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AC/TN/R28

10000/148/2580
(VOL. III)

ROADS
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10000/148/2588
VOL. III)

ROADS GENERAL FILE
SEPT. - DEC. 1944

★
 ADVISORY ALLIED COMMISSION
 APO 394
 AGRICULTURE SUB-COMMISSION

Transportation
 JHC/ctm

Tel. 489081, Ext. 215
 AGR/379.5

R/28 28 December 1944

SUBJECT: Transport of "SAMBA" for Oil Extraction

TO : Ministry of Industry, Labor and Commerce
 Ministry of Agriculture and Forests

1. Attached is a copy of a letter received by this Sub-Commission from the Consorzio Nazionale degli Industriali Produttori di Olio dalle Samsa.

2. It is suggested that in view of the terms of the Decree of 21 October 1944 covering the production of "Samsa" oils, the two Ministries study the figures included in the above letter with a view to establishing:

- a. The accuracy of the quantities mentioned.
- b. The degree of priority which, in their opinion, should be attached to the transportation of "Samsa" by road and rail.
- c. The amount of road transport available from the extraction establishments and suggestions as to what local road transport can be provided, such as carts.

3. As all edible oil production is of great importance, this Sub-Commission would be glad to have a reply as early as possible.

4. Please return the attached schedules for consideration by our Transportation Sub-Commission.

LELAND G. ⁶²⁷¹ ALBRIGHT
 Director

Enclosures:

Ltr No. 3708, 19 Dec 44
 Schedules (to Ministry of
 Industry, Labor & Commerce)

Distribution:

Industry Sub-Commission
 Food Sub-Commission
 Transportation Sub-
 Commission (checked)

TRANSLATION

EM

CONSORZIO NAZIONALE
DEGLI INDUSTRIALI PRODUTTORI
DI OLIO DALLE SANSE

R O M E

Via Tomselli, 132

Rome, December 19, 1944

File No. 3708

TO: The Allied Commission
Agriculture Sub-Commission
R O M E.

SUBJECT: Transport olive marc of current olive season.

As the Sub-Commission is aware, the Ministerial Decree of October 16, 1944 blocks at the oil mills all quantities of virgin olive marc remaining after milling the olives allotted this Consorzio, which, according to the Decree in question, has to see to the distribution of said quantities to plants for extraction by solvents.

Naturally, full realization of said distribution necessitates considerable transport means by road, rail and, to a lesser extent, by sea, during the present olive season, which, already started, will last until to the end of March next year.

It should be added that, as is well known, there should be no delay in transport as otherwise oil for edible use can no longer be extracted owing to increase in acidity making processing impossible.

In this respect, the branch offices of this Consorzio - specifically those of Rome, Bari, Naples, Reggio Calabria, Catania and Sassari - have recently contacted with the competent Regional Allied Commissions in order to organize in the best possible manner the question of transport, outlining the necessary requirements for goods transport. In some regions agreements have already been made in this regard, even though on a reduced scale, and trucks and rail-cars have been assigned and, in different localities, put into operation.

The intensification in the olive season and the public importance as regards victualling of the country, make it necessary for this Consorzio to put the matter before the Commission showing its importance and urgency, so that the proper instructions may

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8270
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The intensification in the olive season and the public importance as regards victualling of the country, make it necessary for this Consorzio to put the matter before the Commission showing its importance and urgency, so that the proper instructions may be given to the Regional Commissions in order that they, considering the object of the transport in question, may facilitate it as far as possible, compatible with the means at present available and the needs of the moment.

So that the Commission may have a comprehensive idea of the problem, we indicate below the quantities of olive marc which have to be transported in Lazio, Calabria, Apulia, Lucania, Campania and Sicily, and the eventual transport means required.

As will be seen, no data are given on transport by trucks in Sicily, as in the contacts our representatives had in that region with the competent offices, they were informed that it is impossible to assign motor trucks for the transport of olive marc, but since this would seriously affect processing of the said marc in the Sicilian region, this Consorzio, while it assures us that within a few days it will furnish precise information in regard to the motor transport required in this Island, in the meantime requests the Commission to forward instructions to modify the stand taken by the said offices.

Instructions on the same lines would also be necessary for the Province of Naples, where the competent Office of the Allied Commission does not consider it possible to grant any autotransport for the purpose.

(1) LAZIO (up to March, 1945)

Olive marc to be transported by truck	138,350 qts.
" " " " rail	91,810 "
Rail cars (carloads) required: 359	

(2) CALABRIA (up to March, 1945)

Olive marc to be transported by truck	200,000 "
" " " " rail	170,000 "
Rail cars (carloads) required: 1,095	

(3) APULIA and LUCANIA (up to March, 1945)

Olive marc to be transported by truck	8269 "
" " " " rail	740,000 "
Rail cars (carloads) required:	569,550 "

Ferrovia Stato	2,601
" Sud-Est	545
" Calabria Luc.	712
" Gargano	168
Total	4,026

Olive marc to be transported by sailing boats or motor boats: 56,000 qts.

(4) CALABRIA (excluding the Province of Naples for which precise data will be given later)

Instructions on the same lines would also be necessary for the Province of Naples, where the competent Office of the Allied Commission does not consider it possible to grant any autotransport for the purpose.

(1) LAZIO (up to March, 1945)

Olive marc to be transported by truck	188,350 qls.
" " " " rail	91,810 "
Rail cars (carloads) required: 859	

(2) CALABRIA (up to March, 1945)

Olive marc to be transported by truck	200,000 "
" " " " rail	170,000 "
Rail cars (carloads) required: 1,095	

(3) APULIA and LUCANIA (up to March, 1945)

Olive marc to be transported by truck	740,000 "
" " " " rail	569,550 "
Rail cars (carloads) required:	

Ferrovia Stato	2,601
" Sud-Est	545
" Calabria Luc.	712
" Gargano	168
Total	4,026

8289

Olive marc to be transported by sailing boats or motor boats: 56,000 qls.

(4) CAMPANIA (excluding the Province of Naples for which precise data will be given later)

Olive marc to be transported by truck	61,553 qls.
" " " " rail	161,450 "
Rail cars (carloads) required: 1251	

(5) SICILY

Olive marc to be transported by rail	62,050 "
Rail cars (carloads) required: 498	

3.

A clearer idea of transport requirements can be obtained from attached schedules.

Trusting to be able to send, as soon as available the data regarding the regions so far not checked, it is hoped that this Commission will give its attention to the matter for proper instructions to the Regional Commissions.

Thanking you in anticipation,

THE MANAGER

(G. Coppola)

8208

Mod. 6

CIV. CENSORSHIP GROUP - ITALY

LUOGO ROMA
RISERVATA
N. di prot. 5791

UFFICIO DI CENSURA

R.T

MITT. SENZA MITTENTE
DEST. S.E. SOLERI Marcello
Ministro del Tesoro
ROMA

Indicare il luogo del timbro postale quando manca l'indirizzo.

DATA DI COMUNICAZIONE O DEL TIMBRO POSTALE SE LA LETTERA E' SENZA DATA	TIPO DI POSTA	NUMERO DELLA RACCOMANDATA	LINGUA	PERVENUTA CENSURATA DA	ALLEGATO
1/11/44	ordin.	=	Ital.	=	=
ANNOTAZIONI PRECEDENTI	SEGNALAZIONI LOCALI		SEGNALAZIONI DEL C. C. S.		
5100	P.W.B. INFO.DIV.A.C.C.				
ORIGINE					
CENSURA ITALIANA X CENSURA ALLEATA					
	TRATTENUTA RECISA FOTOGRAFATA INVIATA CON COMMENTO		PROVVEDIMENTO ADOTTATO: INOLTRATA TOLTA DAL CORSO AL MITTENTE		

OSSERVAZIONI

EXCESSIVE PROFIT OF THE GROUP-CHIEFS DEPENDING ON THE

TRANSPORT OFFICE

It is simply shameful to allow the so-called Group-Chiefs depending in the Transport Office, to earn daily fancy amounts of money, without any effective activity.

These "Group-Chiefs" engage, for account of the Transport Office, the food office (Annona) etc. motor-vehicles for food transportation.

One of them, G. BONANICO who has engaged about 700 motor-vehicles, wi earns about 100.000 lire a day. The others' profit is proportional, wi with a minimum of 10.000 lire daily.

These transport office would be able to give the exact number of these Group-Chiefs, if called for by an Official investigation, and the Group-Chiefs themselves could enlighten it with the names of their "engaged" friends, who have been so far uncollected contributors.

6267

Indicare il luogo del timbro postale quando manca l'indirizzo.

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1/11/44	ordin.	=	Ital.	=	=
ANNOTAZIONI PRECEDENTI	SEGNALAZIONI LOCALI	SEGNALAZIONI DEL C. C. S.	PROVVEDIMENTO ADOTTATO:		
5100	P.W.B. INFO.DIV.A.O.C.C.		TRATTENUTA RECISA FOTOGRAFATA INVIATA CON COMMENTI		
ORIGINE					
CENSURA ITALIANA X					
CENSURA ALLEATA					

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CENSORE 4112

REVISORE 4154

Data d'esame 6/11/44

Avviso speciale

R I S E R V A T A

Mod. 6

CIVIL CENSORSHIP GROUP - ITALY

LUOGO ROMA

RISERVATA

UFFICIO DI CENSURA

N. di prot.

MITT.	DEST.			
SENZA MITTENTE	S.E. SOLERI MARCONI Ministro del Tesoro			
ROMA		ROMA		
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DATA DI COMUNICAZIONE O DEL TIMBRO POSTALE SE LA LETTERA E' SENZA DATA	TIPO DI POSTA	NUMERO DELLA RACCOMANDATA	LINGUA	PERVENUTA CENSURATA DA
1-11-44	ORD.	-	it.	-
ANNOTAZIONI PRECEDENTI		SEGNALAZIONI LOCALI	SEGNALAZIONI DEL C. C. S.	
5100 P.C.S.	PWB	INFO. DIV. ACC.		
ORIGINE		PROVVEDIMENTO ADOTTATO:		
CENSURA ITALIANA I	RECISA		TRATTENUTA	INOLTATA
CENSURA ALLEATA	FOTOGRAFATA		INVIATA CON COMMENTO:	TOLTA DAL CORSO
				AL MITTENTE

OSSERVAZIONI

LUCRI SINPOPOSITATI DEI CAPO GRUPPO DELL'ENTE TRASPORTI

E' semplicemente vergognosa la cifra giornaliera cui ammontano i lucri dei cosiddetti Capo Gruppo dipendenti dall'ENTE TRASPORTI di ROMA, per esercitare una funzione assolutamente parassitaria.

Questi "Capo Gruppo" ingaggiano mezzi automobilistici di varia portata per eseguire, per conto dello stesso Ente, Ancona, ecc. trasporti di generi alimentari.

Ad esempio: il Capo Gruppo G. BONALICO (che ha ingaggiato circa 700 automezzi) lucra netto L. 75.000/100.000 al giorno. Gli altri "Capo Gruppo" lucrano in proporzione con un minimo di lire diecimila giornaliere.

L'ENTE TRASPORTI potrà fornire nominativi precisi di questi capo gruppo ed una ispezione presso gli stessi capo gruppo potrà dare i nominativi degli "ingaggiati" per fornire altrettanti contribuenti finora sfuggiti a qualsiasi accertamento.

DATA DI COMUNICAZIONE O DEL TIMBRE POSTALE SE LA LETTERA E' SENZA DATA	TIPO DI POSTA	NUMERO DELLA RACCOMANDATA	LINGUA	PERVENUTA CENSURATA DA	ALLEGATO
1-11-44	ord.	-	it.	-	-
ANNOTAZIONI PRECEDENTI	SEGNALAZIONI LOCALI	SEGNALAZIONI DEL C. C. S.	PROVVEDIMENTO ADOTTATO:		
5100 P.C.S.	PWB INFO. DIV. ACC.	-	TRATTENUTA RECISA FOTOGRAFATA INVIATA CON COMMENTI		
ORIGINE	I				
CENSURA ITALIANA	I				
CENSURA ALLEATA	I				

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CENSORE 4112 REVISORE 4154 Data F. 6/11/44

Avviso speciale R I S E R V A T A

AGP/hl

R/28

HEADQUARTERS
ALLIED CONTROL COMMISSION
Transportation Sub-Commission
APO 394

Tel. 478761
Our Ref: AGC.Tn/176/61

25 October 1944

TO : Finance Sub-Commission

SUBJECT: Finance and the Documentation of Rail Traffic

1. The attached is a copy of a document submitted to Economic Section on 18 September.
2. It is hoped that a satisfactory plan can be evolved at an early date in order to re-establish correct economic procedure in regard to rail freight conveyance.
3. Until this item is satisfactorily settled, the findings of the Price Group of Economic Section will not be facing full facts in giving consideration to application for increased prices.
4. This Sub-Commission is asked by Economic Section to consult with Finance Sub-Commission in order to tie the matter up and arrange an introduction of a scheme whereby freight conveyed by rail is satisfactorily based on cost of movement.

f-acting Capt
D.S. ADAMS
Colonel, C.E.
Director, Tn.Sub.Comm.

Copy to: Economic Section

Enclosures: (Copy of Document to
Vice President, Econ. Sec.)

Copy: Roads Section

6265

ACF/ba

HEADQUARTERS
ALLIED CONTROL COMMISSION
Transportation Sub-Commission
APO 394

10 September 1944

Tele : 478701

AGC Wn/176

SUBJECT : Finance, and the Documentation
of Rail Traffic.

TO : VICE PRESIDENT ECONOMIC SECTION

1. When the Allied Armies landed in Italy, the Armistice terms required that the Italian Authorities would make available for Allied use all naval, military and air installations, all power stations, oil refineries, public utility service, all ports and harbours, all transport and intercommunication facilities and equipment and all such other installations facilities or stocks as might be required by the United Nations.

2. So far as rail transport was concerned, it was arranged that Allied traffic should be freight warrantable on form AB 497a, and instructions were issued by movements, Adv Adm Ech AWHQ, by Working Instruction 14 dated 15 Nov 43 to cover the issue of such warrants.

3. Paragraph 4 of that instruction said: "Traffic for British Army, RAF, and RN may appear on the same warrants. Separate warrants will be made out for US Traffic or AMG traffic and headed accordingly."

4. Thus the forwarding of AMG traffic was covered by RFO's issuing freight warrants, but in those days only bare essential traffic passed to ensure feeding of the people, and no real adjustment of finance in respect of the cost of commodities was in existence.

5. Early in January, Transportation Sub Commission became interested in the necessity for providing a means of forwarding purely AMG/AGC traffic - i.e. the possessions of AMG/AGC, such as desks, tables, files, etc, which might be moved from one point to another by rail. It was visualised that Military RFO's would be withdrawn, and that no facilities would be available for free forwarding of such traffic as required by the terms of the armistice.

6. Therefore, a scheme was evolved whereby Regional Officers should receive books of freight warrants, to be held against the time that such type of traffic should be required to pass. The most important phrase in those instructions was that set out in Part 1, of the instructions which read as under:-

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620
7. "Movements of civilian traffic (freight and passenger) under tariff charges are subject to the normal documentation procedures of the Italian Railway Administration, and none of the provisions of part 12 hereof concerning documentation of movements of traffic (freight and passenger) free of tariff charges, for AMG/ACC has any application to such civilian traffic. IT IS EXPECTED THAT MOST TRAFFIC ARRANGED BY AMG/ACC WILL MOVE UNDER TARIFF CHARGES."

-2-

8. Unfortunately, it appears that no attempt was made to obtain any definition as to what traffic was in fact to be conveyed under tariff charges. Whilst the hope was expressed that all traffic except the purely domestic movements of ACC-owned goods would travel under tariff charges, there was no real basis on which to advance such a premise. As soon as the books of warrants were issued, Supply Officers proceeded to use them for supplies moved. Everything which passed out of the Food Sub Commission warehouses, wherever it was destined, went on these warrants. What happened, in effect, was that instead of Military RFO's issuing the warrants, the ACC/ANG officers performed the task, and in real truth it was not done so effectively, because the system of documentation was not enforced, and some traffic went on the ACC warrants, some on military warrants, and some on US Army waybills, according to the convenience of the despatcher.

9. In point of fact, the proposals were abused. Military RFOs are at most stations, and by leaving them to issue the warrants, a satisfactory system of documentation and recording was in existence. With the hybrid substitution of a scheme which was never intended as a substitute, numerous difficulties obviously arose. The freight warrant requires freight car numbers to be inserted, and it must be quite obvious that a book of freight warrants could not be sent to all stations to be kept in case ACC/ANG traffic was to be moved, and an ACC/ANG officer sent to the station to complete the warrant. Moreover, for some reason, the RFO system of despatching the warrants was altered, in that whereas the military retained the 4th copy, ANG officers retained the first copy.

10. Thus, we now have throughout Italy a vast quantity of traffic passing on free freight warrants, some of it civilian, some of it ACC sponsored, some of it purely ACC, but none of it fulfilling the original intention of moving free because it was a domestic article belonging to ACC.

11. There is a vast territory of Italy now liberated, and an entirely false picture of the economy is built up. The railways, in the main, part of the State, are subsidised for the conveyance of free traffic, when they should be collecting charges to offset their terrific deficit. They are called upon to subsidise the movement of traffic, and whilst the contention can be put forward that it is all the Government's purse, a false picture is painted of the state of industry and agriculture and food distribution whilst the railways continue to subsidise such movement.

12. Road transport has been put on a satisfactory basis, whereby everything passes on tariff charges, even ACC traffic. There is thus an obvious tendency to send traffic by rail, because it is

enforced, and some traffic went on the ACC warrants, some on military warrants, and some on US Army waybills, according to the convenience of the despatcher.

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12. Road transport has been put on a satisfactory basis, whereby everything passes on tariff charges, even ACC traffic. There is thus an obvious tendency to send traffic by rail, because it is free and the question of payment for movement can be avoided.

13. It is therefore suggested that immediate steps be taken to cancel the existing free freight warrant system, and that for all traffic being moved, the appropriate railway consignment note should be made out, and the traffic charged. Where any item is purely domestic to ACC, such as tables and desks already mentioned, the intention to move it will be sufficiently known in advance for provision to be made for its movement free by the issue of Freight warrants or by use of a system used by all railways for free conveyance.

14. For traffic to and from armies on purely military trains, the system of use of RTO freight warrants or US waybills should be re-introduced, and the military authorities requested to send details of their tonnage so conveyed each month to ACC.

D.S. ADAMS
Colonel, C.B.
Director, Tupt. S/O.

6202

D.S. ADAMS
Colonel, C.E.
Director, Tnpt. S/C.

6200

HEADQUARTERS
ALLIED CONTROL COMMISSION
Transportation Sub-Commission
APO 394

Ref. ACC/5052/9/Commerce

10 October 1944

WPE/elc

SUBJECT : Price Regulation

TO : Economic Section

1. Reference Ministry of Industry, Commerce and Labour letter of 16th September 1944, No. 1320, forwarded to this Sub-Commission for comment on Sept. 27th and returned herewith.

2. The Interministerial Committee for the regulation of prices, established by the Italian Government at the request of ACC has reached the conclusion that no rational program for the regulation of prices can be effective as long as the following circumstances exist:

I. a) Depreciation of the Lira, mainly due to the circulation of A.L. Lire and the spending power of Allied troops.

This is not a matter that comes within the province of the Commerce Subcommission.

b) Transport difficulties, both of passengers and goods, insufficient post and telegraph communication.

This is also a matter that does not concern this Subcommission.

c) Insufficient coordination of prices and of purchases by central and local Allied authorities.

This may be overcome if the Interministerial suggestion submitted in para. II a) is adopted.

II. The Interministerial Committee makes the following suggestions:

e) purchase by Allies

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c) Insufficient coordination of prices and of purchases by central and local Allied authorities.

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II. The Interministerial Committee makes the following suggestions:

a) purchase by Allies

8261

- For Italian administered territories institution of mixed commissions (Italian and Allied) to fix prices of certain products.

- For AMG territories, that the Allied Forces take the prices fixed in liberated territories as their basis, adjusting them to meet local conditions with the local Italian authorities. That an Italian functionary be attached to Allied Military Forces to maintain liaison.

Commerce Subcommittee is in agreement with these proposals but does not see the need of an Italian liaison officer.

b) The general policy on prices recommended by the Interministerial Committee is the following:

- 1) Limit the control and the price fixing of food to those of widest consumption for which both the control of collection and distribution are possible (grain and derivatives, maize, oil, fats, milk and derivatives).
- 2) Clothing: limit control to distribution of the most important, both as regards stocks and new production.
- 3) Medicinal goods: fix prices and establish an efficient distribution.
- 4) Fix prices of raw materials essential to industries (fuel, metals, building materials, wood, fertilizers, etc.).
- 5) Control prices and tariffs of public services (gas, light, water).
- 6) Preferential transport and prices for supplies to cooperatives, industrial messes and shops, etc.
- 7) Make the local authorities (Chamber of Commerce, Industrial and Commercial Provincial Offices, Prefectures, Communes) responsible for the discipline and control of prices and distribution in the various spheres and within the limits laid down by the Government.

8) Issue instructions to the Prefectures so as to eliminate interprovincial obstacles.

9) Strict observance of regulations concerning sales (licenses, invoicing, regulation of consumption, issue new instructions if necessary.

The Commerce Subcommission is in agreement with all the suggestions made in para. 1 to 9 with the exception of para. 6) which lend itself too much to abuse.

III. The Interministerial Committee in submitting the above proposals makes them subject to the following section by ACC:

a) Coordination of prices to be established by the Allied Military Forces, Italian Government and local authorities defining the sphere of each;

b) Organisation of collection and distribution on the home market to be the responsibility of the Italian authorities whether national products or imported thus avoiding duplication or overlapping with ACC;

c) Limit purchases by the Local Resources Board to the minimum possible, especially avoiding uncontrolled direct purchases;

d) Establish a new basis for sea transport and increase the number of sailing ships available for Italian civilian transport;

e) In agreement with the Italian Government regulate prices of goods imported and exported in relation to locale and international markets;

f) Assign a good number of Allied motor transport to certain agreed corporations;

g) Ensure a larger availability of railway trucks to the Ministry of Communications and a supply of tyres and spares for civilian motor transport;

with all the suggestions made in para. 1 to 9 with the exception of para. 6) which lend itself too much to abuse.

III. The Interministerial Committee in submitting the above proposals makes them subject to the following section by ACC:

- a) Coordination of prices to be established by the Allied Military Forces, Italian Government and local authorities defining the sphere of each;
- b) Organisation of collection and distribution on the home market to be the responsibility of the Italian authorities whether national products or imported thus avoiding duplication or overlapping with ACC;
- c) Limit purchases by the Local Resources Board to the minimum possible, especially avoiding uncontrolled direct purchases;
- d) Establish a new basis for sea transport and increase the number of sailing ships available for Italian civilian transport;
- e) In agreement with the Italian Government regulate prices of goods imported and exported in relation to locale and international markets;
- f) Assign a good number of Allied motor transport to certain agreed corporations;
- g) Ensure a larger availability of railway trucks to the Ministry of Communications and a supply of tyres and spares for civilian motor transport;

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h) Ensure assignment of fuel and oil necessary for the complete utilization of motor transport.

The Commerce Subcommission is in agreement also with the above suggestions.

Copies of this letter are being sent to all the SubCommissions of the Economic Section and it is suggested that a meeting be called in order that all may express their views and a decision be arrived at.

In view of the suppression of the Price Section of the Commerce Subcommission recommended by the Manpower Committee it is assumed that any further action in the matter and necessary coordination with the Italian Government will be taken by whatever section will handle prices in future.

Copy to:
Industry S/C
Food S/C
P.W. & U. S/C
Agriculture S/C
Labour S/C
Finance S/C
Transportation S/C
File No. 5051

S.P. EVANS
Colonel
Director
Commerce S/Comm.

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File No. 5051

W.P. EVANS
Colonel
Director
Commerce S/Comm.

R/28

TIMOTHY BEEBE MURRAY

CATHY 2nd September 1944

Twenty-five American paratroop-officers who made a forced landing on Serbian territory, have taken off from an airfield in Serbia and have arrived in Paris. On all sides they declare that the national uprising proclaimed by General Mihailovich has met with full success.

Mihailovich's troops have the whole Serbian territory in their power. They have subdued all resistance in the valley of the Tisza-River and have occupied the town of Lajevac and Kijevac near the Hungarian-Serbian frontier. General Mihailovich sent a delegation across the Danube for the purpose of establishing contact with the Russian troops which have never crossed the Yugoslav frontier. The news that these territories have been occupied by Tito's troops are instant and without hesitation.

The concentration of Mihailovich's troops is being effected towards the Morava-River-Valley which is the main traffic artery from Salonique to Belgrade and through which the Germans are now withdrawing. According to the news of Bulgarian official communications these German troops are mounted to seventeen divisions. Mihailovich's troops are in continual battle with these German troops. According to the news broadcast of Rediffusion Radio Station, Mihailovich has taken 6000 prisoners and captured 40 cannons and 300 lorries loaded with arms and ammunition. On account of these battles, western Serbia was demoralized by Mihailovich's troops and this enabled Tito's troops to effect a break-through towards the territory in western Serbia between Valjevo and Uzice from northern Montenegro. This step in the back forced General Mihailovich to order the retreat of two armies from the Sanjakat and of one corps which was besieging Nisajev and would have easily taken the town. These corps struck Tito's troops in the rear and gave them a frightful drubbing. Those who got away are in flight towards the north of Serbia, where in the direction of Belgrade other troops of General Mihailovich which are concentrating around the capital are awaiting them. The wounded declare that Tito's columns have never suffered such a disastrous defeat, not even in their earlier attacks on Serbia.

From well informed sources we are informed that the American Military Mission with Colonel McDown at its head, has also confirmed the fact that the whole of Serbia is with General Mihailovich and that in spite of all propaganda of these untrue statements about the fighting in Serbia not one of Mihailovich's commanding officers and leaders has passed into Tito's camp and the affirmation that any-one of Mihailovich's men are collaborating with the Germans is an absolute lie.

Contrarywise, it is very true that the fighting against the Germans is conducted in Serbian territory by Mihailovich's troops only, absolutely loyal to the Allies; while Tito's partisans, wherever they may be on German territory, are only concerned with civil strife, abandoning the fight against the Germans and employing all Allied weapons and ammunition, which was given to them for the battle against the enemy against Mihailovich's troops to gain a victory in the civil war. This is also confirmed by correspondents of the Allied press who have been sent to the various fronts in Serbia. The people of Serbia are absolutely convinced of the final victory in the near future and are awaiting the arrival of Allied American

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and have occupied the town of Zajetch and an immense area near the Bulgarian-
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for the purpose of establishing contact with the Russian troops which are
we never crossed the Yugoslav frontier. The news that these territories
have been occupied by Tito's troops are incorrect and without foundation.

The concentration of Mihailovich's troops is being effected towards
the Morava-River valley which is the main traffic artery from Salonique
to Belgrade and through which valley the Germans are now withdrawing across-
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