

ACC 10000/148/282

881/TN/1

CATEGORY "B" SUPPLIES

AUG. - SEPT. 1945

Tel. 513

HEADQUARTERS ALLIED COMMISSION
APO 394
Transportation Sub-Commission

ESL/lr

AC/219.38/Tn.2

7 September 1945

SUBJECT : Wagon sheets.

TO : Finance Sub-Commission.

4025

1. The Italian State Railways' requirement of 4000 wagon sheets, 30 x 15 feet, was originally considered a class "A" item. See Requisition AC-QM-5-46 of 20 August.

2. We are informed by AFHQ that wagon sheets cannot be considered a class "A" item and must be requisitioned against class "B" funds.

3. It is desired by this Sub-Commission that a Category "B" requisition be initiated in order to obtain the wagon sheets for the Italian State Railways.

4. Will you obtain from the Italian Ministry of Finance a written certification of its desire to use some of its class "B" funds for the above mentioned wagon sheets.

FRANK UPMAN, Jr.
Director

881/721 Sub

881/5

INTER-OFFICE MEMO

RHK/rf

Tel. 478700

13 August 1945

Ref. W/7/1419/Tn6

SUBJECT : Future Police of Allied Commission in Connection
with Import of Category "B" Supplies.

TO : Director, Transportation Sub-Commission.

4024

1. Letter of 8 August 45, ref. RE-400.1, from Economic Section, Requisition Branch, has been noted. Said letter is in response to letter of 3 August 45, ref. 881/1/Tn 1, Transportation Sub-Commission Director.

2. It is obvious that policies are not clearly defined and it is requested that the statement contained in paragraph 5, sub-paragraph a, be specifically defined. Paragraph 5, sub-paragraph a, reads as follows:

"The present degree of close supervision of Category 'A' imports need not be continued in the case of Category 'B' supplies.

Does this mean that all supervisory functions be abandoned, or does it mean that they be curtailed? If it means they be curtailed, what functions are to be eliminated?

3. Paragraph 5, sub-paragraph b, states:

"The future planning and the essential handling of these supplies should be handed over to the Italian Government as soon as Allied Commission can assure itself such Agencies are fully and competently staffed and otherwise equipped to carry on efficiently."

It is not apparent that the efforts being made to develop the Italian Government Agencies are bearing fruit. Further, who in the Allied Commission is to decide when such Agencies are prepared to accept full responsibility?

Robert H. Klein
ROBERT H. KLEIN
Major Med. Adm. C.
Ports & Whse. Div.

881/4

HEADQUARTERS ALLIED COMMISSION
APO 594
Economic Section
Requisition Branch

8 August 1945

Ref. RB - 400.1

SUBJECT: Future Policy of Allied Commission in connection with Import of Category "B" Supplies.

TO : Director, Transportation Sub-Commission

4023

1. Reference your letter 681/1/Tn 1 of 5 August, it should be borne in mind that there is now under way a period of transition in supply for Italy, and that many of the questions involved have not been resolved as yet. The situation at present is fluid, and accordingly requires that all elements of Allied Commission connected with supply for Italy assure themselves an adequate degree of flexibility to afford maximum performance during this interim period.

2. It appears likely that currently there will be arriving in Italian ports three types of civil supplies. Namely, first, Category "B", second, that portion of original Category "A" available through August Loadings; and third, such other of Italy's basic requirements under the disease and unrest formula as may be provided in September-December loadings out of Lend-Lease funds, including some part of the raw materials requested in MOC Airgrams 57 and 77.

3. The full responsibilities of the Allied Commission in connection with the handling of supplies mentioned in para 2 have not been announced, but it is believed that such responsibilities will be established on or before September 1, 1945, after the consultations now taking place in London regarding UNRRA, Italian Peace Treaty, etc., have been concluded. Meanwhile, on the basis of information in hand, it appears likely that Allied Commission may, for the most part, be liquidated on or before January 1, 1946. It is therefore considered most important that the Agencies of Allied Commission immediately and currently, through the next few months, exercise maximum effort in assuring establishment or related Italian Agencies which can carry on efficiently.

4. As a matter of information, the Italian Government has recently requested its Washington representative to cancel the major portion of requisitions submitted earlier as Program of Essential Italian Imports 1945, and is currently asking that raw materials requested in MOC Airgrams 57 and 77 (September-December 1945) be given precedence so that Italy may produce most of its own requirements. At the same time, a 1946 program is now being prepared in the North for submission to CLAC on or about October 1, 1945 asking mainly for raw materials necessary to continue Italian production during 1946. Latest information from CLAC indicates some 45 requisitions out of the 1945 Program have been processed for procurement. The details of how these items will be handled are set forth in FEA Procedural Instruction No. 6, and were amplified and supplemented by meetings referred to in your letter, details of which are available to you through your representative who attended. The balance of original Category "A" through August loadings will continue to be handled as heretofore, and the handling of the September-December loadings of Lend-Lease supplies can be received by Italian Government under existing procedures for handling civil supplies as heretofore furnished by the Military. Landed cost of such supplies will be charged to Italian Government by Allied Commission in same manner as heretofore on Military shipments of civil supplies.

5. In direct reply to para 6 of your letter, the best current information indicates the following:

- a. The present degree of close supervision of Category "A" imports need not be continued in the case of Category "B" Supplies.
- b. The future planning and the essential handling of these supplies should be ~~xxx~~ handed over to the Italian Government as soon as Allied Commission can assure itself such Agencies are fully and competently staffed and otherwise equipped to carry on effeciently.
- c. Little if any food supplies will form a part of Category "B" imports through the end of 1945.

6. The Italian Agency charged by the Italian Government with the handling of imports namely ICE (Istituto Commercio Estero), is now being reorganized and is expected to assume a greater responsibility in such operations in the very near future.

H.C. QUARTIER

4022

HEADQUARTERS ALLIED COMMISSION
APO 394Economic Section
Requisition Branch

HQ:lsk

Tel. 549

8 August 45

Ref. RB-400.1

SUBJECT: Future Policy of Allied Commission in connection with Import of
Category "B" Supplies.

TO: ✓ Director, Transportation Sub-Commission.

4021

1. Reference your letter 881/1/Tn 1 of 3 August, it should be borne in mind that there is now under way a period of transition in supply for Italy, and that many of the questions involved have not been resolved as yet. The situation at present is fluid, and accordingly requires that all elements of Allied Commission connected with supply for Italy assure themselves an adequate degree of flexibility to afford maximum performance during this interim period.
2. It appears likely that currently there will be arriving in Italian ports three types of civil supplies. Namely, first, Category "B"; second, that portion of original Category "A" available through August Loadings; and third, such other of Italy's basic requirements under the disease and unrest formula as may be provided in September-December loadings out of Lend-Lease funds, including some part of the raw materials requested in MOC Airgrams 57 and 77.
3. The full responsibilities of the Allied Commission in connection with the handling of supplies mentioned in para 2 have not been announced, but it is believed that such responsibilities will be established on or before September 1, 1945, after the consultations now taking place in London regarding UNRRA, Italian Peace Treaty, etc., have been concluded. Meanwhile, on the basis of information in hand, it appears likely that Allied Commission may, for the most part, be liquidated on or before January 1, 1946. It is therefore considered most important that the Agencies of Allied Commission immediately, and currently, through the next few months, exercise maximum effort in assuring the establishment of related Italian Agencies which can carry on efficiently.
4. As a matter of information, the Italian Government has recently requested its Washington representative to cancel the major portion of requisitions submitted earlier as Program of Essential Italian Imports 1945, and is currently asking that raw materials requested in MOC Airgrams 57 and 77 (September-December 1945) be given precedence so that Italy may produce most of its own requirements. At the same time, a 1946 program is now being prepared in the North for submission to CLAC on or about October 1, 1945, asking mainly for raw materials necessary to continue Italian production during 1946. Latest information from CLAC indicates some 45 requisitions out of the 1945 Program have been processed for procurement. The details of how these items will be handled are set forth in FEA Procedural Instruction No. 6, and were amplified and supplemented by meetings referred to in your letter, details of which are available to you through your representative

881/3/TM

Page 2 - Director, Transportation Sub-Commission, 8 August 45

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5. In direct reply to para 6 of your letter, the best current information indicates the following:

a. The present degree of close supervision of Category "A" imports need not be continued in the case of Category "B" supplies. 4020

b. The future planning and the essential handling of these supplies should be handed over to the Italian Government as soon as Allied Commission can assure itself such Agencies are fully and competently staffed and otherwise equipped to carry on efficiently.

c. Little if any food supplies will form a part of Category "B" imports through the end of 1945.

6. The Italian Agency charged by the Italian Government with the handling of imports, namely ICE (Istituto Commercio Estero), is now being reorganized and is expected to assume a greater responsibility in such operations in the very near future.


H. C. QUARTIER
Lt. Col., QMC
Economic Section

CO: Economic Section
Finance Sub-Commission, Chief Accountant
Transportation Sub-Commission

Tele: 376

HEADQUARTERS ALLIED COMMISSION
APO 394
Transportation Sub-Commission

DPGB/rg

Our Ref: 100A/47/Tnl

7 August 1945

SUBJECT: Liaison Officers - Liguria Region.

TO : Economic Section.

1. Ref Establishment Section's letter to you 54.1-53 EST of 4 Aug 45.
2. The views of the Regional Commissioner, Liguria Region, as to the number of Specialist Transportation officers which should be retained in that Region when the Italian Government take over jurisdiction, are in general, agreed.
3. As he points out, however, the exact number required will depend on the extent to which A.C. will remain liable for the handling and warehousing of supplies. In this connection, please see this Sub-Commission's letter 381/1/Tnl of 3 Aug 45 asking for an early ruling to be given on this particular point.
4. In the meantime, the best estimate that can be given remains as stated in letter 100A/37/Tnl of 20 July 1945, viz:

	<u>Officers</u>	<u>OR's/EM</u>
Genoa	3	5
Savona	1	2
Total Liguria Region	4	7

P. A. A

for M.B. THOMAS, Colonel,
Deputy Director

c.c. 381/Tnl. File

781/2/TMB

Ext. 376

HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION SUB-COMMISSION

PDGB/eh

081/1/Tn 1

3 August 1945

SUBJECT: Future Policy of Allied Commission in Connection with Import of
Category B Supplies

TO : Acting Vice President, Economic Section

1. A series of meetings have recently been held under the auspices of the Economic Section (Requisition Branch) in connection with the future import of Category B supplies. These meetings have been attended by representatives of W.S.A., I.C.E., and Finance and Transportation Sub-Commissions. Points raised in discussion have made it clear that an early policy ruling is required as to how far the Allied Commission should interest itself in the import of these supplies.

2. Up till now, the Allied Commission has closely supervised the handling and subsequent distribution of Category A imports, in order to implement the Allied commitment to avoid disease and unrest. The shipment of these Category A supplies will probably terminate with August loadings, but the introduction of the "FEA Allocation" program (which, generally speaking, will be handled in the same way as Category A supplies), may cause shipments to continue till 4018 December 1945.

3. On the other hand, the shipment of Category B supplies is due to begin at any time, and it is essential that the policy of the Allied Commission be now defined to show whether the existing function of supervision is or is not to be continued as far as these supplies are concerned.

4. As far as this Sub-Commission is concerned, the task of supervising handling and distribution of Category A supplies has included, among other duties, the following:

a. Obtaining ship's manifest; analyzing same; securing disposition instructions from interested Sub-Commission; forwarding disposition instructions to Port Liaison Officers.

b. Supplying officers and EM/OR's for Port Liaison functions in each military port; supervision and coordination of their activities from this Headquarters, including investigation of discrepancies between ship's manifest and quantities actually received in depots.

c. Supplying of officers and EM/OR's for warehouse supervision in those depots operated in military port cities by the Federazione Italiana dei

881/1/TN1

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Consorzi Agrari. (This agency is actually storing most of the imported civil supplies held in the name of I.C.E., in addition to food and agricultural supplies held in their own name.)

d. Supervision and coordination from this Headquarters of the work of the warehouse officers.

5. A clear statement of the Allied Commission's intended policy with regard to these Category B supplies is therefore now urgently required, as the whole of future planning is contingent thereon. It is for consideration whether such planning should now be done by the Italian Government, unless it is the intention of the Allied Commission to continue on the same or similar lines as at present.

6. It is requested, therefore, that an early ruling may now be given on the following points:

a. Is the present degree of close supervision of Category A imports to be continued in the case of Category B supplies?

b. If not, should the future planning for these supplies be handed over to the Italian Government?

c. Will food supplies form a part of Category B imports?


MERRITT H. TAYLOR
Director

4017

cc: Economic Section (Requisition Branch)
Finance Sub-Commission, Chief Accountant
Transportation Sub-Commission
Administrative Division, Accounts Branch
Movements Division, Shipping Branch

*DD For action -
Category (a) continues to Dec 31
from U.S. Lend Lease funds -*

HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION SUB-COMMISSION
Ports and Warehouse Division

RHK/rt

Taylor

Tel. 478700

24 July 1945

Ref. W/7/1334/Tn6

SUBJECT : Future Policy of AC in Connection with
Importation of Category "B" Supplies

TO : Director of Transportation Sub-Commission

*K. G. M.
W. J. G.*

1. A series of meetings have been held recently under the auspices of the Economic Section (Requisition Division), relative to the above mentioned subject. The attendants at these meetings have been representatives of WSA, Finance Sub-Commission, Transportation Sub-Commission (Accounts Branch, Movement Shipping, Ports and Warehouse), and ICE. A number of points have been raised upon which clarification of policy is necessary.

2. Until the present time, it has been an understood function of the Allied Commission to supervise the rehabilitation of Italy, with especial reference to the handling and subsequent distribution of Category "A" imports in order to implement the Allied commitment of avoiding disease and unrest.

3. The shipping of Category "A" supplies is scheduled to terminate on 31 August, but it is anticipated that the actual receipt of those supplies will be prolonged through September and possibly October.

4. The shipping of Category "B" supplies is scheduled to commence 1 September and it is essential that the policy of the Allied Commission be defined to show whether the existing function of supervision is to be continued or not.

5. Specifically, there has been a Port Liaison Officer in each military port, who has supervised the instructions issued to the Port for clearance. He has further supervised the preparation of out-turn reports and the compilation of accounting documents. He has instituted investigations and made the necessary follow-ups in cases of losses of merchandise between quantities indicated on ship's manifest and

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and quantities actually received in the Depots. Further, Allied personnel, including officers, have been on duty to supervise the activities of those warehouses now operated by the Federazione Italiana dei Consorzi Agrari in military port cities of Italy. The work of the Warehouse Branch and the Accounts Branch of the Transportation Sub-Commission has similarly dealt with supervision and accounting at a higher level. It is desired to know whether these activities are to be discontinued.

6. Amongst the other activities of the Warehouse Branch are the collection of ship's manifests from AFHQ, the breakdown of said manifests, the securing of disposition instructions from the interested Sub-Commissions for the merchandise carried on the ship covered by the manifest, the forwarding of such instructions to the Port Liaison Officers, and the check-up to insure that the instructions have been followed. This is in reference to Category "A" imports. Is it intended that the Warehouse Branch shall continue similarly on Category "B" imports?

7. By direction of the Finance Sub-Commission, in conjunction with the Transportation Sub-Commission, most warehouses have been operated by the Federazione Italiana dei Consorzi Agrari. They have stored food and agricultural supplies in their own name, while acting as warehousemen, storing other supplies for the account of ICE, UNRRA, and American Red Cross.

8. In the several meetings to which reference is made above, it has been indicated that warehousing will be done by ICE or their agents, which rather reverses present practice.

9. The Chairman of these meetings was unable to answer a direct question as to whether Category "B" imports will include food supplies, although the inference was that such supplies would indeed be included.

10. Glaring inefficiencies in the functioning of ICE were brought out in the discussion at the meetings referred to above. The Chairman took the attitude that if the policies being developed for the handling of Category "B" supplies were feasible, it was the obligation of the Italian Government to implement ICE, the organization chosen to handle them, so that the program would function. Nevertheless, the contention was made that ICE's performances, based on experience of a number of months, made it doubtful whether they could, in fact, carry out the program in contemplation. Lt. Col. Martino stated that he felt the series of meetings in progress was not the proper place for discussing the efficiency or otherwise of ICE's organization, but that it was advisable to take up this matter

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Specific
warehousing?

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at a higher level. He further stated that it was highly desirable that any accusations as to past inefficiencies of this organization which might reflect themselves into the future should be brought up before a competent authority, who would in turn take up the matter with the Italian Government.

11. Further conversation indicated that the Commerce Sub-Commission, who had the original contacts on the side of the Allied Commission with ICE, dealt with ICE only as an advisory group with reference to exports. Commerce Sub-Commission (Major Gent) disclaimed any responsibility for advising with ICE reference to any other activities in which they might indulge. It seems apparent that one of the causes for ICE's inefficiency is the fact that no one department of the Allied Commission is primarily interested in ICE's activities reference to the handling of imported civil supplies. ICE deals with the Finance, Transportation, Industry, Commerce, Education, and other Sub-Commissions in this Headquarters. There appears to be no coordination of instructions given to ICE, nor is the responsibility for ICE's operations placed directly upon any one Sub-Commission or part thereof.

12. ICE's representatives have complained to the Warehouse Branch that they have not the authority nor the finances to employ necessary Italian civilians to do many of the functions necessary for their efficient operations. 4012

13. The urgency of having a clear and firm statement of policy in connection with Category "B" and Allied Commission's intention as a whole cannot be over emphasized as the whole of future planning is contingent thereon. It is contended that if the Allied Commission maintains its supervisory position over the handling of Category "B" imports, a firm hand must be taken. It is further contended that if the decision is for the Allied Commission to refrain from such supervision, present planning is superfluous because it should be done by the Italian Government.

14. This matter has been discussed with Accounts Branch, who are equally interested with having a statement of policy as its work is closely allied to the port duties. Capt. Wyatt, of the Accounts Branch, has concurred with the statements in this letter.

Copy to:-

Economic Section, Requisition Branch
 Attention: Lt. Col. Quartier
 Economic Section, Attention: Col. Walton
 Finance Sub-Commission, Chief Accountant
 Attention: Col. Crawshaw
 Transportation Sub-Commission, Accounts Section
 Attention: Capt. Wyatt
 Transportation Sub-Commission, Movements Shipping Branch
 Attention: Maj. Laraman

Robert H. Klein
 ROBERT H. KLEIN
 Major Med. Adm. C.
 Ports & Whse. Div.

Ext. 376

HEADQUARTERS ALLIED COMMISSION
APO 924
TRANSPORTATION SUB-COMMISSION

Spaul
NO *PROB*
for *ES*
PROB/en

SCL/1/En 1

3 August 1945

SUBJECT: Future Policy of Allied Commission in Connection with Import of
Category B Supplies

TO : Acting Vice President, Economic Section

1. A series of meetings have recently been held under the auspices of the Economic Section (Requisition Branch) in connection with the future import of Category B supplies. These meetings have been attended by representatives of W.S.A., I.C.E., and Finance and Transportation Sub-Commissions. Points raised in discussion have made it clear that an early policy ruling is required as to how far the Allied Commission should interest itself in the import of these supplies.

2. Up till now, the Allied Commission has closely supervised the handling and subsequent distribution of Category A imports, in order to implement the Allied commitment to avoid dissonance and unrest. The shipment of these Category A supplies will probably terminate with August loadings, but the introduction of the "FRA Allocation" program (which, generally speaking, will be handled in the same way as Category A supplies), may cause shipments to continue till December 1945.

3. On the other hand, the shipment of Category B supplies is ⁴⁰⁴³begin at any time, and it is essential that the policy of the Allied Commission be now defined to show whether the existing function of supervision is or is not to be continued as far as these supplies are concerned.

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c. Supplying of officers and EM/OR's for warehouse supervision in those depots operated in military port cities by the Federazione Italiana dei

-2-

Consorzi Agrari. (This agency is actually storing most of the imported civil supplies held in the name of I.C.E., in addition to food and agricultural supplies held in their own name.)

d. Supervision and coordination from this Headquarters of the work of the warehouse officers.

5. A clear statement of the Allied Commission's intended policy with regard to these Category B supplies is therefore now urgently required, as the whole of future planning is contingent thereon. It is for consideration whether such planning should now be done by the Italian Government, unless it is the intention of the Allied Commission to continue on the same or similar lines as at present.

6. It is requested, therefore, that an early ruling may now be given on the following points:

a. Is the present degree of close supervision of Category A imports to be continued in the case of Category B supplies?

b. If not, should the future planning for these supplies be handed over to the Italian Government?

c. Will food supplies form a part of Category B imports?

4012

BERNARD H. TAYLOR
Director

cc: Economic Section (Requisition Branch)
Finance Sub-Commission, Chief Accountant
Transportation Sub-Commission
Administrative Division, Accounts Branch
Movements Division, Shipping Branch

0166