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

210/T IV.2 - General Planning 10000/148/748

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Planning 10000/148/748 To: Oct. '95

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HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION SUB-COMMISSION

WGP/ls

Ref: AC/305/11/TN.5 17 Oct.1945

SUBJECT: Distribution of Civilian Supplies.

TO : Mr. Lynch, Tn S/C.

Reference ES/132 of 5 October, 1945.

1. The following comments are reference vehicles and associated supplies (excluding tires and tubes). Paras and sub-paras correspond to those of reference communication.

2. (a). The Italian Ministry of Transport

(b) Shipments are received at port of entry by I.C.E. Vehicles are taken by Ministry of Transport Maintenance Group units for conditioning prior to release to ultimate users as decided by agreement between said Ministry and Tn S/C. Spare parts (associated motor supplies) are received by I.C.E. and transferred to Depots of Maintenance Group for redistribution according to requirements.

(c) Vehicles by consignment from the Italian Ministry of Transport. Spare parts by issue from depots and sub-depots of the Maintenance Group.

(d) Responsibility for vehicle allocation and spare parts distribution rests with the Ministry of Transport and its estimates of necessity.

(e) 1. The Ministry of Transport is the logical agency for the control of these products and is relatively efficient though the activities of maintenance shops, ports depots and vehicle rebuilding operations need smoothing out and supervising.

2. Unloading- Responsibility of port operations. Warehousing at port- Port clogging is possible so far as vehicles are concerned if arrangements for

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clearance are not closely coordinated with ship discharges. Port facilities are generally inadequate for storing and guarding vehicles for any extended period. Clearance and conditioning plans should be completed prior to arrival of vehicles. Parts shipments can generally be warehoused until disposal and transport arrangements can be made.

Inland Transport- Normal utilization of rail or road carrier agencies. Vehicles should be conditioned near port for "drive away" delivery, miscellaneous supplies are handled as circumstances dictate.

Storage on Provincial levels- Vehicles go from conditioning units to user and require no provincial storage. Parts go into inventory of Maintenance organization and are stocked in their depots.

Distribution- At discretion of Ministry of Transport.

Difficulties can be ameliorated by proper supervision and coordination and insistence upon standard commercial type of operation.

3.Only those inherent in any situation where demand is greatly in excess of ~~demand~~ supply.

4. Black market possibly exists in spare parts though as yet to no great extent. Possible sources are losses at port of entry, en route to depots and unapproved disposal from said depots. There are no official prices, as yet, for parts that have been imported since they are all being utilized directly by transport units of the Ministry of Transport and bills have not been received from the U.S. All vehicles are being handed to the Ministry of Transport and we attempt no post sale control.

Warner G. Peterson

WARNER G. PETERSON
Capt. C.A.C.
Roads Division.

Ext.813 HEADQUARTERS ALLIED COMMISSION ESL/cm
APO 794
TRANSPORTATION SUB-COMMISSION

Ref. 810/15/Tn. 17 October 1945

SUBJECT: Distribution of Civilian Supplies
Information to Dr. Welk.

TO : Economic Section.

1. Reference your Memorandum ES/132, 5 October 1945.

2. Civil supplies are delivered at end of ships tackle to the Italian Government. Food and agricultural supplies are taken by the Federazione Consorzi Agrari, medical supplies by the Ente Nazionale Distribuzione Medicinali Degli Alleati (Endimea) and all other supplies by Istituto Commercio Estero (I.C.E.). Consequently, imports for the transportation industry, with which Transportation Sub-Commission is concerned, are handled by I.C.E.

3. I.C.E. deliver imported motor vehicles to Ministry of Transport Maintenance Group Units for conditioning and spare parts to Depots of Maintenance Group for redistribution.

4. Responsibility for allocation of motor vehicles and distribution of spare parts rests with the Ministry of Transport. Vehicles are allocated by consignment from the Italian Ministry of Transport and spare parts by issue from depots and sub-depots of the Maintenance Group.

5. The Ministry of Transport is the logical agency to control the distribution of transportation vehicles and supplies and has been relatively efficient.

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4. Responsibility for allocation of motor vehicles and distribution of spare parts rests with the Ministry of Transport. Vehicles are allocated by consignment from the Italian Ministry of Transport and spare parts by issue from depots and sub-depots of the Maintenance Group.

5. The Ministry of Transport is the logical agency to control the distribution of transportation vehicles and supplies and has been relatively efficient.

6. From the warehousing point of view, the distribution process has been faulty. Supplies, which under normal conditions should be trans-shipped directly from ocean carrier by rail, sea or road transport, are stored in port warehouses. These ordinarily transit warehouses are used as storage warehouses, with resultant large and unnecessary expense and wastage for handling, storage, and transportation, in and out.

7. Especially for motor vehicles, danger of port clogging is always present, unless arrangements for port clearance are closely coordinated with ship discharges. Port facilities are generally inadequate for storing and guarding vehicles for an extended period.

8. Road transportation is usually adequate for port clearance and inland transportation, although shortage of tires and P.O.L. is an ever-present difficulty.

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9. Rail cars for port clearance are frequently short. Such shortages are generally attributable to inefficient local distribution by Italian State Railways. The obvious remedy would seem to be in insuring that competent officials are placed in those Compartments and Stations where present inefficiency exists.

10. Imported motor vehicles should be driven away under their own power. To this end, conditioning facilities should be established near the ports and conditioning places should be completed before the arrival of the vehicles.

11. As yet no marked black market exists in imported transportation vehicles and supplies. But there is leakage into black market of imported civilian supplies generally. The leakage is occasioned by pilferage at ports and in transit from ports to warehouses.

12. In order to prevent imports from reaching the black market, sufficient port guards must be made available, armed guards at warehouses must be strengthened, and armed escorts must accompany trucks hauling critical and valuable goods.

For the Director:

EDWARD S. LYNCH
Administrative Division

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

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HEADQUARTERS ALLIED COMMISSION
APO 394
Economic Section

REF: ES/132 5 October 1945

SUBJECT: Distribution of Civilian Supplies
Information to Dr. Welk

TO : All S/Cs, Economic Section
Requisition Branch
Info. to W.S.A., PETSEC

1. It is the desire of the Acting Vice President that Dr. Welk, UNRRA, be assisted by all of the addressees of the Economic Section in an analysis of the distribution of imported civilian supplies to Italy.

2. After the disestablishment of A.C., UNRRA will be confronted with the task of furnishing to Italy the bulk of imported civilian supplies and of seeing to it that the distribution of such supplies is effectively carried out. Although distribution as such will be the responsibility of the Italian Government, it will be UNRRA's responsibility to see to it that the distribution of the supplies which it furnished takes place as effectively as possible, and without any discrimination. To be able to do this, UNRRA must know for each major imported commodity or group of commodities:-

a. How and by what agency of the Italian Government are requirements, programs, and general plans for distribution to consumers prepaid?

b. When shipments arrive, how and where are they turned over by A.C., to the Italian Government, and to what agency of that Government?

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a. How and by what agency of the Italian Government are requirements, programs, and general plans for distribution to consumers prepaid?

b. When shipments arrive, how and where are they turned over by A.C., to the Italian Government, and to what agency of that Government?

c. Through what channels does the receiving Italian agency distribute the commodity on a regional, provincial and local level?

d. What are the main outlines of the rationing procedure through which the ultimate consumer is obtaining his share of the imported commodity? Who devises and administers the rationing system?

e. What are the defects and pitfalls of the distribution process, i.e.:-

(1) What defects, if any, are there in the present method of planning for the distribution of the commodity by the responsible Government agency? Do the general criteria of distribution adopted

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seem equitable and efficient?

(2) What difficulties are encountered in the process of getting the commodity from shipside to consumer? In other words, what difficulties should be anticipated in:-

Unloading
Warehousing at the Port
Inland transport
Storage on a provincial level
Distribution to local merchants or consumers

What can be done to correct such difficulties?

(3) What weaknesses are there in the present rationing system for the commodity?

(4) Is there a black market in the commodity, and if so - How does the commodity get into the black market? - What should be done to prevent its getting and staying there? - What are the present official and black market prices of the commodity in question?

f. What other phases of the distribution process are significant, and what comments thereon seem pertinent?

3. It is requested that each sub-commission and the Requisition Branch of the Economic Section submit a report which will answer the questions and furnish the information outlined in para 2 above in so far as it pertains to those commodities and activities with which the respective sub-commissions and Requisition Branch are concerned.

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4. UNRRA has expressed its appreciation and gratitude to this Headquarters for the material assistance which has recently been rendered by the sub-commissions and branches of the Economic Section in the preparation of data and information necessary to the future planning of the UNRRA program.

CHARLES W. WALTON
Colonel
Chief, Supply Division

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0013

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

Ext. 513

HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION SUB-COMMISSION

ESL/en

Ref. 210/11/Tn.3

12 October 1945

SUBJECT: Distribution of Civilian Supplies.

TO : Rail Division
(Attn. Majors Ping and Long).

1. Reference your letter 9 October and telephone conversation 12 October on above subject.

2. Letter from Economic Section (a second copy attached) concerns Allied Commission's distribution problems, which U.N.R.R.A. will inherit if it takes over Allied Commission's functions.

3. Will you undertake to answer such portions of questions in paragraph 2 and 3 as come within the ambit of your Division's activity. Specifically, what problems have been encountered in connection with the import program for the Italian State Railways?

EDWARD S. LYNCH
Administrative Division

1 Incl.

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ACP/lml

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TRANSPORTATION SUB-COMMISSION, A. C.
(Rail Division)
% TRANSPORTATION (BR) MAIN, C. M. F.

Tel. 843258
Ref. AC/91 /Tn 4

9 October 1945

SUBJECT : Distribution of Civilian Supplies.

TO : Administration Division,
Attention: Edward S. Lynch.

1. Reference is to your letter of 6 October 1945.

2. We would quite willingly assist in endeavoring to answer the questions set out by the Economic Section, but the question of supply and the movement of supplies is one primarily for Movements Division, whose particular job it has been to find the difficulties preventing movement of traffic, and to take such action as is calculated to remove those difficulties.

3. Rail Division is a technical branch for filling the needs of the Rail Section of Movements Division, and it is suggested therefore, that you consult with Movements first, and if they outline any technical difficulties which have prevented movement by rail, then we will give the answers as to how those difficulties can be dealt with.

A C Longmuir
for ~~Director~~
Chief Rail Div

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Ext.513

HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION SUB-COMMISSION

ESL/em

Ref. S10/13/Tn.2

8 October 1945

SUBJECT: Distribution of Civilian Supplies Information to Dr. Welk.

TO : Rail Division
(Attn. Mr. Moss).

1. Attached is copy of letter from the Economic Section.

2. Colonel Buchanan has asked me to handle the matter, and as I know nothing about the subject, I am passing the buck - if you don't mind.

3. Would you therefore please read the attached letter and let me have your comments, in so far as the rail division's interests are concerned.

EDWARD S. LYNCH
Administrative Division

1 Incl.

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HEADQUARTERS ALLIED COMMISSION
APO 534
Economic Section

REF: ES/132

5 October 1945

SUBJECT: Distribution of Civilian Supplies
Information to Dr. Welk

TO : All S/Cs, Economic Section
Requisition Branch
Info. to M.S.A., PETSCC

1. It is the desire of the Acting Vice President that Dr. Welk, UNRRA, be assisted by all of the addressees of the Economic Section in an analysis of the distribution of imported civilian supplies to Italy.

2. After the disestablishment of A.C., UNRRA will be confronted with the task of furnishing to Italy the bulk of imported civilian supplies and of seeing to it that the distribution of such supplies is effectively carried out. Although distribution as such will be the responsibility of the Italian Government, it will be UNRRA's responsibility to see to it that the distribution of the supplies which it furnishes takes place as effectively as possible, and without any discrimination. To be able to do this, UNRRA must know for each major imported commodity or group of commodities:-

a. How and by what agency of the Italian Government are requirements, programs, and general plans for distribution to consumers prepaid?

b. When shipments arrive, how and where are they turned over by A.C. to the Italian Government, and to what agency of that Government?

c. Through what channels does the receiving Italian agency distribute the commodity on a regional, provincial and local level?

d. What are the main outlines of the rationing procedure through which the ultimate consumer is obtaining his share of the imported commodity? Who devises and administers the rationing system?

e. What are the defects and pitfalls of the distribution process, i.e.:-

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Declassified E.O. 12356 Section 3.3/NND No. 185021

All S/Cs

October 1945

(1) What defects, if any, are there in the present method of planning for the distribution of the commodity by the responsible Government agency? Do the general criteria of distribution adopted seem equitable and efficient?

(2) What difficulties are encountered in the process of getting the commodity from shipside to consumer? In other words, what difficulties should be anticipated in:-.

Unloading
Warehousing at the Port
Inland transport
Storage on a provincial level
Distribution to local merchants or consumers

What can be done to correct such difficulties?

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f. What other phases of the distribution process are significant, and what comments thereon seem pertinent?

3. It is requested that each sub-commission and the Requisition Branch of the Economic Section submit a report which will answer the questions and furnish the information outlined in para 2 above in so far as it pertains to those commodities and activities with which the respective sub-commissions and Requisition Branch are concerned.

4. UNRRA has expressed its appreciation and gratitude to this Headquarters for the material assistance which has recently been rendered by the sub-commissions and branches

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All S/Cs

October 1945

of the Economic Section in the preparation of data and information necessary to the future planning of the UNRRA program.

CHARLES W. WALTON
Colonel
Chief, Supply Division

Distribution

Action: Agriculture S/C
Commerce S/C
Food S/C
Finance S/C
Industry S/C
Labor S/C
PW & U S/C
Transportation S/C
WMD S/C
Requisition Sr.

Info: W.S.A
PETSEC

File
Float
Spare

Declassified E.O. 12356 Section 3.3/NND No. 185021

CONFIDENTIAL

FX 46974
DD 030903A

P/3693
OCT 032000
ROUTINE

4 OCT 1945
From See Distr
Copy to:

CONFIDENTIAL.

Tel in MAT 322. Advances of AM lire to French.

Further to MAT 297, French now agreed maintenance French forces in ITALY is separate from other French expenditures in ITALY. AFA has advanced 30 million lire to French payments under TAM 24 for troop maintenance for October.

French ask for 500 million lire for rest of French expenditures for remainder this year, this amount to be "guaranteed" by allocation in PARIS of 250 million francs in blocked account. Civil expenses (Embassies, etc.) would further be separated from military expenses (beyond troop maintenance) such as for refloating of French ships found in Italian ports and repair of French material taken in FRANCE by Italians. French say they intend to request application article 15 of armistice which required Italian Government to pay for salvage and repair of Allied ships.

Above request supersedes para 1 of MAT 297. Ref para 3 MAT 297, we do not consider provision funds for refloating French ships and for civil purposes is covered by narrow authority given in TAM 24. Please advise reply to be given French. If requested advances are approved, we recommend French be requested take unilateral action on franc blocked account & violate Italian Government thereof.

DIST
INFO -ACTION FINANCE OC
INFO CHIEF COMMISSIONER
RCON SEC 2
PTP & FLOAT 3

4 OCT 1945

CONFIDENTIAL

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

Ref. 210/12/Tn.2 21 September 1945

SUBJECT: Press Release on Allied Commission Accomplishments.

TO : Executive Commissioner.

1. Reference your letter reference number 9268/110/E.C.

2. Considerable advances have been made in Italy's civilian transportation system since May, 1945. As a result, civilian freight and passenger traffic has increased greatly. Monthly railroad civilian freight tonnage on the Mainland in Italian Government territory was more than doubles between April and August, and the 347000 tons carried in the latter month was 27% of the 1939 monthly tonnage carried in the provinces included in Italian Government territory. In Sardinia civilian railroad freight tonnage was 32% greater in August than in April and 95% greater than the 1939 monthly

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3. The state of railroad passenger equipment is not satisfactory, but notable improvements have been made. In August 64 trains moved 83,615 refugees. At the present time through passenger trains are operating between Reggio Calabria and Rome and between Rome and Alessandria, so that it is literally true that passengers are now carried by rail from the extreme south to the nprthern borders of Italy.

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4. With the completion of military redeployment, the capacity of the Italian railroads for civilian traffic will increase greatly. Since indication of what may be expected may be inferred from the decision of A.F.H.Q. in August to increase the number of freight cars for civilian loading from 800 to 1000 daily.

5. Coastwise shipping and schooners which in April carried only about 30,000 tons of freight hauled more than 125,000 tons in August.

6. Similar progress has been made in highway transportation, but lack of precise statistics precludes quantitative comparison.

7. Notable progress has been made in the repair of rail transportation, road facilities and equipment. In addition to repairs and reconstruction performed by the Military Railway Service, financial approval has been granted for the expenditure of more than 2,400,000,000 lire on railroad projects sponsored by the Allied Commission. Many of those projects have already been completed and the rest are in progress of completion. About ⅓ of the approximately

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FRANK UPMAN, Jr.
Director.

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