

JCC 10000/148/259

540/B/TN/1

PETROL (ROADS)

AUG 1945 - MAY 1946

HEADQUARTERS PENINSULAR BASE SECTION
OFFICE OF THE QUARTERMASTER
PETROLEUM DIVISION
APO 794

ES/13.01
14.04
FDA/job/E-37

7 May 1946

SUBJECT: CIP Installation; Strike

2327

TO : Colonel Walton (Acting Vice President Allied Commission)

1. Subject strike went into effect 7 May.

2. Present Situation:

(a) The CIP installations at Naples and Leghorn under U.S. Military control will continue to operate. Confirmation as to situation in Bari, Venice, Vado has not been received as yet. Trieste is not involved with CIP and therefore should continue operations. The operations of these latter installations are supervised by the British Military.

(b) Civilian Port Installations (Not covered by military supervision), it is understood there is stoppage of work involved.

(c) It is understood, but not confirmed, that the strike order will not effect installations directly servicing military units.

3. Future Situation:

(a) The American Military in conjunction with the British Military are in a position to operate the ports of Naples and Leghorn for an indefinite period.

(b) If the Petroleum Products are not moved from the secondary or civilian installations (sea or interior) to provide ullage for stocks to be moved from the primary ports of Naples, Trieste, etc., ullages will not be provided for unloading T2 tankers from the United States and hence demurrage of \$ 4500 per day per tanker will rapidly accumulate and be chargeable to UNRRA or to the Italian government.

Transportation

8.

540 A

(CONTINUED)

(2)

4. The present sea terminal storage capacity in Italy is extremely small compared to the import program for Petroleum Products to Italy. Any interruption of Petroleum distribution system in Italy (i.e. to strikes) is bound to seriously effect the flow of Petroleum Products, the Italian economy and the UNRRA efforts towards rehabilitation.

5. The Allied (American and British) Military import program and needs will be given first priority. At the present time these commitments can satisfactorily be handled by the military forces in Italy. 2328

6. It cannot be emphasized too strongly that this strike or ceasing of operations of the civilian installations at this time will seriously effect the Italian people.

7. It has just been reported by DBS & T, CMF that the installations in Bari are involved with the strike. United States troops in Foggia area will be supplied by railroad tank cars from Naples installations.

FOR THE QUARTERMASTER:

Copy to:
Commanding Officer PBS

F.D. ATKINSON
Major AC
Division Chief



ALLIED COMMISSION

LIAISON GROUP

PIEMONTE REGION

Office of the Tptn. Liaison Officer

21. March 1946

Subject : Uffici Autotrasporti Tonnages.

To : Transportation A/C Allied Commission APO 394

2326

1. Transmitted herewith are tonnages and Petrol/Diesel figures for November, December, and January for Piemonte Region as requested in telegram N.877-071840 A: *no lead*

	Tonnages	Gasoline	Naphtha
Torino	56.983,30	668.330	230.000
Ivrea	2.342.30	50.000	46.000
Cuneo	3.460	267.000	96.000
Asti	5.208	87.295	79.000
Aosta	1.640	22.500	23.200
Alessandria	4.216	240.230	106.100
Vercelli	3.107.10	198.315	69.585
	<u>76.956.70</u>	<u>1.533.670</u>	<u>651.055</u>

A.M. Pankrat

A.M. PANKRATZ

Capt. QMG

Tptn. Liaison Officer

Turin

5404

HEADQUARTERS AL AND COMMISSION
APO 394
British Motor Pool

SAB/or

SUBJECT : P.O.I. Issues

TO : Transportation 3/comm

21 December 1945

2325

Herewith suggested arrangements for P.O.I.
issues over Christmas.

Christmas day 25/12/45

No Issues

Boxing day 26/12/45

0900 - 1100

New Year's day 1 /1/46

No Issues

2/1/46

0900 - 1100

[Signature]
Capt.
S.A. BALFOUR
APO, British Motor Pool.

540 A/ur 1

(6)

Ext. 513

HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION SUB-COMMISSION

ESL/em

Ref. 272/7/tn.2

560A/tn.1 8 November 1945

SUBJECT: P.O.L. Requirements - November 1945 -
January 1946.

2324

TO : Colonel P. D. G. Buchanan
Acting Director,
Transportation Sub-Commission.

1. Allocations of P.O.L. for civilian use by C.I.P., the Italian distributing agency, amounted to 10,305 tons of gasoline and 12,306 tons of diesel oil for the month of September. To the area including Bologna and South and Sicily and Sardinia, 6,483 tons of gasoline and 7,956 tons of diesel oil were distributed. To North Italy, the allocations included 3,872 tons of gasoline and 4,350 tons of diesel oil.

2. Detailed allocations are available only for South Italy. In that area, 84.4% of the gasoline and 49.5% of the diesel oil were allocated for transportation. The remainder was allocated for industrial, agricultural and fishing purposes.

3. If the allocation in Southern Italy is representative of that in Northern Italy, 8,697 tons of gasoline and 6,091 tons of diesel oil were allocated for civilian transportation purposes in September.

4. Motor vessels received 0.8% of the gasoline and 10.2% of the diesel oil allocated in Southern Italy in September.

5. E.N.A.C., I.N.T., truck pools, and C.I.P., itself, received 35.6% of the gasoline allocation and 15.7% of the diesel oil allocation in September.

1. The Italian distributing agency, amounted to 10,306 tons of gasoline and 12,306 tons of diesel oil for the month of September. To the area including Bologna and South and Sicily and Sardinia, 6,433 tons of gasoline and 7,956 tons of diesel oil were distributed. To North Italy, the allocations included 3,872 tons of gasoline and 4,350 tons of diesel oil.

2. Detailed allocations are available only for South Italy. In that area, 84.4% of the gasoline and 49.5% of the diesel oil were allocated for transportation. The remainder was allocated for industrial, agricultural and fishing purposes.

3. If the allocation in Southern Italy is representative of that in Northern Italy, 8,697 tons of gasoline and 6,091 tons of diesel oil were allocated for civilian transportation purposes in September.

4. Motor vessels received 0.8% of the gasoline and 10.2% of the diesel oil allocated in Southern Italy in September.

5. E.N.A.C., I.N.T., truck pools, and C.I.P., itself, received 35.6% of the gasoline allocation and 15.7% of the diesel oil allocation in September.

6. The State Railways received 5.4% of the gasoline and 3.3% of the diesel oil allocated in Southern Italy in September. The major portion of this fuel was probably used for I.S.R. trucks.

7. Secondary railways and bus lines received 5.1% of the gasoline and 6.2% of the diesel oil allocated.

8. To a miscellaneous category of uses, called automotive, which includes private cars, buses and trucks that were not under the jurisdiction of E.N.A.C., I.N.T. or Truck Pools, was allocated 37.5% of the gasoline and 14.1% of the diesel oil.

(5)

9. In addition to the P.O.L. going legitimately into civilian channels, a considerable but unknown quantity stolen from military stocks was sold to civilians through black market channels. C.I.P. representatives estimate that such sales in all Italy amount to about 50% of the P.O.L. sold legitimately. E.N.A.C. representatives estimate it at 200%. The two estimates are probably not so divergent as they seem. Two hundred percent of the E.N.A.C. allocation of gasoline in South Italy represents slightly less than 50% of the total allocation in that region. If, then, black market sales of gasoline amount to 50% of that sold legitimately, total civilian use in September amounted to 15,462 tons rather than 10,305 tons and the great bulk of the 5,157 tons sold in the black market was sold to truckers and other motor vehicles operators.

10. The above figure of 15,462 tons represents what may be called Italy's minimum needs for gasoline for all purposes in September. The Transportation Sub-Commission has received sufficient complaints to indicate that at no time in the past has there been enough gasoline to transport all the traffic available for truck transports. As Italian production increases and as imports rise, transportation requirements will also increase.

11. In July Petroleum Section, A.F.H.Q., estimated Italy's monthly requirement for gasoline and diesel oil at 17,000 tons and 14,700 tons, respectively, during the period September - December, 1945. Of the 17,000 tons of gasoline estimated, 7,000 tons were charged to the 7,000 trucks that Petroleum Section expected the Allies to transfer to the Italian Government.

12. Objection was raised by the Transportation Sub-Commission both to the method used by Petroleum Section to estimate requirements and to the estimates themselves.

13. Petroleum Section determined motor vehicle requirements on two bases. On the basis of experience, it concluded that 10,000 tons of gasoline would be sufficient for agriculture, industry, fishing, ocean and rail transportation, and for the motor vehicles of all types then in Italy. In addition it estimated that each

AGREE
15/1/46
RECEIVED

10. The above figure of 15,462 tons represents what may be called Italy's minimum needs for gasoline for all purposes in September. The Transportation Sub-Commission has received sufficient complaints to indicate that at no time in the past has there been enough gasoline to transport all the traffic available for truck transports. As Italian production increases and as imports rise, transportation requirements will also increase.

11. In July Petroleum Section, A.F.H.Q., estimated Italy's monthly requirement for gasoline and diesel oil at 17,000 tons and 14,700 tons, respectively, during the period September - December, 1945. Of the 17,000 tons of gasoline estimated, 7,000 tons were charged to the 7,000 trucks that Petroleum Section expected the Allies to transfer to the Italian Government.

12. Objection was raised by the Transportation Sub-Commission both to the method used by Petroleum Section to estimate requirements and to the estimates themselves.

13. Petroleum Section determined motor vehicle requirements on two bases. On the basis of experience, it concluded that 10,000 tons of gasoline would be sufficient for agriculture, industry, fishing, ocean and rail transportation, and for the motor vehicles of all types then in civilian use in Italy. In addition it estimated that each of the 7,000 Allied trucks which it anticipated would be turned over to the Italian Government would require 1 ton of gasoline per month. It was and still is difficult to understand why 7,000 Allied trucks would require almost as much gasoline as 50,000 to 65,000 Italian trucks. *

14. An independent estimate of Italy's gasoline and diesel oil requirements was made by the Transportation Sub-Commission. These estimates indicated that monthly gasoline requirements for Italy would be nearly 40,000 tons in September and October and 45,000 tons in November and December and that monthly requirements for diesel oil would be about 20,000 tons in each of the four months. These

Do Not
AGREE
IS NOT
EST. PART
REQUIRE
1

estimates were far in excess of actual needs for various reasons as indicated by Petroleum Section.

15. Petroleum Section pointed out that no allowance had been made for locally produced methane gas, that trucks in Italy could not be operated as many kilometers per month as assumed in the study of the Transportation Sub-Commission, and that 1938 monthly gasoline consumption by motor vehicle was only slightly greater than that estimated for 1945.

16. Transportation Sub-Commission's estimates were adjusted by applying the reduced monthly truck travel figures recommended by Petroleum Section and by allowing for locally produced methane gas. As a result, gasoline requirements were reduced to 25,836 tons monthly for September and October and, for November and December, to 29,825 tons. Corresponding diesel oil estimates were reduced to 16,234 and 14,528 tons, the latter figure approximating the original estimate by Petroleum Section.

17. A controlling factor in the original estimates by Transportation Sub-Commission had been the amount of traffic anticipated. Agriculture Sub-Commission had indicated that agricultural production would be at least 80% of the pre-war level. Industry Sub-Commission expected industrial production to reach 50% of the 1939 level by the end of 1945. In addition it was anticipated that the railroads would be occupied for many months in military redeployment to Japan and so little relief was anticipated from that quarter. In view of the tight railroad situation, it was felt that motor truck operations would have to approximate those of 1939.

18. At a meeting, 25 August 1945, with representatives of the Petroleum Section, A.F.H.Q., and Economic Section, Transportation Sub-Commission suggested that its original monthly estimates of gasoline requirements be reduced to 31,000 tons in September and October, and to 36,000 tons in November and December. The reduction seemed warranted in view of reduced estimates for agricultural production, generally more hopeful railroad prospects as a result of the conclusion of the Pacific war, and less serious prospects for industrial production, and in light

for locally produced methane gas. As a result, gasoline requirements were reduced to 25,836 tons monthly for September and October and, for November and December, to 29,825 tons. Corresponding diesel oil estimates were reduced to 16,234 and 14,528 tons, the latter figure approximating the original estimate by Petroleum Section.

17. A controlling factor in the original estimates by Transportation Sub-Commission had been the amount of traffic anticipated. Agriculture Sub-Commission had indicated that agricultural production would be at least 80% of the pre-war level. Industry Sub-Commission expected industrial production to reach 50% of the 1939 level by the end of 1945. In addition it was anticipated that the railroads would be occupied for many months in military redeployment to Japan and so little relief was anticipated from that quarter. In view of the tight railroad situation, it was felt that motor truck operations would have to approximate those of 1939.

18. At a meeting, 25 August 1945, with representatives of the Petroleum Section, A.F.H.Q., and Economic Section, Transportation Sub-Commission suggested that its original monthly estimates of gasoline requirements be reduced to 31,000 tons in September and October, and to 36,000 tons in November and December. The reduction seemed warranted in view of reduced estimates for agricultural production, generally more hopeful railroad prospects as a result of the conclusion of the Pacific war, and less sanguine prospects for industrial production, and in light of Petroleum Section's criticisms of the earlier estimate.

19. The Italian Government, through C.I.P., recently submitted an estimate of petroleum requirements for 1946. If vehicles to be manufactured in 1946 are excluded, the estimate is for 230,000 tons of gasoline, of which 200,000 tons will be for motor vehicles. On a monthly basis, the figures become 19,167 and 16,687 tons respectively. Requirements, on the same basis, for diesel oil are estimated at 252,600 tons, of which 155,600 tons are for motor trucks. On a monthly basis, these figures become 21,000 and 13,000 tons, respectively. No allowance has been made in the above figures for Allied Trucks transferred to the Italian

- 4 -

Government nor for railroad consumption of diesel oil, but additional estimates for these categories are to be made at a later date.

20. One thing can be said for the C.I.P. estimates. They have apparently been honestly made. Only 30,000 trucks are listed as such, although there is reason to believe that at least 70,000 trucks of non-Allied origin will be in operation in Italy before the end of the year. In addition to the 30,000 trucks for which P.O.L. is asked, there are approximately 140,000 passenger cars, some of which have been converted to buses and trucks. An effort was made to have figures for private passenger cars separated from converted buses and trucks and the Italian Government estimated that about 40% of the 140,000 cars fell in the converted category. In the light of our own information on the subject, the figure seems reasonable.

21. For the 140,000 cars, some of which have been converted to trucks and buses, C.I.P. estimates an average travel of 10,000 kilometers per year or 30 per day. This figure appears to be unreasonably high, in view of the fact that it is about twice as great as average travel by motor cars in pre-war years. The argument has been advanced, however, that because of the practically complete elimination of railroad passenger facilities, greater use must be made of the private motor cars remaining, especially since, after those converted to trucks and buses are eliminated, they number only 20% of the pre-war total.

22. Transportation Sub-Commission is not yet in a position to make a firm estimate of P.O.L. requirements. The method of arriving at such an estimate can, however, be indicated and a reasonable estimate should be possible in a week to ten days.

23. An estimate of P.O.L. needs depends on three sets of facts: (a) the number of motor vehicles in operating condition and their carrying capacity, (b) the percentage of those vehicles that can operate on other fuels than P.O.L. and the availability of such fuels and (c) the traffic available for motor vehicles.

that there are about 70,000

21. For the 140,000 cars, some of which have been converted to trucks and buses, C.I.P. estimates an average travel of 10,000 kilometers per year or 30 per day. This figure appears to be unreasonably high, in view of the fact that it is about twice as great as average travel by motor cars in pre-war years. The argument has been advanced, however, that because of the practically complete elimination of railroad passenger facilities, greater use must be made of the private motor cars remaining, especially since, after those converted to trucks and buses are eliminated, they number only 20% of the pre-war total.

22. Transportation Sub-Commission is not yet in a position to make a firm estimate of P.O.L. requirements. The method of arriving at such an estimate can, however, be indicated and a reasonable estimate should be possible in a week to ten days.

23. An estimate of P.O.L. needs depends on three sets of facts: (a) the number of motor vehicles in operating condition and their carrying capacity, (b) the percentage of those vehicles that can operate on other fuels than P.O.L. and the availability of such fuels and (c) the traffic available for motor vehicles.

24. It seems clear that there are about 70,000 motor trucks of non-Allied origin in Italy. At least 15,000 trucks have already been turned over by the Allies to the Italian Government, and probably 7,500 more will have been turned over in a short time. Of these, probably 14,000 are now in operating condition and an additional 4,000 will be in operating condition by the end of the year.

25. The estimate of 70,000 trucks of non-Allied origin seems justified, although probably 20,000 of these are not now in operating condition because of lack of tires. The tire deficiency is rapidly being eliminated and should be eliminated by the end of the year. The following statistics substantiate our estimate of 70,000 trucks of Italian origin.

DO NOT
WHERE AS
AGREE
+
OPERATING
IN THE
AREA
+
OPERATING
IN THE
AREA

- 5 -

a. A census taken by the Ispettorato Generale della Motorizzazione Civile e dei Trasporti in Concessione as of May 31, 1945, indicated that 65,600 Italian motor trucks remained in Italy.

b. Approximately 24,000 trucks in operating condition are registered with E.N.A.C. Since E.N.A.C.'s jurisdiction exists only for the area south of Arezzo, the above figure should be multiplied by three to bring the total number of trucks for all Italy up to about 70,000. 229

c. In the Piemonte Region alone, 14,738 trucks were registered in September, of which 10,996 were actually operated during the month. If the latter figure is multiplied by 6, as seems reasonable, in order to find the total for Italy, that total is 66,000.

26. Pre-war consumption of gasoline has proved a psychological deterrent to increases in P.O.L. allocations for civilian consumption. Before the war, however, a large number of trucks, especially in the North, operated on fuels other than P.O.L. In the Emilia Region, for instance, R.A.C.I. figures indicate that 70% of the trucks operated on methane. In addition coal, wood and electricity were used as fuels. In September of this year, only 79% of all trucks registered in the Piemonte Region operated on gasoline or diesel oil; 12% operated on wood and the remaining 9% on coal, electricity and methane. Coal and wood are in even scarcer supply than P.O.L. and even methane is apparently in short supply.

27. In order to obtain a clear picture of the pre-war motor transportation picture the Ministry of Transport, the Ministry of Finance and R.A.C.I. have been asked to give transportation Sub-Commission a break down by type of fuels used of motor trucks in operation before the war.

For still another reason the psychological

which 10,996 were actually operated during the month. If the latter figure is multiplied by 6, as seems reasonable, in order to find the total for Italy, that total is 66,000.

26. Pre-war consumption of gasoline has proved a psychological deterrent to increases in P.C.I. allocations for civilian consumption. Before the war, however, a large number of trucks, especially in the North, operated on fuels other than P.C.I. In the Emilia Region, for instance, R.A.C.I. figures indicate that 70% of the trucks operated on methane. In addition coal, wood and electricity were used as fuels. In September of this year, only 79% of all trucks registered in the Piemonte Region operated on gasoline or diesel oil; 12% operated on wood and the remaining 9% on coal, electricity and methane. Coal and wood are in even scarcer supply than P.C.I. and even methane is apparently in short supply.

27. In order to obtain a clear picture of the pre-war motor transportation picture the Ministry of Transport, the Ministry of Finance and R.A.C.I. have been asked to give Transportation Sub-Commission a break down by type of fuels used of motor trucks in operation before the war.

28. For still another reason the psychological impediment to clear analysis of pre-war consumption of gasoline should be attacked. In 1939, the Italian State Railways carried about 4 1/2 million tons of freight for about 1 billion ton kilometers per month. At the present time, the Italian State Railways are carrying more civilian tonnage than military freight. But the total capacity of the railways at present is probably no more than 30% of the pre-war total. Because of the shortage of coal and because of the damaged state of the railways, that percentage is not likely to rise substantially. With that figure as a base and knowledge of the probable traffic available for inland transport, a fairly reliable indication of motor truck transportation requirements is possible. Before the war, truck transportation certainly carried no more than 1/3 of the inland freight traffic. If, in the ensuing months, freight available for transport should

be 40% of the 1939 total, at least 60% of the 1939 truck transportation (and this means 60% of motor truck fuel) will be required. Should potential traffic increase to 50% of the pre-war level, 90% of pre-war truck transport would be required.

29. Information on goods traffic available for motor transportation has not been analyzed. The Economic Section (Col. Tooby) will have in a few days a fairly complete picture of anticipated industrial production. On the basis of the relationship between production and traffic in pre-war years, it should be possible to determine the amount of traffic that will be forthcoming from anticipated production. According to the Agriculture Sub-Commission, anticipated agricultural output will be only 60% of the pre-war level and the amount of agricultural produce available for transportation will be reduced even more, probably to less than 40% of the pre-war level. Imported tonnage will be very large during the next several months and reliable estimates of the transportation required should be fairly easily made.

30. It is quite clear that the trucking facilities now available are adequate to carry any increase in traffic that will occur in the next several months, if adequate P.O.L. is available. Therefore, emphasis should be transferred from the capacity of motor trucks to use P.O.L. to the needs for motor truck transportation arising out of increases in traffic. Traffic forecasts must be made.

31. Railroad and bus passenger transportation facilities are capable of carrying no more than 1% of the pre-war traffic. Private motor cars number only 20% of the pre-war total. Therefore, caution must be exercised in gauging P.O.L. requirements of passenger cars. Every effort should be made to induce the Italian Government to discourage travel for pleasure. On the other hand, it should be recognized that motor car travel that would be non-essential in normal times is now absolutely essential.

Chas. J. Ford

60% of the pre-war level and the amount of produce available for transportation will be reduced even more, probably to less than 40% of the pre-war level. Imported tonnage will be very large during the next several months and reliable estimates of the transportation required should be fairly easily made.

30. It is quite clear that the trucking facilities now available are adequate to carry any increase in traffic that will occur in the next several months, if adequate P.O.L. is available. Therefore, emphasis should be transferred from the capacity of motor trucks to use P.O.L. to the needs for motor truck transportation arising out of increases in traffic. Traffic forecasts must be made.

31. Railroad and bus passenger transportation facilities are capable of carrying no more than 1% of the pre-war traffic. Private motor cars number only 20% of the pre-war total. Therefore, caution must be exercised in gauging P.O.L. requirements of passenger cars. Every effort should be made to induce the Italian Government to discourage travel for pleasure. On the other hand, it should be recognized that motor car travel that would be non-essential in normal times is now absolutely essential.

Edward S. Lynch

EDWARD S. LYNCH
Administrative Division

MOV BARI (ACTION) PORT LIAISON OFFICER BARI (INFO)

6392

1 October 1945

ROUTINE

UNCLASSIFIED PD

2318

PARA ONE PD REFERENCE YOUR SIGNAL TWO FIVE SEPTEMBER REGARDING POL
REQUIREMENTS FOR CIVIL OPERATED AREA BARI PORT MATTER HAS BEEN
SUBMITTED TO PETROL SECTION ROME AREA ALLIED COMMAND WHO HAVE ISSUED
INSTRUCTIONS PD

PAREN TO MOV BARI FOR ACTION TO PORT LIAISON OFFICER BARI FOR INFO
FROM HQ ALCOM CITE ACTPT PAREN

COPY TO : CHIEF COMMISSIONER
ECONOMIC SECTION (2)
COMMERCE SUB COMMISSION
PORTS & WHSE DIVISION (2)
PET. SEC. RAAC AFHQ ROME

TRANSPORTATION SC

347

G.J. LEONE
CWO U.S.A.
Asst. Adjutant

(4)

540A/3

Ext. 513 HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION SUB-COMMISSION
ESL/em

Ref. 272/4/Tn.2

24 August 1945

SUBJECT: Gasoline and Diesel Oil Requirements for Italy, 2317
September - December 1945.

TO : Economic Section, Requisition Branch.

1. Reference your memorandum 23 August 1945 (Reference RB-463.6) relative to subject item.

2. Vide your paragraph 3. It is difficult to understand why A.P.H.Q. Petroleum Section is unwilling to revise upwards its allocations for September and October. I do not agree with the revisions which Petroleum Section made in our estimates of truck operations, September - December. But even if those revisions were conceded Italy's requirements for gasoline would be 25,836 tons for September and for October, and 29,825 tons for November and for December, as against the 17000 tons proposed by Petroleum Section for each of those months.

3. Vide your paragraph 4.

a. In our original estimate, we concluded that, on the basis of the most optimistic assumptions on the amount of rail capacity for civilian freight and on the efficiency of motor truck transportation, the stated P.O.L. requirements were conservative. We have no reasons for changing that judgment.

b. We have recognized the fact that agricultural requirements for P.O.L. will be less in November and December than in September and October, by 58% for gasoline and by 72% for

2. Vide your paragraph 3. It is difficult to understand why A.F.H.Q. Petroleum Section is unwilling to revise upwards its allocations for September and October. I do not agree with the revisions which Petroleum Section made in our estimates of truck operations, September - December. But even if those revisions were conceded Italy's requirements for gasoline would be 25,836 tons for September and for October, and 29,825 tons for November and for December, as against the 17000 tons proposed by Petroleum Section for each of those months.

3. Vide your paragraph 4.

a. In our original estimate, we concluded that, on the basis of the most optimistic assumptions on the amount of rail capacity for civilian freight and on the efficiency of motor truck transportation, the stated P.O.L. requirements were conservative. We have no reasons for changing that judgment.

b. We have recognized the fact that agricultural requirements for P.O.L. will be less in November and December than in September and October, by 58% for gasoline and by 72% for diesel oil. But our estimates are apparently too low by 17% (See memorandum to Economic Section from Director, Agriculture Sub-Commission, dated 23 August, Reference AGR/721).

c. It is in the function of the Transportation Sub-Commission to state the amount of P.O.L. required by the Italian transportation system. If Italy cannot obtain that P.O.L. because of lack of credits, the rehabilitation of her economy will be retarded.

B

3 5409/2121

FRANK UPMAN, JR. 5409/2121
Director.

HEADQUARTERS ALLIED COMMISSION
APO 394
Economic Section
Requisition Branch

Tel. 549

RAM:lsk

Ref. RA-463.6

23 August 45

SUBJECT: Gasoline and Diesel Oil Requirements for Italy,
September - December 1945

TO: Transportation Sub-Commission
Attn: Mr. Frank Upman, Jr., Acting Director

1. Reference your memorandum 14 August 1945 with attachments relative to subject item. 2316

2. Conversations between this office and AFHQ Pet/Sec, Rome, were based on the report of the Planning Staff of Transportation Sub-Commission dated 8 August 1945, which show that AFHQ Pet/Sec schedule of imports of gasoline and diesel oil for September through December 1945 are inadequate to meet Italy's transportation requirements.

3. AFHQ Pet/Sec pointed out that insofar as September and October requirements are concerned, the allocations already made are firm and can not be changed.

4. With respect to an increase of gasoline and diesel oil allotments for November - December, it is AFHQ Pet/Sec's opinion that the amounts requested are excessively high and that consideration should be given to certain factors:

a. Since the war against Japan has come to a successful conclusion, it is believed that equipment previously scheduled to be shipped out of Italy to the Pacific will now remain in Italy. This means that rail lines which would otherwise be engaged in transporting lumber for packing and crating and the actual equipment itself to ports of embarkation are now free to transport more of the civilian goods.

b. Inasmuch as fall plowing and harvesting will have been completed within the next two months, November-December requirements for gasoline and other POL products will be less and these figures should so be reflected in the amounts requested.

c. POL products into Italy are determined, among other things, on ability to pay. In other words, if funds are not available to procure more POL other than amounts scheduled, it is unlikely that additional quantities will be shipped.

5. It was pointed out to AFHQ Pet/Sec that allocations already made are, in fact, too low and that undoubtedly request will be made to higher headquarters for increased allotments to meet transportation requirements necessary for the rehabilitation of Italy's economy. Col. J. L. King is willing to forward necessary documents to AFHQ, Caserta, for review and final determination.

6. Both officials of AFHQ, G-5 Section and AFHQ Pet/Sec, Rome, have stated that since POL requirements for Italy is a theatre problem, it should be determined by the Theatre Commander and not by COAC in Washington.

(2)

2- Transportation Sub-Commission, Attn: Mr. Upman, Jr., RB -463.6 23 August 1945.

7. All correspondence on this subject is being held by the Requisition Branch pending further instructions and advice from you.

H. G. Quartier
H. G. QUARTIER
Lt. Col., QMO
Economic Section

2315

HEADQUARTERS ALLIED COMMISSION
 APO 394
 TRANSPORTATION SUB-COMMISSION

Tel: 220

HU/h1

540A/1/TN 1

SUBJECT: Gasoline and Diesel Oil
Requirements for Italy,
September-December, 1945.

14 Aug. 1945

TO : Economic Section

1. PETSEC, AFHQ reported to the Economic Section that 17,000 metric tons of gasoline and 14,700 tons of Diesel oil per month would be adequate to meet Italy's total requirements for the period September-December, 1945. Transportation Sub-Commission took exception to these figures as being far too low and pointed out that if accepted would be inadequate for transportation requirements.

2. Therefore, in accordance with your instruction the Planning Staff of Transportation Sub-Commission went thoroly into the matter of gasoline and Diesel oil requirements and has since consulted with PETSEC, AFHQ.

3. Admittedly, Transportation Sub-Commission is concerned only with the tonnage of gasoline and Diesel oil estimated as required for transportation. However, to reach a total figure, it was necessary to determine and take into consideration the other needs. There is attached a summary of requirements as developed by the Planning Staff, Transportation Sub-Commission after consultation with all parties concerned and check of all available figures. Secondly, there is attached a copy of PETSEC, AFHQ's letter of 13 August to Transportation Sub-Commission and comments paragraph by paragraph of the Planning Staff on the points raised by PETSEC, AFHQ in their letter.

4. Transportation Sub-Commission is willing to accept the figure of locally produced methane gas. Beyond that, it is felt that the figures used in Tables 3 and 4 are basically sound and conservative. Therefore, after allowance for local methane gas production, it is recommended by Transportation Sub-Commission that gasoline requirements for September and October should not be shown as less than 38,000 tons and not less than 43,000 tons for November and December.

Frank Upman, Jr.
 Acting Director.

2 incl: ltr. 13 Aug 45 - AFHQ
 ltr. 14 Aug 45 - Planning Staff

