

Declassified E.O. 12356 Section 3.3/NND No. 785015

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INDUSTRY & COMMERCE, PRICE CONTROL
FILE NO. 312.08
DEC. 1943, JAN. 1944

(info)
HEADQUARTERS
REGION 3
ALLIED MILITARY GOVERNMENT
APO 464, U.S. ARMY



SUBJECT: STEEL PRICES.

11 January 1944.

TO: Base Purchasing Agent, FBS.

1. On 14 December 43, you transmitted a proposal for new steel prices prepared by Dr. Scotti of the Economic Provincial Council of Naples and approved by the Engineer Officer and by D.D.W. British of AFHQ. It was stated that the proposed prices represented an increase of 70% over the previous legal prices.
2. Numerous conferences have been held with the E.P.C. and with representatives of the steel companies, and we have also discussed the matter with Col. Streck and Major Mc Donald of the Engineer Service. The conclusion has been reached that the proposed prices are unsound.
3. The prices recommended by the E.P.C. provide for increases substantially in excess of the 70%. They added to the previous legal prices three items:
 - a) An increase of 100% on the previous legal prices in lieu of subsidy from the Italian Government which it was alleged had not been paid to any extent on the stocks in question.
 - b) A charge of L.55.= per quintal equivalent to the "rough benefit" formerly paid to wholesaler, which benefit the manufacturers now wish to receive on the theory that they are taking the place of the wholesaler.
 - c) A charge of L.30.= per quintal for removal of the steel from demolished warehouses etc., which charge would be eliminated if the army removed the steel.
4. It is our conclusion that the previous legal prices should be paid at this time, and that the steel companies should file claims with the Allied Claims Commission for the subsidy, and any other aspects of the charge to which they believe they are entitled.
5. The representatives of the steel companies and the Economic Provincial Council of Naples have been advised of this decision. These prices are subject to revision by HQ, 15 Army Group.

6. The Economic Council is being requested to supply you with a list of legal prices.


GUY I. WARREN
Lt.Col., Director
Economics & Supply
Region 3

DISTRIBUTION:

- 2 A.C.C.
- 1 HQ. AMG. 15 Army Group
- 2 AMG. HQ. ✓
- 2 Base Purchasing Agent, PBS
- 1 HQ. 57 Base Area
- 1 D.D.W. British of AFHQ
- 3 AFHQ - ADV.ADM.ECH.
- 10 N.O.I.C. Royal Navy
- 1 Central Economic Committee, ADV.ECH.AFHQ.
- 1 AMG. 5th Army
- 1 Adjutant General
- 1 Economics & Supply
- 1 Labor
- 1 Public Relations
- 1 Public Safety
- 1 Legal
- 1 Allied Claims Commission (with Enclon)
- 2 Transportation Com. & Util.
- 1 The Prefect, Naples
- 1 Consiglio Provinciale d'Economia

2 copies to Gen. H. H.

312.08

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
APO 394

4 January 1944

SUBJECT: Transmission of Papers

TO : Hq. 15 Army Group, A.M.G.

1. The attached papers are forwarded for the attention of the D.C.C.A.O. at the request of Lt. Col. Harvey Garry.

CHARLES H. SPOTFORD
Colonel, G.S.C.
D.C.C.A.O., AMG, HQ.

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PRIORITY

29 December 1943

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Confirm that representatives your Headquarters will attend price control discussions here Naples three one current month.

J. F. NICKEL,
Lt. Col. AGO
Adjutant General

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