates for, military and essential civilian supplies.

4. As a condition of the transfer of the vessels, the Italian Government should be asked to guarantee to transport in the vessels transferred to their control certain essential items. The guarantee should call for the transportation of one ton per month to be carried for each ton of the ships returned to the Italian Government, i.e., if the gross registered tonnage of the ships totalled 17,000 tons then the guarantee would call for the transportation of 17,000 tons dead weight of cargo. Beyond, this guarantee, the Italian Government should be free to determine the commodities to be transported in the remaining available capacity.

5. It is believed that all Italian vessels over 500 tons gross registered tonnage should be left to the operation of CO.GE.NA. under the direction of MEDBO.

6. The operational cost of vessels under 500 tons gross registered tonnage is high because they are restricted to operation by day. The present charter rates paid by the Italian Government for all vessels are correspondingly high because they are based on the operational cost of the vessels under 500 tons gross registered tonnage.

7. Turning back the vessels under 500 tons gross registered tonnage to the Italian Government will eliminate the payment made by the Government for the charter of such vessels. CO.GE.NA. can then fix now uniform rates for the charter of vessels over 500 tons gross registered tonnage based on the operational cost of such vessels.

8. A group consisting of representatives of the Transportation Sub-Commission and the Shipping Sub-Commission might act as an



direction of CO.GE.NA.

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8. A group consisting of representatives of the Transportation Sub-Commission and the Shipping Sub-Commission might act as an advisory body to deal with the Italian Government on matters relating to the vessels turned back to the Italian Government.

9. It is believed that the adoption of the above recommendations will promote competition, and thereby tend to reduce freight rates, and bring about faster voyages and fuller cargoes. It will also tend to bring out hidden tonnage, induce salvage operations and repairs, and stimulate new construction.

SGD.

A.G. ANTOLINI  
Acting Vice President  
Economic Section

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Ext. 318

HEADQUARTERS ALLIED COMMISSION  
APO 394  
TRANSPORTATION SUB-COMMISSION

MJS/ra

831/7/Tn 3

20 April 1945

SUBJECT : Italian Schooners

TO : Economic Section

4983

1. Reference Chief Commissioner's letter 5601/41/EC dated 17 April 1945 to G-5 Section, AFHQ, copy to CAO and Economic Section this Sub-Commission wishes to point out that the proposals contained in this letter do not agree with the recommendations made to the Executive Commissioner through the Economic Section by this Sub-Commission.

2. Under the present system there has been considerable improvement in the operation of schooners lifting cargo on Italian civil accounts: last autumn schooners lifted an average of 10,000 tons of civil cargo per month against disease and unrest program: it was well known that a far greater tonnage was lifted against black market programs. In March schooners lifted 25,000 tons against the disease and unrest program, and it is estimated that in April schooners will lift about 30,000 tons against the disease and unrest program. This improvement has been brought about by improving the control which is exercised through the Schooner Control Board over schooner movement: though it is still a fact that a very large schooner tonnage is engaged on black market operations, this tonnage is diminishing in relation to total schooner tonnage available. It is felt that any "complete" hand back to the Italian authorities of schooner control will result a decline in the amount of tonnage lifted by this type of craft against the disease and unrest program, and will result in an increase in black market activities.

3. There appears to be some confusion regarding the functions of the Schooner Control Board vis-a-vis COGENA. The Schooner Control Board is a body consisting of a representative of (a) MESBO (Mediterranean Shipping Board), (b) Allied Commission, and (c) COGENA: COGENA itself, is a body set up by royal decree of the Italian authorities to operate those ships which are turned over to Italian operation by the Allied shipping authorities, COGENA itself works through the recognized Italian shipping lines, and its abolition would mean the replacing of it by a similar organization, if the Italian Government were to exercise any measure of control over ships handed back to them. The suggestion that COGENA be abolished is



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directly contrary to AC's letter, reference AC/604/101/Tn3 dated 116 April 1945, subject: Proposed Schedule of Coastwise Liner Sailings, signed by Mr. Antolini, Acting Vice-President, Economic Section, in which the proposal to set up coastwise liner sailings to be operated by COGENA was accepted in principle.

4. Finally, with reference to paragraph 3 of the Chief Commissioner's letter, schooner tonnage under the control of the RASC is being transferred to the Schooner Control Board as and when the operational situation permits.

5. The scheme given as the basis for discussion in the 32 letter from the Economic Section to the Executive Commissioner under reference 6,01/ES dated 6 April 1945 would appear to be sound in principle, but it may require revision in detail in the light of the figures quoted in paragraph 2 above.

6. May the position be clarified with the Chief Commissioner It would appear that the two proposals put out by the Economic Section are both in accordance with FAN 487. (The two proposals are the one referred to in the preceding paragraph and the one referred to at the end of the paragraph 3 above)

M. B. THOMAS, Colonel  
Deputy Director

C O P Y

Ref: 5601/41/EC

17 April 1945.

Subject: Italian Schooners.To : G-5 Section,  
AFHQ.

1. I have been reviewing the problem of the operation of Italian schooners and consider that, subject to a satisfactory plan for their operation being received from the Italian Government, the time has now come to hand over to the Italian Government the complete control of those schooners at present operated by Schooner Control Board comprised of a representative of CO.GF.NA, a representative of the Mediterranean Shipping Board and a representative of the Allied Commission. This transfer of responsibility would be in line with the principle laid down in the directive contained in FAN 487, namely, to develop in the Italian authorities a greater sense of responsibility. It would also follow logically, in respect of coastwise movement of supplies by sea, on the transfer to the Italian Government of the responsibility for the movement of supplies by road which has already been undertaken by the activation of ENAC. If this recommendation is approved, I propose to advise the Italian Government of the desirability of abolishing CO.GF.NA, subject to the submission of an acceptable plan for an entirely new organization to operate schooners.

2. I believe the adoption of this recommendation will promote competition and thereby tend to reduce freight rates and bring about faster voyages and fuller cargoes. With revised tariffs, and protection against requisition by Allied Forces, it may also tend to bring forward hidden tonnage, induce salvage operation and repairs and perhaps stimulate new construction.

3. I realize that under half of the total presently available tonnage of Italian schooners is operated by the Schooner Control Board and that the balance is under the direction of the RASC and to a small extent of NOICs for harbour work. It is my recommendation that if AFHQ approve the transfer to the Italian Government of the tonnage operated by the Schooner Control Board, the tonnage operated by the Services should also be transferred when the operational situation allows.

ELLERY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

Copy to: Lt. Gen. Sir Brian H. Robertson Bt.  
AFHQ

Economic Section



SECRET

HEADQUARTERS ALLIED COMMISSION  
APO 394  
Transportation Sub-Commission  
(Movements Division)

MJS/vb

Tel: Ext. 318

3rd April, 1945.

226/6/Tn 1.

SUBJECT: COGENA.

TO : Economic Section.  
(Attn. Mr. Antolini).

1. Reference your 22/6.01, dated 28th March, 1945, the following comments are made on the draft attached:-

- (a) Reference para 2, it is believed that the Armistice Terms state that only vessels under 300 tons can be returned to the Italian Government. Schooners engaged on the carriage of civil supplies are controlled by the Schooner Control Committee, which is composed of a representative of COGENA, representing the Italian Government, A.W.F., and W.S.A. AFHC policy has been to return to the Schooner Control Committee any tonnage under RASC control which was not required for the lifting of military cargoes.
- (b) Reference para 5, there are no restrictions on schooners sailing coastwise south of Piombino on the west coast, or Ortona on the east coast. Schooners going north of Ortona for Ancona must be called forward by the Port Commandant, Ancona, because of limited berth availability. Schooners can pass from Sicily to the mainland, and from Corsica to the mainland without any restrictions, but cannot sail between Corsica and Sicily except by way of the south-west coast of the Italian mainland.
- (c) Reference para 6, it is agreed that the operational costs on schooners are high, and that this causes the cost of all vessels to be high.
- (d) Reference para 7, if freight rates based on schooner costs were divorced from freight rates for larger vessels, it is believed that freight rates on larger vessels would be reduced.

(6)

- 2 -

- (e) Reference para 9, it should be constantly borne in mind that schooners, during March, have lifted approximately 25,000 tons of programmed cargoes, and that the return of schooners to the Italian Government, for placing under some other organisation than COGENA and the Schooner Control Committee, should be based on their lifting at least an equivalent amount against any A.C. Italian Government programme, but that once that amount had been lifted then the Italian Government, or such authorities as it designates, can direct Schooner trade as they wish. Para 5 of this Sub-Commission's letter No. 326/2/Tn 1, dated 17th March, 1945, addressed to the Executive Commissioner (through the Economic Section) refers.

4979

*hys*

A.J. SIEFF, Colonel.

For HERRITT H. TAYLOR,  
Director,  
Transportation S/C.



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HEADQUARTERS ALLIED COMMISSION  
APO 394  
ECONOMIC SECTION

ES/6.01

28 March 1945

SUBJECT : CO.GE.NA.

TO : Transportation Sub-Commission  
Attention: Colonel Sieff

1. This letter is written with reference to your 326/1/Tn.1 dated 17 March 1945 addressed to the Executive Commissioner (through Economic Section).

2. A new draft of the reference letter has been prepared by this section. A copy of the new draft is attached, and the comments of the Transportation Sub-Commission are requested with respect thereto.

A.G. ANTOLINI  
Acting Vice-President  
Economic Section

Enc. 1 copy Draft letter.

4978

Copy

ra

1. For the immediate improvement of the operation of vessels, it is suggested that:

a) The present members of the Schooner Control Board be relieved, that a larger body of new members be organized, consisting representatives from Shipments (Movements) (1), and Operations (1) A.C.: MVT, WSA and Italian Merchant Marine. Its function would be to allocate available space for authorized cargoes and hear complaints of shippers and ship owners.

b) All schooners of less than 300 tons be released<sup>4977</sup> to their owners for free trade. This will result in speedier trips full cargoes. It will offer an inducement to owners of sunken and hidden craft to put them back into service and will stimulate the construction of new craft.

Schooners would be controlled by the Schooner Owners Association, now existing, which would guarantee the carriage of essential commodities, such as, salt, etc.

c) The actual operation of all other vessels would be turned over the Ship Owners Association. They would be responsible for collection of freight, payments to owners, fulfillment of Armistice terms, etc. This Association is in operation at present and it is believed, that it could expand and take over the management and operation of all vessels now operated by CO-GE-NA, within a month.

Confidence in CO-GE-NA is completely shaken and the change of Schooner Control Board, plus operation by Ship Owners Association should go far towards correcting this condition.



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HEADQUARTERS ALLIED COMMISSION  
APO 394  
Transportation Sub-Commission  
(Movements Division)

MJS/ra

Tel : Ext. 318

17th March 1945

326/2/Tn.1.

SUBJECT: C.G.G.E.N.A.

4976

TO : The Executive Commissioner  
(Through Economic Section )

1. Reference the Executive Commissioner's verbal request to Deputy Director, Transportation Sub-Commission, regarding the possibility of setting up an organization to carry out work done by COGENA.

2. The following suggestions are made:-

- (a) That all vassels under 300 tons gross registered tonnage, excluding R.A.S.C. requisitioned schooners, be returned to the Italian Government.
- (b) That those schooners be operated under such organization as the Italian Government consider suitable: it is suggested that they be controlled by the Schooner Owners' Association which is in existence at present.

3. The Italian Government would be given a programme of essential items, which they would have to guarantee to lift by the vessels handed over to their control. This programme would be based on the equivalent of one ton per month to be carried for each gross registered ton of the ships returned to the Italian authorities: i.e. if the gross registered tonnage of the ships returned totalled 17,000 tons then the programme allocated for carriage by that shipping would equal 17,000 tons dead weight of cargo. Once this monthly programme had been lifted the Italian authorities would be entitiled to decide commodities they would lift with such capacity as they had available. This would be an inducement to the schooner owners to get a much better turn round of schooners than that obtained under the present system.

4 Ships larger than 300 gross registered tonnage could not be handed back to the Italian authorities because under the terms of the Cunningham-de Corton Agreement of the 23rd Sept. 1943, Italian ships above 300 tons gross registered tonnage come under the control of the C-in-C Med. It is unlikely that the control can be released, since under the agreement the ships are for employment in a pool for the benefit of all the United Nations and not Italy alone, such employment might entail their use elsewhere on work of higher priority.

5. The Transportation Sub-Commission alone would not be competent to act as an advisory body on the ships handed back to the Italian Government, if this is agree. It is, however, suggested that a body consisting of representatives for the Transportation Sub-Commission and the Shipping Authorities' representatives stationed at H.Q. Allied Commission, be set up to work with the authorities delegated by the Italian Government to control those ships handed back. 4975

MERRITT H. TAYLOR,  
Director  
Transportation Sub-Commission



PERSONAL & CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION  
APO 394  
Transportation Sub-Commission

MBT/vb

Tel: Ext. 376

13th March, 1945.

326/1/Tn 1.

SUBJECT: C.O.G.T.N.A.

4974

TO : Col. Sieff  
Mr. Bazzanella

1. The Executive Commissioner has asked me if we could put up a scheme to cover by other means the work now done by COGENA. Briefly, the Chief Commissioner has an idea that COGENA should be abolished and that schooners carrying up to 500 tons (presumably d.w. carrying capacity) should operate under Transportation Sub-Commission through an Italian Agency - not under MEDCO.

2. Will you please get together and let me have a paper on the subject within the next day or two. We need not go into too much detail at this stage.

M.B. THOMAS, Colonel,  
Deputy Director.



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