

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

785017

ACC

10000/109/735

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

785017

10000/109/735

ECONOMICS & ECONOMIC FILE
NOV. 1944 - JAN. 1947

Declassified E.O. 12356 Section 3.3/NND No. 785017

076

Ex Comms 146
 att. attached folio 142-145 for info on status of food
 shipment to from U.S. on 11/11/44 + FEA amounts
 H. 12/12 5/14
 1/2/44

147

Chief Commissioner.

100-100

Information
 Attached is submitted for your ~~approval~~
~~signature~~

934

FEB 27 1945
 + 2 35

MR (282)

✓

Ex Comms 153
 att. Please see folio 148-152 on USRAA telephone conversation
 with Washington. This is for
 5/14 11/13
 2/3/44

11/13

163 4

Ex Comms 160 + 161
 att. folios on telephone conversation with Washington
 and folio 162 for info.
 5/14 11/13
 2/3/44

MR (282)

164

165

934

FEB 27 1966
4 2 35

NR 282

Ex Comm:

153

ccs. Please see Folios 148-152 on URRAT telephone conversation with Washington. H.S. 913

SPH 8/3/46

78/9/3

163 x

Ex Comm:

ccs. Folios 160 & 161 on telephone conversation with Washington and Folios 162 for info.

SPH 8/3/46

NR 292

164

Ex Comm:

ccs. Folios 155-159 are 6 Man telephone conversation, URRAT to Washington for info.

SPH 8/3/46

NR 143

938

NR 133

166
WSA Rome + M WTR were deleted from signal distribution per telephone conversation May 1965. May Smith in accordance with advice of C.C. F.S. was offered request from URRAT for distribution of news cables to them. There are no objections to this from this office.

SPH 1/7/66

SPH

785017

Ex Comm
 attached follows ¹³³ concerning a telephone conversation
 with Washington. H.S. 612
 SPH
 5/2/46

Chief Commissioner

Attached is submitted for your ^{approval} signature
 information.

3/1 11/6/2

Please return for cc info on 18 Feb.

FEB 21 1946
 1515
 936

Ex Comm,

+ 137-139 for info. Do you wish?
 that copies should always go to G-5.

Yes please - ask Ecom Sec to put
 them on the list. H.S. 1912

140
 H.S. 2312

Chief Commissioner

Attached is submitted for your ^{approval} signature
 information.

FEB 21 1946

935 1645

934

102-5

100. Please see files 104-101
103

SPH

Chief Commissioner.

100

Approved
Attached is submitted for your information

JAN 3 1960
REC'D

100-81

PR

111

Ex. Com.

100. Please see files 104-110 on notes of telephone
conversations to London & Washington.

100-201

100-261

SPH
25/1/60

Ex. Com.

100 Please see files 104-115 on telephone conversation
notes.

100-291

SPH
25/1/60

Chief Commissioner.

117

100-201
100-261
100-291

Ex. Com.

111

cc's. Please see folios 104-110 on notes of telephone conversations to London & Washington.

SPH.
25/1/46

MS. 2611

Ex. Com.

112

cc's Please see folios 111-115 on telephone conversation notes.

MS. 2911

SPH.
25/1/46

Chief Commissioner.

15

Approved is submitted for your signature information

17

F.C.

118

It seems to me that this is adequate proof of the fact that the entire 932, out of 119, should not be lost.

119

Letter to resume.

MS. 112

932

Do not place call. I will move to my office and work there.

Handwritten: 100-40

92

92 Please see 91 for info.

sketch

3/1/46

Handwritten: 100-40

97

97. 93-96 are very lengthy but I believe should be read when you have time for info.

sketch

5/1/46

Declassified E.O. 12356 Section 3.3/NND No. 785017

931

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

785017

CLO

48

Ref folio 47 - book 7m. 5/6 + Census 5/6 say
no action necessary 26/10/65 26/10/65

37

TO: C.S.O.

As to subject of a reply to Mr. Kirk's request (minute 34, 35 and 36) C.A. Sect stated today that they will have information sent to this office tomorrow for our dispatch.

6 Feb 45.

Richi Today

1013

Major.

by 7/2

39

C SO: There is attached a memorandum prepared by CA section setting out the information asked for by Mr. Kirk. See also Col. Gripps note on folio 38. This memo is satisfactory to send forward to Mr. Kirk attached to transmitted letter signed by C.C. QC 8/2

40

Mr. Richi

All with presence 20/10/45

to 22-2-45

by 5/2

41

See to CC

FILE 13 1000

34. C 50: There is attached a Memorandum prepared by CA section setting out the information asked for by Mr. Kirk. See also Col. Cripps note on folio 38. This Memo is satisfactory to and forwarded to Mr. Kirk attached to transmitted letter signed by C.C. JCH 3/12

40

Mr. Birch

All info please refer to

to 24.2.23

1/2

41

So to cc

RECEIVED
FEB 11 1923

The first answer to 22 is
recommenced by CC's diary entry
to W.D. an interim reply

at 23.

1/2

NOTE: Signed by C.C. and satisfactory

12 Feb 23

Major Rively:

27 noted. To meet chase this time a proper reply to 22 has still to be sent and C.O. must be kept informed.

17/1

Major Talbot.

L.O. to C.O.:

To see folio 36 and referenced folios, - then return.

24/1

Major Rively

Major Rively:

Noted. Please follow through on it.

24/1

Major Dunlop

CO: See folio 37 and 27.

In view of C.O.'s memo to COS (see folio 24) and C.O.'s interim reply to Mr. Kirk (folio 27) can this matter of replying to Mr. Kirk's letter (folio 22) be taken up at COS meeting and settled between SA and Room Sections as to who will reply? Our letter to Tacon Sec (copy to SA Sec) folio 30 is our latest directive.

25/1

Major Rively

CO: C A Sec will supply the information from their DP & R S/C and W S/C and consult with Mr. Cleveland and have it submitted in form of a report replying to Mr. Kirk's letter for C.O.'s signature very shortly.

26/1

Major Rively

Major Rively:

12.

Noted. Please follow through on it.

21/1

Major Quayle

CDO: See folio 34 and 27.

13.

In view of C.G.'s memo to COS (see folio 21) and C.G.'s interview reply to Mr. Kirk (folio 22), can this matter of replying to Mr. Kirk's letter (folio 22) be taken up at COS meeting and settled between DA and Secn Sections as to who will reply? Our letter to Secn Sec (copy to DA Sec) folio 20 is our latest directive.

25/1

Major Rively

15.

CDO: C A Sec will supply the information from their DP & R S/O and PH S/O and consult with Mr. Cleveland and have it submitted in form of a report replying to Mr. Kirk's letter for C.G.'s signature very shortly.

26/1

Major Rively

16.

Major Rively:

Good - but make it really very shortly because it is becoming a bit of a farce.

27/1

Major Talbot

Capt Odum

Ref your request for an explanation to folio 9.

The letter was delivered direct to Miss Russell and taken into the OCS.

S Enc 44

S/ S. Thompson, S/Sgt.

TO: C S O

The letter which begins at page 8 is one of the most interesting commentaries on local conditions that has come in. We have asked Econ Sec (Capt McFarlane) to review the criticisms objectively and obtain comments from Toscana Region.

The COS query at 9 is explained in minute 11 above.

6 Dec 44

Lm 12/12

encl
Captain

14. (Econ Sec)
 Report Macnemannara, 1 telephoned To say
 that the matter (see 1210) had been
 given To Toscana Region. No further
 action pending in reports from Econ Sec

encl
12/12

15.

C.S.O.: see folio 10. Econ. Sect. have sent an officer to accompany Lt. Col.
 Frost-Jones on a visit-interview to this man. Thompson, they will report. 12/12

✓ 90

6 Dec 74

12/12

and
Cantabrigia

14. (Econ Sec.)
Report Macnamara's ¹ telephoned to say
that the matter (see p 10) had been
given to Joseana Region. No further
action pending a report from Econ Sec.

15.
C-50: see folio 10. E com. Sect. have sent an officer to accompany Lt. Col. Frank-James on a visit-interview to this man. Thereupon they will report. *WFL* 22/12

CSO: to read par. 4 and 5 of folio 17 for info. 9/25/12 19.
9/28/12

26

Cos Pl. see CC's notes (p 24) see index

CSO: for COS to see 27.
 28.
 29.
 30.
 31.
 32.
 33.
 34.
 35.
 36.
 37.
 38.
 39.
 40.
 41.
 42.
 43.
 44.
 45.
 46.
 47.
 48.
 49.
 50.
 51.
 52.
 53.
 54.
 55.
 56.
 57.
 58.
 59.
 60.
 61.
 62.
 63.
 64.
 65.
 66.
 67.
 68.
 69.
 70.
 71.
 72.
 73.
 74.
 75.
 76.
 77.
 78.
 79.
 80.
 81.
 82.
 83.
 84.
 85.
 86.
 87.
 88.
 89.
 90.
 91.
 92.
 93.
 94.
 95.
 96.
 97.
 98.
 99.
 100.
 101.
 102.
 103.
 104.
 105.
 106.
 107.
 108.
 109.
 110.
 111.
 112.
 113.
 114.
 115.
 116.
 117.
 118.
 119.
 120.
 121.
 122.
 123.
 124.
 125.
 126.
 127.
 128.
 129.
 130.
 131.
 132.
 133.
 134.
 135.
 136.
 137.
 138.
 139.
 140.
 141.
 142.
 143.
 144.
 145.
 146.
 147.
 148.
 149.
 150.
 151.
 152.
 153.
 154.
 155.
 156.
 157.
 158.
 159.
 160.
 161.
 162.
 163.
 164.
 165.
 166.
 167.
 168.
 169.
 170.
 171.
 172.
 173.
 174.
 175.
 176.
 177.
 178.
 179.
 180.
 181.
 182.
 183.
 184.
 185.
 186.
 187.
 188.
 189.
 190.
 191.
 192.
 193.
 194.
 195.
 196.
 197.
 198.
 199.
 200.
 201.
 202.
 203.
 204.
 205.
 206.
 207.
 208.
 209.
 210.
 211.
 212.
 213.
 214.
 215.
 216.
 217.
 218.
 219.
 220.
 221.
 222.
 223.
 224.
 225.
 226.
 227.
 228.
 229.
 230.
 231.
 232.
 233.
 234.
 235.
 236.
 237.
 238.
 239.
 240.
 241.
 242.
 243.
 244.
 245.
 246.
 247.
 248.
 249.
 250.
 251.
 252.
 253.
 254.
 255.
 256.
 257.
 258.
 259.
 260.
 261.
 262.
 263.
 264.
 265.
 266.
 267.
 268.
 269.
 270.
 271.
 272.
 273.
 274.
 275.
 276.
 277.
 278.
 279.
 280.
 281.
 282.
 283.
 284.
 285.
 286.
 287.
 288.
 289.
 290.
 291.
 292.
 293.
 294.
 295.
 296.
 297.
 298.
 299.
 300.
 301.
 302.
 303.
 304.
 305.
 306.
 307.
 308.
 309.
 310.
 311.
 312.
 313.
 314.
 315.
 316.
 317.
 318.
 319.
 320.
 321.
 322.
 323.
 324.
 325.
 326.
 327.
 328.
 329.
 330.
 331.
 332.
 333.
 334.
 335.
 336.
 337.
 338.
 339.
 340.
 341.
 342.
 343.
 344.
 345.
 346.
 347.
 348.
 349.
 350.
 351.
 352.
 353.
 354.
 355.
 356.
 357.
 358.
 359.
 360.
 361.
 362.
 363.
 364.
 365.
 366.
 367.
 368.
 369.
 370.
 371.
 372.
 373.
 374.
 375.
 376.
 377.
 378.
 379.
 380.
 381.
 382.
 383.
 384.
 385.
 386.
 387.
 388.
 389.
 390.
 391.
 392.
 393.
 394.
 395.
 396.
 397.
 398.
 399.
 400.
 401.
 402.
 403.
 404.
 405.
 406.
 407.
 408.
 409.
 410.
 411.
 412.
 413.
 414.
 415.
 416.
 417.
 418.
 419.
 420.
 421.
 422.
 423.
 424.
 425.
 426.
 427.
 428.
 429.
 430.
 431.
 432.
 433.
 434.
 435.
 436.
 437.
 438.
 439.
 440.
 441.
 442.
 443.
 444.
 445.
 446.
 447.
 448.
 449.
 450.
 451.
 452.
 453.
 454.
 455.
 456.
 457.
 458.
 459.
 460.
 461.
 462.
 463.
 464.
 465.
 466.
 467.
 468.
 469.
 470.
 471.
 472.
 473.
 474.
 475.
 476.
 477.
 478.
 479.
 480.
 481.
 482.
 483.
 484.
 485.
 486.
 487.
 488.
 489.
 490.
 491.
 492.
 493.
 494.
 495.
 496.
 497.
 498.
 499.
 500.
 501.
 502.
 503.
 504.
 505.
 506.
 507.
 508.
 509.
 510.
 511.
 512.
 513.
 514.
 515.
 516.
 517.
 518.
 519.
 520.
 521.
 522.
 523.
 524.
 525.
 526.
 527.
 528.
 529.
 530.
 531.
 532.
 533.
 534.
 535.
 536.
 537.
 538.
 539.
 540.
 541.
 542.
 543.
 544.
 545.
 546.

(Draft)

40029

copy

MEMO

OUTSTANDING MATTERS BETWEEN ALLIED COMMISSION E.U. COMMERCE (FORCIGN
TRADE) SUB-DIVISION AND B.M.A.S OF O.T. AS AT 14 JANUARY 1947

A) TRIPOLITANIA -

1) Procurement of Tobacco Seed -

Signale and Letters still being used in dealings with the Italian Tobacco Monopoly will be handed over to British Embassy.

2) Import of Sheep from Tripolitania to Italy -

This matter is being handled by the Home Agents of "Consorzio Agrario Tripolitania".

B.M.A. has asked A.C. for assistance.

(File 5127/T refers)

3) Procurement of Textiles -

Capt. Browne of B.M.A. has been carrying out this assignment lately in Rome and Milan.

A.C.'s assistance with the Italian Authorities has been requested in connection with this first procurement and also for the 1947 overall programme.

(File 5127/T refers)

B) MODERNISE -

Procurement of materials and parts of machinery for

TANI factory, Rhodes.

Major Jemman, B.M.A. has handled this matter in Rome during December last with the Italian Tobacco Monopoly.

Assistance has been given by A.C. as requested. B.M.A.

927

2) Import of Sheep from Tripolitania to Italy -

This matter is being handled by the Rome Agents of "Consorzio Agrario Tripolitania".

B.M.A. has asked A.C. for assistance.
(File 5127/T refers)

1) Procurement of Textiles -

Capt. Browne of B.M.A. has been carrying out this assignment lately in Rome and Milan.

A.C.'s assistance with the Italian Authorities had been requested in connection with this first procurement and also for the 1947 overall programme.
(File 5127/T refers)

B) DOUCECANESE -

Procurement of materials and parts of machinery for TAMI factory, Rhodes.

927

Major Jesman, B.M.A. has handled this matter in Rome during December last with the Italian Tobacco Monopoly.

Assistance has been given by A.C. as requested. B.M.A. Doucecanese will be grateful if the shipments which are to be made by the Italian Tobacco Monopoly will be urged.
(File 5131/28 refers)

C) SOMALIA -

Procurement of equipment, machinery and spare parts for B.M.A. Somalia, destined for Megadiyu Power Station and Societa Agricola Italo Coloniale Somalia
(File 5127/X and File 51/10000 refer)

PA 61

See by E.C.

PA 61

185
581
-7-
D) REITERA -

B.M.A. Brittas is keeping A.O. informed on all Export/
Import Licenses from and to Italy issued. This information
is passed to the Italian Ministry of Foreign Trade.
(File 5127/X refers)

RMH L.L.

R.S. HOIN

Lt. Col.

Commerce (For. Trade) S/Div.

Declassified E.O. 12356 Section 3.3/NND No. 785017

Return to L. L.

H. E. HOHN

Lt. Col.

Commerce (For. Trade) S/DIV.

926

(File 5127/2 reserve)

6/25

JAN 091135A

AMG VE ECONOMICS

HQ ALLIED COMMISSION ECONOMIC SECTION

H/9049

JAN 110930

ROUTINE

UNCLASSIFIED:

Subject is pol price structure.

1. Reference telephone conversation Major Cooper Captain Mellin.
2. Please forward to this Headquarters the policy followed by CIP in Italy at earliest date possible.
3. Following conversation Mr De Graan , a representative will contact you regarding additional enclosures.

AC DIST

ACTION - ECON DIV 3

INFO - CHIEF COMMISSIONER

EX COMMISSIONER

FILE

PLCAT

925

HEADQUARTERS ALLIED COMMISSION
APO 794
COMMERCE SUB-DIVISION

Ref: F5120.00

2 December 1946

SUBJECT: Trade between Italy and Tripolitania.

TO : H.Q., E.M.A., Tripolitania,
Civil Supplies Department.

1. Reference to the visit of Capt. H.G. Browne R.A. representing your Department.
2. I was pleased to introduce him to the appropriate Italian Government Authorities, and to arrange for his visit to Milan on which I accompanied him.

3. The following are the results of our endeavours.

A. Cotton Piece Goods.

Contacted Mr. J.A. Rolo, in Milan and arranged through him to ship the 450,000 metri of "Marisella" printed. C.P.G. These are to leave Genoa on Dec. 3rd for Malta. Freightage has been paid as far as Malta and insurance as far as Tripoli. You have been signaled re all this. Capt. Browne hopes to be in Malta to arrange forwarding goods from there to Tripoli.

B. Spinning of Egyptian Raw Cotton into Yarn etc.

Italian Government approve of importation of Egyptian Raw Cotton to be spun as suggested in your memo to Capt. Browne. This was cleared by his Excellency Chiastergi, undersecretary to Ministry Foreign Trade. However there is little possibility at the moment of getting any of the Mills to take on the work, a copy of a letter from one of the Chief Spinners in Italy will explain why this is so.

-2-

There would be little difficulty in buying cotton piece goods to the amount you require and this would be easier if the question of part-payment in Egyptian cotton was not considered. The whole payments being for Sterling.

Please note my remarks in paragraph E.

C. Cotton Spinning Machinery.

We contacted Mr. Cornish of the British Consulate in Milan who informed us that this would be very difficult, as machines both new and second hand are in short supply. Also it might not be possible to obtain an export permit.

D. Export of Sheep to Italy.

Prof. Mariani has arrived in Rome and negotiations are still proceeding.

E. Trade Between the Two Countries.

Provided that you get the necessary Sterling authorized by the War Office, there is no objection either by this Commission, the British Embassy or the Italian Government to Agents in Tripoli making purchases in Italy for Sterling of those items which are not restricted.

At present the system of Import and Export is as follows. A permit is required for most items to be imported, this can be got from the Government. Payment for such goods is made in "free" Sterling. This "free" Sterling is acquired from Exports. For example a firm exports L.1,000 worth of goods. The Government take half of this Sterling L.500 and pay to the exporter this amount at the official exchange rate of 900 lire to the Pound. The remaining L.500 is known as "free" Sterling, and the Exporter can use this to purchase goods from the Sterling countries, or can sell this right, to some other firm to do this. The cost of this "free" Sterling may vary between 1500 Lira and 1900 Lira to the Pound. It will be seen from this that every time an exporter quotes a price,

-3-

he is actually taking a big gamble, for his L.1.000 he might get $500 \times 900 + 500 \times 1500 = 1200,000$ Lira or he might if he were lucky get $500 \times 900 + 500 \times 1900 = 1400,000$. This is one of the reasons why at the moment it is very difficult to get a quotation for future transactions. Up to a few weeks ago it was possible to get cotton goods against complete payment in raw cotton, the rate being about 24 Kg. of cotton against 1 Kg. of finished goods. This has now been stopped by the Government, as they wish to get Sterling and Dollars in order to purchase foreign goods when U.N.R.R.A. cease their activities. Another element at the moment, is the fact, that the Italian Government is expected in the very near future to fix a new rate of exchange against Sterling and Dollars and this is causing Exporters to hold back until they know what the new rate will be.

4. From the above it will be seen that the time is not yet opportune for you to send over an agent, but it would be advisable to get War Office approval to expend up to L.200,000 per year. By the time this approval is received it might well be, that the rate of exchange has been stabilised. In any case we could then take the matter up on a firm basis with the Italian Government and try to get them to allow exports and imports to balance.

R. E. Horn
R.E. HORN Lt.Col.
Director
Commerce(Foreign Trade)Sub-Div

HEADQUARTERS ALLIED COMMISSION

APO 794

Economic Division

4002 A

NOV 2 1946

29 October 1946

MEMORANDUMFood Situation

A small decline in the wheat stocks has occurred in the past week. The stocks on hand now are sufficient to maintain the present ration for only 31 days. The cereal situation has reached serious proportions. The figure of 31 days is theoretical only and is based upon the assumption that the Italian Government will be able to effect equal distribution throughout Italy. This is extremely doubtful because of lack of transport and a serious and increasing resistance on the part of the Provinces with larger quantities of grain from the "Acquisiti" against releasing it to Provinces in short supply.

The allotment of cereals for the balance of this year for the UNRRA account is only 120,000 tons. Of this about 50% is minor cereals which makes the total equivalent to about 100,000 tons of wheat. Further, there is no assurance that this total will actually arrive. Experience indicates that allocations do not normally arrive in the quarters for which allotted.

It may be expected that the balance of the year's supply will not equal more than about 15 days' supply and that this will trickle in between now and the next harvest.

If all imports allotted^{arrive} and hoarding continues it probably will not be necessary to cut the ration before Christmas. Anything short in the program will require a cut to 200 grams and possibly to 150 grs. By spring it may be expected that supply will be on a day to day basis.

Any efforts of the Italian Technical Delegation in Washington which result in the purchase of wheat will have no effect on conditions for the balance of this year. Any purchases made will be deducted from the quantity imported by UNRRA.

It is reported that the increase of the ration and the reduction of the milling ratio in Italy has had a bad effect on opinion in the supply countries.

The Italian Government has been informed of all the above.

921

3--

Fuel Situation:

It has been announced in the press that the shipping strike in the U.S. has ended.

The effect of this should be to improve Italy's coal situation, but it will take sometime, however, for shipments to be resumed and the effects to be felt here. Stocks of coal in the country at the beginning of October were 714,000 tons. Estimated October arrivals are now 321,000 tons, making a total of 1,035,000 tons. 500,000 tons of this will have been consumed during the month of October, leaving a balance of stock on hand 1 November 535,000 tons. Estimated arrivals from sources other than U.S. during November are 180,000 tons. November allocations will now be based upon 150,000 tons, leaving a balance of 265,000 tons stock on hand at the beginning of December. To this will be added, of course, the quantity which will arrive from the U.S. No estimate of this quantity is possible at this time.

A partial strike started 18 October at the Sardinian mines, the controversy being over the payment for "piece-work." The daily production has been reduced from 3,000 tons per day to 2,000 tons per day.

The stock of motor gasoline is now down to 35 days' supply. This in itself is not so serious, but the bulk of the supply is in the North. Therefore, the situation in Northern Italy is critical and it may be necessary to apply to the Allied Military authorities to relieve the situation by loans. The stocks of kerosene amply cover the 60 day supply level. Diesel oil is down to approximately 35 days' supply. Fuel oil stocks fully cover the 60 day target level. The first 2 cargoes of crude oil are now expected at Bari on 12 and 16 November respectively. Two cargoes are also due at Naples on 16 and 17 November respectively. It is not expected that refined products from this crude oil will be available for local distribution before December.

Power Situation:

There has been a further very slight improvement in the power supply situation in Central and Northern Italy due to the recent rainfall. In Northern Italy the electric power availability is good, but due to the considerable post-war increase in consumption, rationing has had to be imposed. Only by the construction of new hydroelectric and thermal plants can the power situation in Italy be permanently improved.

H. M. Walker
H. M. WALKER
Col., CE

920

2108 COMM

4002 4

REC/mel 179

HEADQUARTERS ALLIED COMMISSION
APO 794
Economic Section

SEP 26 1946

Ref.: ES/7.00

26 September 1946

SUBJECT: The Italian Economic Problem

TO : G-5 Section, AFHQ - APO 512

1. The attached document is forwarded for your information.
2. Your particular attention is drawn to the opinion expressed in para 9 of the document in regard to the serious situation which faces Italy.

FOR THE CHIEF COMMISSIONER,

M. Gahr

M. GAHR
Brigadier
Acting Vice President

1. Encl.: Paper No. 1 dated 27 August 1946
British Embassy

Copy to : Executive Commissioner
(Letter of transmittal only)

919

7/10/46
H. R.

SEP 15 1954

FILED NO. 1

THE ITALIAN ECONOMIC PROBLEM

Prepared in the Office of the Economic Adviser

British Embassy

ROME

See 179.

REPORT NO. 1

THE ITALIAN ECONOMIC PROBLEM

Prepared in the Office of the Economic Advisor

British Embassy

ROME.

Aug 1946.

27th August,
1946.

918

See 17-179, 180

P.A. 26/9/46

PAPER NO. IThe Italian Economic Problem

(Prepared in the Office of the Economic Adviser,
British Embassy,
Rome.)

1. The Problem

The basic Italian problem is to enable a nation of over 45,000,000 people to feed clothe and house itself in accordance with a standard which will not be detrimental to the health and efficiency of the population nor endanger internal or world peace. The solution of this problem involves the re-integration of the Italian economy with the world system, by means of the re-establishment of modern communications and port facilities and the adoption of the latest industrial techniques.

2. Food Requirements

(Source - UNRRA Economic Notes - Agriculture and Food.
Daily estimate of Italy's balance of payments
1947 - August 5th, 1947.)

Before the war, the Italian standard of living was never high, nor was her agriculture capable of producing the minimum quantities of food essential to life.

The daily average food consumption in Italy in the period 1933-1937 amounted to 2500 calories compared with 2984 calories in Great Britain, and even at that time Italy had to import 1,042,000 metric tons yearly of foodstuffs from abroad.

and efficiency of the population nor endanger internal or world peace. The solution of this problem involves the re-integration of the Italian economy with the world system, by means of the re-establishment of modern communications and port facilities and the adoption of the latest industrial techniques.

2. Food Requirements

(Source - UNRRA Economic Notes - Agriculture and Food, 1946, estimate of Italy's balance of payments August 5th, 1946.)

Before the war, the Italian standard of living was never high, nor was home agriculture capable of producing the minimum quantities of food essential to life.

The daily average food consumption in Italy in the period 1933-1937 amounted to 2500 calories compared with 2900 calories in Great Britain, and even at that time Italy had to import 1,042,000 metric tons yearly of foodstuffs from abroad.

By 1945-46, the consumption rate had dropped to 1919 calories maintained by the import of 2,111,000 tons of food, and the target figures of 2150 and 2500 calories for the first and second halves respectively of 1947 are estimated to require the importation of 1,354,000 tons of food in that year, viz:-

Grains.....	1,712,000 metric tons
Meat.....	65,000 "
Meat and Fish.....	154,000 "

The total cost is estimated at 292 million dollars, c.i.f. Italian ports.

176

3. The Clothing Situation

(Source - Allied Commission "Italian Import Requirements," 1946)

production of clothing for the civilian market practically ceased with the outbreak of war, with the result that the people have been existing on commercial and private stocks ever since. A census of conditions in control and southern Italy, made under Allied supervision in 1946, showed that the bulk of the people had hardly the minimum of essential clothing to get them through the winter, a conclusion which has been confirmed since, in that men have often been unable to go to work in winter owing to lack of proper shoes and clothing.

Since 1946 certain quantities of clothing have reached the consumer, but the amount has never kept pace with normal wear and tear. It was in fact of bedding and household linen.

The fact that visitors to the big cities can see luxury goods in the shops does not mean that the ordinary man is afforded by these supplies. His wages are at such a level that he gets hardly enough food for his family and has practically nothing to spare for new clothing and bedding at present prices.

4. The Housing Position

stocks ever since. A census of conditions in Central and southern Italy, made under Allied supervision in 1944, showed that the bulk of the people had hardly the minimum of essential clothing to get them through the winter, a conclusion which has been confirmed since. In that case have often been unable to go to work in winter owing to lack of proper shoes and clothing.

Since 1944 certain quantities of clothing have reached the coastland, but the amount has never kept pace with normal wear and tear. The same is true of bedding and household linen.

The fact that visitors to the big cities can see luxury goods in the shop windows means that the ordinary man is affected by these supplies. His wagon and at such a level that he gets barely enough food for his family and has practically nothing to spare for new clothing and bedding at present prices.

4. The Housing Problem

(Source - UNRRA Report - August 1946)

A complete study of war damage to Italian dwellings is in course of completion by UNRRA. This survey shows that 4.8 million rooms were destroyed or heavily damaged and that in addition more than 2 million were lightly damaged. The requirements to cope with increases in population call for a further 1.5 million rooms.

The figures have been reduced to take of new rooms for purposes of civilian aviation, and the total need is for more than 3 million new rooms, estimated to take 10 years to complete.

5. Major War Damage

(Source - Italian Memorandum on questions connected with the Peace Treaty.)

A great task facing the Italian nation is the reconstruction of the major damage to its economic system.

The re-education of industry, and the delivery of supplies of all types are greatly retarded by the almost complete destruction of Italian ports and the extensive damage to railways and sources of power.

Destruction of the ports covers all aspects from the quays, cranes, machinery and ship-repairing facilities of the docks themselves to warehouses and auxiliary railways surrounding them.

The damage to the state railways was on a similar scale, and the repair of lines, bridges, tunnels, stations and mechanism, and the replacement of engines and rolling stock confront Italy with another tremendous problem. Road bridges were also destroyed on a large scale.

Further heavy damage was caused to electric power plants and lines of distribution and also to factories themselves.

In the Italian Government's "Memorandum of the Economic and Financial Questions connected with the Peace Treaty" war damage is listed and valued at a total of \$13,062.2 millions.

complete destruction of Italian ports and the extensive damage to railways and sources of power.

Destruction of the ports covers all aspects from the docks, cranes, machinery and ship-repairing facilities of the docks themselves to warships and auxiliary railways surrounding them.

The damage to the state railways was on a similar scale, and the repair of lines, bridges, tunnels, stations and mechanism, and the replacement of engine and rolling stock confront Italy with another tremendous problem. Road bridges were also destroyed on a large scale.

Further heavy damage was caused to electric power plants and lines of distribution and also to enterprises themselves.

In the Italian Government's "Memorandum of the Economic and Financial Questions connected with the Peace Treaty" war damage is listed and valued at a total of \$13,462.2 millions.

6. Imports and Exports, and the Deficit in Balance of Payments for 1947

(Source - UNRRA Estimate of Italy's Balance of Payments - 1947.)

Italy's main handicap in the manufacture of industrial products is the fact that she is almost completely deficient in fuels, both solid and liquid, and also that most raw materials must be imported: the most important of these are iron ore, non-ferrous metals, fertilizers, cotton, wool, rubber, leather and certain chemicals.

/ The

- 4 -

The latest estimate of the probable balance of payments position in 1947 is UNRRA's estimate of Italy's balance of payments 1947 dated 5th August, 1946. This estimate of Italian import requirements in 1947 is based on the assumption that the general level of industrial activity in Italy will rise from 55-60 of 1938 standards in January 1947 to about 80% at the end of the year. Even with these limited objectives and even if the export estimates are realized to the full there will still remain a deficit of approximately 600 million dollars for the year 1947. Payments are being made to finance part of this deficit by means of an Export-Import Bank loan, the war-group pay account and various short term loans for specific projects, but these sources together will not produce more than 250 to 300 million dollars, leaving a deficit of 300 to 400 million dollars which can only be financed with foreign assistance. Moreover there is no certainty at the moment that any of these sources of foreign exchange will in fact be available to Italy for use in 1947.

7. Markets for Italian Exports

(Source - The position of Italy in post-war international economy - Spence.)

One grave problem which has to be solved by Italy in the resumption of export trade simultaneously with a

0722

and even if the report estimates are realized to the full there will still remain a deficit of approximately 600 million dollars for the year 1947. Expenses are being made to finance part of this deficit by means of an Export-Import Bank loan, the non-convertible account and various short term loans for specific projects, but these sources together will not produce more than 200 to 300 million dollars leaving a deficit of 300 to 400 million dollars which can only be financed with foreign assistance. Moreover there is no certainty at the moment that any of these sources of foreign exchange will in fact be available to Italy for use in 1947.

7. Markets for Italian Exports

(Source - The position of Italy in post-war international economy - Saraceno.)

One grave problem which has to be solved by Italy is the resumption of export trade simultaneously with a geographical redistribution of markets. An analysis of Italy's industrial exports before the war (1937-1938) gives the following distribution by countries of destination:-

913

/Italian

Italian Industrial Exports - percentage breakdown
by countries of destination

Germany and Austria...	18%
Other countries of Central and Eastern Europe excl. Switzerland and Scandinavia...	12%
United States...	31%
Other American Countries...	10%
Great Britain & Countries of the Sterling area...	22%
France and her Empire, Switzerland Turkey, Iberian Peninsula, Scandinavia and other countries not included above...	24%
	<u>100</u>

It is therefore clear that with Germany no longer a buyer of Italian goods and Central and Eastern Europe largely dominated by the present Russian economic policy, Italy has lost a third of her pre-war markets. For comparison, it is interesting to divide Italy's total pre-war imports of raw materials over the same groups of countries.

Italian raw material imports - 1937-38

Other countries of Central and Eastern Europe excl. Switzerland and Scandinavia.....	14%
United States.....	31%
Other American countries.....	10%
Great Britain & Countries of the Sterling area.....	22%
France and her Empire, Switzerland, Turkey, Iberian Peninsula, Scandinavia and other countries not included above.....	24%
	<u>100%</u>

It is therefore clear that with Germany no longer a buyer of Italian goods and Central and Eastern Europe largely dominated by the present Russian economic policy, Italy has lost a third of her pre-war markets. For comparison, it is interesting to divide Italy's total pre-war imports of raw materials over the same groups of countries.

Italian raw material imports - 1937-38 -
Percentage breakdown by countries of origin

912

Germany and Austria.....	26%
Other countries of Central & Eastern Europe excl. Switzerland & Scandinavia.....	11%
United States.....	37%
Other American countries.....	7%
Great Britain and the countries of the Sterling area.....	24%
France & her Empire, Switzerland, Turkey, Iberian Peninsula, Scandinavia and other countries not included above.....	27%
	<u>100%</u>

172

in the countries of central and eastern Europe were complementary to Italian economy; the loss of these markets produces a double problem for Italy, viz. to find new sources for essential imports as well as to find new markets for her own exports.

3. Population

A further problem presents itself to the Italian Government in the continual expansion of the population which has increased by more than 4 millions in the last 15 years.

The outlet for this increase was formerly in emigration largely to America due to the Italian colonies, but with the closing of these outlets the increased population creates a pressure on the labour market combined with increased demands for supplies. Together these may prove a dangerous source of trouble. If Italy's labour resources cannot be fully employed.

4. Conclusions

1.) To return to the high standards of living (one of the lowest standards in Europe) Italy will need to re-establish and develop her export trade. She cannot do this overnight or from her present resources.

Government in the continual expansion of the population which has increased by more than 4 millions in the last 15 years.

The outlet for this increase was formerly in emigration largely to Africa and to the Italian colonies, but with the closing of these outlets the increased population creates a pressure on the labour market combined with increased demands for supplies. Together these may prove a dangerous source of trouble. If Italy's labour resources cannot be fully employed.

9. Conclusions

1) To return to the 1930 standard of living (one of the lowest standards in Europe) Italy will need to re-establish and develop her export trade. She cannot do this overnight or from her present resources.

911

"Over the period 1953-57 per capita food intake in Italy was in the neighbourhood of 2,500 to 2,600 calories per day, as compared with 2,800 calories in Austria, Belgium, France, Germany, and the Netherlands. The Italian food intake was considerably lower than that of Sweden, Switzerland, and Denmark, and only slightly higher than that of Greece and Portugal. The average Spanish etc better than the average Italian. During the same period average per capita food supplies in the United States, Canada and the United Kingdom were the equivalent of 3,288, 3,124, and 2,984 calories per day respectively. - "Agriculture and Food" - Supplement to UNRRA Italian Mission Economic Notes, Vol. I, No. 20 26 July, 1946.

The most recent UNRRA estimate of Italy's essential import needs results in a balance of payments position in 1947 which shows a deficit (i.e. after allowing for Italy's probable earnings abroad) of \$611 million. This estimate results from a continuous examination conducted over months by economists and statisticians familiar with Italian conditions.

The Italian Government's estimate of the deficit in 1947 is considerably higher (\$900 millions)². No doubt there is an element of borrowing in this figure, but at any rate it does not invalidate the UNRRA figure.

2) UNRRA also estimates the possible aid in 1947 from foreign sources to the following:-

Loan from Export-Import Bank.....	\$ 150,000,000
"Non-treop pay" account.....	120,000,000
Various Commercial Credits.....	50,000,000
	\$ 320,000,000

But the figures are still hypothetical - they do not represent cash available now, nor, necessarily at any time. The only reasonably certain sources (as things are at present) are Italy's own earnings estimated at \$680 millions to meet an estimated need in 1947 of \$1,251 millions.

3) Time is of the utmost importance. UNRRA supplies

1947 is considerably higher (\$500 millions). No doubt

there is an element of bargaining in this figure, but at any rate it does not invalidate the UNRRA figure.

2) UNRRA also estimates its probable aid in 1947 from foreign sources at the following:-

Loan from Export-Import Bank,....	\$ 150,000,000
"Non-troop pay" account.....	120,000,000
Various Commercial Credits,....	50,000,000
	\$ 320,000,000

But the figures are still hypothetical - they do not represent cash available now, nor, necessarily at any time. The only reasonably certain sources (as things are at present) are Italy's own earnings estimated at \$550 millions to meet an estimated need in 1947 of \$1,251 millions.

910

3) Time is of the utmost importance. UNRRA supplies for 1946 will continue to arrive in the early part of 1947, but will taper off markedly from full scale in January 1947 and will practically have finished by April 1947. The placing and carrying out of orders for imports takes time, and there will inevitably be a break in the flow of supplies unless Italy possesses funds with which to continue it not later than November of this year.

² See Report of the Italian Delegation (54th Session of the General Council of UNRRA) - Geneva, 5th August, 1946. / 4)

- 8 -

4) With the tapering off of USRA supplies early next year and no adequate substitute, increases of prices must result from scarcity alone. These increases will start snowball whole inflationary cycle of wage demands and further price increases. They will also direct attention forcefully to the issue of paper money and government indebtedness already in existence. A loss of faith by the Italian people in their currency might well produce effects similar to those which occurred between July 1945 and January of this year in France where prices multiplied twenty times and no French trusted anything but gold or goods. Of gold Italy has none, and of goods she would have much less than now.

5) It is not appropriate here to deal with the possible political, military, and financial effects on the U.S. and the U.S. of the economic collapse of a nation of 45 million people situated in a commanding position in the Mediterranean. They would however be both important and costly.

further price increases. They will also direct attention

forcefully to the case of paper money and Government indebtedness already in existence. A loss of faith by the Italian people in their currency might well produce effects similar to those which occurred between July 1945 and January of this year in Greece where prices multiplied twenty times and no Greek trusted anything but sale of goods. Of gold Italy has none, and if goods she would have much less than now.

5) It is not appropriate here to deal with the possible political, military and financial effects on the U.K. and the U.S.A. of the economic collapse of a nation of 45 million people situated in a commanding position in the Mediterranean. They would however be both important and costly.

909

British Embassy

ROME.

27th August, 1946.

COPY

N.V. No. 181.
15/62/46 C.D.

British Embassy,
Rome.

NOTE VERBALE

JUL 11 1946

The British Embassy presents its compliments to the Ministry of Foreign Affairs and has the honour to state that, according to information received from the Foreign Office, the withdrawal of the British Statutory List will be notified to the press in London on the 8th July. The notice will be in the following form:

"Trading with the Enemy.
Withdrawal of Statutory List.

? The Foreign Office and the Board of Trade announce that, by an order effective on the 8th July, all existing lists of persons specified as enemy by the Board of Trade under section II(2) of the Trading with the Enemy Act 1939 have been revoked. Since the cessation of hostilities steps have been taken to reduce the numbers included in the Statutory List. On November 27th 1945 a revision of the Statutory List involving the deletion of approximately 45 per cent of the persons then listed was announced. In the meantime further arrangements have been made to facilitate Allied controls over enemy assets located outside enemy territory, and His Majesty's Government consider that the time has now come to revoke the Statutory List and thus to contribute to the restoration of normal international trade.

The United States and French Governments are taking parallel action in regard to their respective lists."

2. It is understood that a corresponding statement will be issued simultaneously in Washington by the State Department, and the Ministry will no doubt be so advised by the United States Embassy in Rome.

3. It is requested that, pending publication of the notice referred to, the foregoing information may be treated as confidential.

5th July, 1946.

Leon Lee Paul

EX-100
CHIEF OF

908

(CAPT K)

*PA 4
EAS*

SIGNAL.

MAR 29 1946

FROM : BRIGADIER LUSH, ALLIED COMMISSION, ROME.

TO : MR. RICHARD STOKES, HOUSE OF COMMONS.

Following prices ROME in Lire at nine hundred to
one pound:

Eggs - 17 each
Butter - 780 per kilo
Bread - 96 (Black Market) per kilo
Bacon - 450 per kilo
Shoes - 3000 (Male)
2500 (Female) per pair
Fountain Pens - From 500 to 5000

*Sent to British Embassy (Mr. No. 1234)
for transmission to Mr. Stokes on 29/3.*

J. 29/3

906

Dr 5/4

PA 29/3

167

MESSAGE RECEIVED FROM THE BRITISH EMBASSY AT 1200 HOURS,
27th MARCH 1946.

TO : BRIGADIER DASH.

FROM : MR. RICHARD STOKES, MP.

Sunday Graphic carries most misleading pictures and
article on conditions in ROME. So that I can correct wrong
impression please cable me prices of shoes, eggs, bread, fountain
pens, butter, bacon, in Lire or Sterling. If in former state
rate of exchange at which sterling equivalent should be calculated.

Sgt. G.

Eggs 16 - 18 L ✓
Butter 75 - 80 L @ 1/15 ✓
Bread (wholemeal) 96 L per kilo.
Bacon 450 L. " "

900 L to £ Sterling

Shoes. men L 2000 / 3500. per pair
women 2500 / 3000
Fountain Pens 500 — 5000 L

904

785017

23/15
FEB. 26 0915G/9853
FEB. 27 0845

ROUTINE

AND 13 CORPS

ALCON FOR ECONOMICS

27 1946

UNCLASSIFIED.

We wish apply some general principles as North Italy in regard making application for rehabilitation supplies for July/Dec 46. Therefore require to know target percentages rehabilitation now being planned and any other relevant details. Reply soonest.

AC DIST

ACTION ECON SEC P
INFO CHIEF COMMISSIONER
EX COMM
FILL E
FLOAT

HEADQUARTERS
27 FEB 1946

See M 163

908
11.12
2

BUREAU OF REQUIREMENTS AND DISTRIBUTION

Tel: 550

22 February 46

Ref: RD/1.51

SUBJECT: Telephone Conversation with Sard and Treves, Washington,
and Keeny and Cleveland, Rome, 5 p.m. 20 February 1946

TO : Sub-Bureau of Supply Operations

The following points, arising out of my conversation with
Sard and Treves in Washington on 20 February, are for your information
and appropriate action:

1. Sacerdoti has received an order from the Italian Government
to suspend all purchases. The reason given is to make money available
for the purchase of food. Sacerdoti has not yet obeyed the order, in
order not to disturb contracts which were placed with much difficulty.
It is suggested that we take the matter up with the Italian Government,
pointing out particularly that the availability of additional money
for food will not help the food situation, since the limiting factor
is availability of food rather than of money.

2. SICRA Treves asked what SICRA was, and said that there was
an impression in Washington that it might be a substitute for ICE, and,
therefore, might change the form of the consignment of goods under the
YT program. I said that the emergence of SICRA in the phosphates deal
did not affect ICE's position.

3. Supply Budget

a) A sub-committee of the Central Committee has now approved
the supply budget through the first half of 1946. The approved figures
are:

For 1945: \$34,000,000

For 1946: (First half) \$325,000,000

This allocation is based on the assumption that the total amount for
1946 will be \$383,000,000.

b) Within the \$34,000,000 figure there is an amount labeled
as "Unspecified" of \$8,000,000. The effect of this, according to Sard,
is to enable us to spend \$8,000,000 more in 1946. I take it that this
means that Washington accounts show \$26,000,000 as having been spent on
1945 program.

See M 4

902
10/2/46

- 2 -

c) As far as Washington is concerned, the detailed breakdown brought to Rome by Raffa and the over-all budget figures being carried by Luzzatto, are "The Supply Budget". Sard suggests that all changes in this supply budget be set forth in separate cables for each commodity. This will fit in best with the procedure being developed in Washington for making amendments to country supply budgets. This means that we should revise the procedure by which we were going to produce a complete supply budget in Rome (please see me on this).

d) The sub-committee of the Central Committee has ruled that changes can be made within a range of 10% on either side in each of the major divisional allocations for each country (for example, Clothing Division, Agriculture Division, Industry Rehabilitation, Food Division, Medical Division). Changes for excess of this amount have to be cleared with the Central Committee; since this will cause much delay, we are asked to avoid it as far as possible.

4. Surplus Budget I had asked that the Italian Mission have authority to use the \$1,000,000 allocation for purchase of U. S. surplus in any way it decides, they being tied down to an internal break-down within the \$5,000,000. Sard says that it was much easier to get the original authorization through with the sub-allocations in it. He asked that as we approach the limit of each of the divisional allocations, we cable for authority to increase one of these sub-allocations at the expense of another. Such a request will be automatically approved, as things now stand. (Please plan to operate in this way.)

5. San Marino We are requested to supply as quickly as possible any information on supplies made available in the past to San Marino and any plans for the future in that regard. (Please check with Mr. Keary - Col. Bonicci - Bureau of Relief Services on this.)

6. IT 100 We are again asked to have a cable sent on the electric steel requisition (IT 100). Since the responsibility for these requisitions passed to the Italian Government, we are requested to get the Italian Government to instruct Sacardoti as to what it wants done on this requisition.

Harlan Cleveland

HARLAN CLEVELAND
Deputy Chief of Mission

cc: Chief of Mission
Chief Commissioner
Sub-Bureau of Industrial Rehab.
Sub-Bureau of Relief Supply

901

4002-91

151

Bureau of Requirements and Distribution

Tel: 550

HC/so

Ref: RD/1-1

7 March 1946

SUBJECT: Telephone Conversation Sard to Cleveland on
6 March 1946 -- Commodities

MAR 11 1946

TO : Sub-Bureau of Industrial Rehabilitation

The following points emerged from telephone conversation
with Sard on 6 March 1946:

1. COAL

February clearances (UNRRA)	Tonn
February " (FEA)	310,000
	<u>173,000</u>
Total February	483,000

These figures include the two ships mentioned in Cable 1570
from Washington (ships to be diverted to Yugoslavia).

In March so far, on UNRRA account, seven ships have sailed
for Italy, a tonnage of 58,000.

In Sard's opinion a coal strike in April is a virtual cer-
tainty, and we should act accordingly. Specifically, he recommends
that we should:

(a) Inform the Italian Government that it must conserve
sufficient stocks for the most essential purposes during April; and

(b) Press RUC for coal from the Ruhr. In this connection
I asked him to have a cable go to RUC from Washington, supporting the
demand we have already made for coal from the Ruhr.

(c) We are asked to cable immediately on stocks of coal.
I told Sard that we used virtually all coal on a current basis, and
that the chief "stocks" would be the coal already in the hands of gas
works, railroads, etc., i.e., there were virtually no general stocks
in the sense that there were general stocks of wheat. We are asked
to explain our coal stock position in a cable as soon as possible.

2. COAL

(a) UNRRA, with concurrence of State Department, has pro-
posed that ARPS continue to handle procurement, shipping and reception
arrangements for Italy and the Balkans.

899

PA 12/3

(MAR H) 12/3/46

See Min 144.

- 2 -

(b) Arrangement has been made for the Caserta office (Lt. Col. Hunt) to coordinate POL matters for the Mediterranean area for UNRRA. I said that whatever arrangement was made should not interfere with our direct day-to-day contact with the ANP people in the theatre.

(c) Col. Hunt told somebody in Washington that the stocks of POL were extremely low in Italy. He gave as his source a man whose name was not sought on the Washington end. We are asked to cable the name and affiliation of the source of this report.

(d) We are asked to keep Washington supplied with actual consumption data on POL and with stock figures on a periodic basis, if possible. Stocks should be actual, where possible, rather than estimated.

(e) Petroleum and Navy Special are getting very tight. We should bear this in mind for future demands for these commodities.

3. COPPER

UNRRA is procuring 3500 tons of blister copper from the U.K. in addition to the 5500 tons which have been set up for Italy from South Africa during 1946.

The picture on electrolytic copper is very dark.

4. COTTON 50,000 bales are being set up for March shipment.

Harlan Cleveland

HARLAN CLEVELAND
Deputy Chief of Mission

cc: Chief of Mission
RECEIVED
SUPCO (2)
Col. G. E. Salton
Maj. Highland (follow up)

APR 11 1946
897

4002

157

Bureau of Requirements and Distribution

NO/NO

Col: 380

7 March 1946

Ref: NO/1-11

MAR 11 1946

SUBJECT: Telephone Conversation Held to Cleveland on
8 March 1946 - Commodities - Relief Supplies

TO : Sub-Bureau of Relief Supplies

1. This will confirm the information I have already given you orally about my conversation with Ed Ford on 8 March.

A. History

February clearances on USRA Account	217,000 tons
February " " FEA " "	45,000 "

Total of these two rounded figures	
was given as	262,400 "

The FEA figure excludes 19,300 for Italian Armed Forces and replacement of military losses.

B. March Outlook

It is bad, 13,000 tons have cleared to date (March 8). The remaining shipments are largely concentrated toward the end of the month, and many of them are from the West Coast of the U. S., entailing a long delay in shipment. The present estimate for March loading for Italy is 134,000 tons, but Ford describes this as "most optimistic". Total export shipments to all destinations will be around 80% of the programmed figures.

C. Stock Position

USRA Washington is now using the following figures for Italy's stock position (we are asked to confirm or amend them):

First, it is being assumed that total clearing between 1 January and the end of the crop year will amount to 41,000 tons. This includes the 26,000 tons cleared during January. This figure is being added into the stock figures effective immediately resulting in a February 1 stock of 246,000 tons. Comparable figures are: For April 1, 1945, 309,000; May 1, 1945, 146,000.

2. Cable 363 Ford referred to this cable in which a figure was given of 300,000 tons, issued in December. They are

896

(1443 H) 12/1/46

PAF 14
3

156

- 2 -

assuming in Washington that this is a typographical error and means 300,000. We are asked to confirm or clarify.

E. We have given a figure for monthly income of 240,000 tons. This indicates that approximately 40,000 tons of supplementary income are "still being made". Gard asked for confirmation of this. I told him that Legg had the exact figures on all supplementary income, but that he should not assume that supplementary income was always out before their basic ration was cut. Please cable Washington, stating the classes they are receiving on supplementary food, and the amounts that each class receives out of the monthly income, referring Washington, for more detailed information, to Legg's visit.

F. Washington is assuming that 5,000 tons a month are being used for the "Special Feeding Program", i.e., the 1946 UNRRA welfare program. We are asked to confirm or amend.

G. Future stock figures sent to Washington should include rice. Stock figures for grains can be stated as excluding rice, but rice figures should be given in the same cable. Rice figures should include rice milling.

H. Washington wants to know our mill stocks on bread grains; not interested, however, in the bakery stocks.

I. Fats and Oils It has been decided between UNRRA and the Combined Food Board that UNRRA will submit the total Italian requirements of fats and oils. The figure being submitted is 135,000.

It has also been decided that on commercial exchanges of oils (for example, olive oil against linseed and other low-grade oils) such details will naturally only be approved on a point-for-point basis - the only advantage to Italy in such details being the actual amount of foreign exchange, rather than increase in the total amount of fats available.

J. Cocoa Gard referred to London's cable to Washington, report to come, on 430, on negotiations with Spain and France on cocoa. Gard said an UNRRA demand for Italy of 40,000 tons of cocoa had been submitted. Washington is cabling London, explaining that the Spanish and French demands are over 4000 tons. We are asked to cable the same thing to London, reporting to Washington.

4. Medical Supplies

A. Gard said that by next week he should be in a position to give a complete status report on availability and schedules of first-quarter medical supplies.

- 2 -

155
B. We are asked to cable, urgently, our requirements for
very high solution in oil -- to be sprayed from airplanes. This
commodity is in short supply.

Harlan Cleveland

HARLAN CLEVELAND
Deputy Chief of Mission

cc: Chief of Mission
RSMAN
RSMAN (2)
Col. G. H. Galton
Maj. Highland (follow up)

4002

41

154

MAR 11 1946

Ref: ES/20.00

9 March 1946

The President
National Foreign Trade Congress
Milan

Dear Mr. President

It gives me pleasure to send to you my good
wishes for the success of the First National Foreign
Trade Congress.

The results of your deliberations will
assuredly make a most valuable contribution to the
economic recovery of Italy.

Yours very sincerely,

Lynd

ELDER W. STONE
Rear Admiral, USNR
Chief Commissioner

893

Handwritten initials and numbers

COPI

UNITED NATIONS
RELIEF AND REHABILITATION ADMINISTRATION
ITALIAN MISSION
Bureau of Requirements and Distribution

Tel.: 156

Ref. No. HC/sc

R. P.: 80/151

22 February 1946

SUBJECT: Telephone conversation 27 February 46.
Rome to Washington - Items of Food - Agricultural Supplies

TO : Col. G. P. Allen

In the future, I shall send you copies of notes like the two
attached, which were useful information derived from these conversations
with subject. I suggest that you pass them on to the Chief Commissioner
and the Executive Commissioner for their information, where appropriate.

HARLEN OLIVELAND
Deputy Chief of Mission

Encl.: 2

Subject notes.

892

Page 15

See Min 157/1

5/15/46

(P.W. H.)

Bureau Of Requirements and Distribution

Tel.: 550
Ref.: RD/151

HC/ac
28 February 1946

SUBJECT: Telephone Conversation 27 February 46 -
Rome to Washington - Agricultural Supplies

TO : Sub-Bureau of Relief Supplies

1. The following information on agricultural supplies was given to me in the course of the above conversation. It confirms information given to you orally today.

Fertilizer

(a) Nitrate

Ammonium Nitrate: Total allocation from the U. S. for Italy was 36,000 tons, of which FEA is shipping on IT account 22,000 tons; the other 14,000 tons are being shipped by UNRRA. The last of the ammonium nitrate should arrive in May.

Allocation of ammonium nitrate from U. S. for UNRRA for Italy is 16,000 tons (technical ordsance grade)

Nitrate of Soda: For February/March/April delivery FEA has bought on IT account 54,000 tons, of which 10,000 tons have already been shipped.

(b) Super Phosphates

Sard said the March delivery deadline was making it difficult to deliver the necessary super-phosphates from Belgium. I said that the deadline had now been extended to April delivery, and he said he would keep trying.

(c) Potash

18,000 tons of 60% muriate of potash is being arranged for shipment from France.

Pesticides

(a) Sodium Arsenite

This commodity is not available in dry form. We are

- 2 -

to cable Washington, indicating whether we can take sodium arsenite in liquid form, and giving the quantity required; conversion factor of one ton dry to two and a half tons liquid should be used.

(b) Petroleum Oil Emulsion

We are requested to send Washington specifications for this commodity and date on end use.

(c) Tar Oil

Technical information in Washington is that it is too late to send this commodity. If we can still use it, send by cable specifications and deadline date.

(d) Cyanide

We are asked to cable Washington what type and form of cyanide is desired; also give information on end use.

(e) Nicotina

This commodity is not available.

2. Please follow up as indicated by cable, and let me have a summary of action taken before my conversation with Sard next Wednesday.

HARLAN CLEVELAND
Deputy Chief of Mission

Distribution

Chief of Mission
SUFOP
HSHAR
Col. Walton
Miss Kulnash.

149

Bureau of Requirements and Distribution

Tel: 550

RC/bb

Ref: RD/151

23 February 1946.

Subject: Telephone Conversation 27 February 1946
 Re: to Washington - Item of Food

To : Chief, Sub-Bureau of Relief Supply.

1. The following information was received from d Sard in Washington, in the course of the conversation on 27 February:

Wheat(a) January Loadings

USRA clearances
 (excluding any ships loaded in
 February, of which two or three
 were included in the January
 figure last week.)

125,000 tons

USRA clearances
 Wheat/Flour

156,000 tons

(b) February Loadings

USRA - Cleared through
 February 26th. This figure
 includes the following
 diversions:

192,000 tons

James Kirtall - Greece,
 cleared February 16th
 Julius Rosenwald - Greece,
 cleared February 19th
 John Scholtzer, Czechoslovakia,
 cleared February 20th
 Eli Whitney - Yugoslavia,
 cleared February 11th
 Diversion of two more ships from
 Czechoslovakia is expected.

* ALSO: John Isakson - Yugoslavia
 cleared February 11th.

889

- 2 -

148

(c) FEA account (Feb)

12,000 tons

cleared in February, not counting the 19,500 ton ship for maintenance of Italy's armed forces. Three additional FEA ships supposed to clear through February. An additional two or three UNRRA ships may clear during February.

(d) March Outlook

Out of the total UNRRA allocation (400,000 tons) Governor Lehman has tentatively ruled that Italy's loan will be 225,000 tons of all bread cereals. Gard said that this was a very optimistic figure and should not be taken too seriously at this stage, since as much wheat as that would probably not clear for Italy during March. Final allocation for March loadings will be made next Tuesday, 5 March.

During March FEA is supposed to get out two additional wheat ships and a backlog of about 33,000 tons of flour.

2. Fats and Oils

- (a) Two thousand tons have been "certified" (that is, money committed) for Italy, but no shipments have as yet been made.
- (b) Gard has been explaining the importance of fats and oils to the Relief Feeding Program to everybody concerned.
- (c) We are asked to send Washington a cable detailing the precise position on indigenous production, stocks and consumption requirements.

3. The above information will confirm our conversation on these subjects earlier today.

HARLAN CLEVELAND
Deputy Chief of Mission

cc: Chief of Mission
SUPOF
REHAB
Col. Walton
Miss Wukasz.

888

Bureau of Requirements and Distribution

Tel: 550

HC/sc

Ref: RD/127

22 February 1946

SUBJECT: Telephone Conversation with Sard and Treves, Washington, and Keary and Cleveland, Rome, 5 P.M. 20 February 1946

TO : Sub-Bureau of Relief Supply

1. The following points from my telephone conversation with Sard of UNRRA Washington on 20 February are for action by your Sub-Bureau:

a) Wheat The wheat picture given over the phone is as follows: January sailings on UNRRA account were 66,000 tons (figure includes one ship which left on 1 February and one ship which left on 3 February).

February sailings on UNRRA account have been 89,000 tons through 19 February (including 8,000 tons of oats). One additional ship was scheduled to leave on 20 February. Total wheat scheduled for February lift is 238,700 tons, plus three shiploads which are being diverted from Czechoslovakia to Italy. Sard's view is, however, that some of this quantity will slip over into March. All of these figures are on UNRRA account.

March outlook for UNRRA wheat is bad. UNRRA has been allocated approximately one-third of its total requirements. Italy's share has not yet been decided. It certainly won't be less than 100,000 tons, but how much more is not yet known.

On YEA account, one wheat ship has been shipped so far in February and three more are scheduled to sail during February. Two additional ships (six in all) will sail in March. This will complete wheat sailings on YEA account.

The picture on flour for YEA account is the following: Between 19 January and 3 February, 28,000 tons sailed. Then the tug-boat strike in New York held up further shipments. The schedule called for an additional 30,500 tons to sail in January and 38,000 to sail in February. These amounts will be shipped during February/March. The whole of the flour backlog should be shipped by the end of March.

We are asked to bear in mind that all cables on bread

See Min 146 147

145

886

- 2 -

grains are sent automatically to Combined Food Board, which scrutinizes them very carefully for any internal contradictions. There have been a couple of recent cases in which different figures for stock position on the same date have been used in different cables. Such differences should always either be voided or carefully explained in the cable. A long cable on Combined Food Board actions and reactions is being sent to us.

Clear with
Commerce S/C

Peter Treves raised the question about an A.C. cable asking for clearance of a private commercial establishment of 5,000 tons of oats from Argentina. The question was whether this should be made a part of the USMRA program. (Please clear with Commerce Sub-Commission on this.)

b) Fish Sard asked about the cable on procurement of fish for delivery in the latter part of the year. I said that a cable was going out on this, saying we did want the fish. Please expedite.

c) Cocoa A meeting is being held in London on 7 March to decide on cocoa allocations. Demand for 1500 tons has been submitted for Italy.

d) Medical Items Sard referred to our cable 1336, item 9, copper tubing, and said that it would be impossible to get this for many months, because it is not available. He recommended that an effort be made to secure this item from surplus stocks.

On DPT, one-half of the first lot of 100,000 tons was shipped on "ST. JOHN'S VICTORY" and the rest is to be shipped during February.

(Your stenoll
on reqs. for
3d quarter
rec. for sig.
today, noted)
HC

Sard asked for early action in presenting any further medical requirements because of the long-time lag in procurement. (Please have prepared a summary of medical requirements submitted, and action taken or signalled to date on them. Also please expedite preparation and submittal of any further medical requirements.)

e) Agricultural Rehabilitation Sard said that action on our basic agricultural rehabilitation supply cable was being held up pending our total view of the supply budget. I said that that cable should be regarded as an advance copy of the agricultural section of the supply budget and that action should be taken immediately on all items, without waiting for any further general information on the supply budget. Sard said that they would go ahead on this basis, but that the March deadline and the inability to carry over authorizations from one quarter to another (as per our cable) placed their procurement on too tight a schedule.

004

- 3 -

I requested and Sard agreed to supply a cable from Washington on availability of items, and also costs for all items. Sard said that Hugh Calkins is due to arrive in Rome shortly and would be able to help us on both these points.

Sard raised the question of the relationship between items in the agricultural cable and similar items being purchased by Sacerdoti. I said that unless they heard to the contrary from us, Washington could assume that our demands were additional to and different from material being bought by Sacerdoti, under the IT program.

f) Personnel Victor Sullivan's papers are in process, but he probably will not leave Washington for three to four weeks.

g) Figures on Average Consumption Treves asked us to look into a cable from the U.S. Embassy to Washington (No. 4175) which gives the average consumption of food in Italy as 1500 to 1700 calories. As an average, this looks high to Washington, and we are asked to review it with the Embassy.

Harlan Cleveland

HARLAN CLEVELAND
Deputy Chief of Mission

cc: Chief Commissioner ✓
Chief of Mission
Sub-Bureau of Supply Operations
Commerce S/C

883

BUREAU OF REQUIREMENTS AND DISTRIBUTION

HC/sc

Tel: 550

22 February 1946

Ref: RB/1.51

SUBJECT: Telephone Conversation with Sard and Treves, Washington, and Foony and Cleveland, Rome, 5 p.m. 20 February 1946.

TO : Food Division
(Thru: Sub-Bureau of Supply Operations)

The following points came up in my conversation on 20 February with Mr. Sard and Mr. Treves in Washington:

1. Coal January sailings of coal were 434, 945 tons on FEA account. In February 19 ships sailed during the first week of February on FEA account — 152,000 tons. This is the end of the FEA coal program.

a. On UNRRA account, for February loading 46 ships are set up (in addition to the 19 FEA ships. Of the 46, 14 have sailed so far (114,000 tons) and 8 more were being loaded on 20 February.

b. March allocation of coal to UNRRA account is 132,000 tons.

c. We are asked to correct the U. S. Embassy's impression given in its Cable No. 525, that no coal (or very little) is arriving during January and February.

SPECIAL:
Coordinate
with Com-
merce S/C
on this.

2. Coal from Yugoslavia Mr. Treves said that our A.C. cable requesting clearance for import into Italy of 50,000 tons of coal from Yugoslavia hit Washington on the same day as a demand through UNRRA for a similar amount of coal to be imported into Yugoslavia. We are asked to investigate and report by cable what is to be done, since no action is being taken on our A.C. request meanwhile.

3. A story is circulating in Washington that YB coal is being made available to the British military, without repayment, for the purpose (among other things) of running leave trains. We are asked to check on this story.

4. POI It has not yet been definitely decided who assumes responsibility for POI after 31 March, but the present thinking is that the Army-Navy Petroleum Board will continue supplying this commodity after that date.

cc: Sub-Bu. Industrial Rehab.
Chief of Mission
Chief Commissioner

Harlan Cleveland
HARLAN CLEVELAND
Deputy Chief of Mission

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

Ref: 4002/143/EC.

23 February 46.

SUBJECT: Transatlantic Telephone Calls ROME - WASHINGTON.

TO : VP, Economic Section.

Reference your ES/1.51 dated 18 February 46.

The Executive Commissioner directs me to say that he wishes you to forward a copy of this and records of future similar conversations to G-5 Section, Allied Force Headquarters.

N. W. HIND-SMITH

Chief Staff Officer,
To the Executive Commissioner.

881

785017

4002-58

139

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Tel: 550

WG/sc

Ref: ES/151

16 February 1946

FEB 18 1946

SUBJECT: Transatlantic Telephone Call From ROME to WASHINGTON
14 February 1946

TO : Chief Commissioner
(Thru: Executive Commissioner)

137-138

1. For your information I attach copy of above conversation with Washington.

2. Excerpts for action have been sent to the appropriate groups, as indicated.

Harley Cleveland
HARLEY CLEVELAND
Acting Vice President

Incl: 1 (per para. 1)

cc: Mr. S. M. Keeny
Chief of Mission
UNRRA
Rome

See h. 140-101

380

80

138

SUMMARY OF TRANSATLANTIC TELEPHONE
CONVERSATION -- ROME TO WASHINGTON
2200 HOURS (15 Min.) 14 FEBRUARY 46

PARTICIPATING:

14 February 1946

From Rome and:
Harlan Cleveland

From Washington and:
Messrs. Hunt and Curtis

GENERAL

1. Italian Needs Mr. Hunt emphasized that there had been very little news coming out of Italy regarding Italian needs, in contrast to the information reaching U. S. press from other areas.

2. Financial Aid Mr. Hunt said that the Italian Government's request for \$900,000,000 of financial aid had been presented today to the Export-Import Bank. Oscar Cox is working on it with Sacchetti. Additional information is needed on the following points:

a) A breakdown of the general figures on machinery and industrial equipment in the Italian plan. I told Mr. Hunt I thought they would find this information in the Italian Government's own Industrial Import Plan. Mr. Hunt emphasized that some type of priority statement was required on the machinery items.

b) Justification and specification of the lumber item.

c) Justification of the fuel item.

In this connection Mr. Hunt said that Washington was operating on the assumption that the total of production will not reach more than 75% pre-war during 1946, no matter what happens.

Mr. Hunt was requested to send us a cable, telling us exactly what the Italians have presented to the Export-Import Bank, as up-to-date information is not available in Rome on this subject.

3. Crop Forecast Mr. Hunt asked if any crop forecast was yet available for the 1946 harvest, and said that it was urgent to have one available in Washington. He pointed out that in previous years a crop forecast was available as early as February.

ATTN:
Rohbert
INFO:
Becchi
(Consolid)

ATTN:
LACE

- 2 -

INFO: 4. Last FEA Shipment I asked Mr. Hunt for the estimated date
Requisition Branch of the last FEA shipment, and he said he would cable us on it.

ADMINISTRATION

INFO: 5. Repatriation of Class II employees. Mr. Curtis said that
Gelbach a cable was already on its way authorizing us to repatriate Class II employees and giving us the procedure for doing so.

6. I informed Mr. Hunt that Miss Maslap's body was being sent home within the next few days under arrangements handled by the Consulate. Mr. Curtis said she was by religion a Methodist.

(Already handled with Mr. Embassy) 7. Mr. Peter Treves. Mr. Hunt said Treves was leaving Washington on 19 February for Rome.

INFO: 8. Mr. White (Cotton) Mr. White, Advisor to the Secretary of
Rombert Agriculture, is coming to Europe soon in connection with cotton. Washington said it would be a good thing if the Ambassador would ask him to come to Rome. I asked for a cable on it, telling us he will be in Europe, to be used as a basis for requesting his presence here.

9. Personnel

ACTION: (a) The temporary release of Checchi from previous commitments to A.D.I. has been approved by Max Ascoli. There was a couple
Gelbach of reservations which do not affect the general arrangement.
INFO: Checchi

(b) Allderice and Whitehead have arrived in Washington.

ACTION: 10. Future Telephone Calls Mr. Hunt asked for a continuation
Allie of the telephone calls, particularly in connection with Peter Treves' trip. I suggested that we might now split the FEA and UNRRA parts of the call; and we would call Sard direct at UNRRA.

Harlan Cleveland
HARLAN CLEVELAND
Acting Vice President of A.C.
and
Deputy Chief of Mission for
Bureau of Requirements and
Distribution, Italian UNRRA
Mission.

Ref: 4002/128/20

12 February 46

SUBJECT: General Meetings

TO : Economic Section

1. Attached letter received by Brigadier Lush.
2. Since he will be in Caserta, that day, he desires that someone from the Economic Section go in his place.

SIMON R. HOLMES

Brigadier

Executive Commissioner

877

44-2

135 127

Translation

Consiglio Nazionale delle Ricerche

FEB 12 1946

Admiral H. W. Stone
Chief Commissioner

Rome

(Also copy addressed to
Brig. H.S. Lusk)

On February 12th, 1946, at 11, 30 a general meeting of the Board of the Council will take place at the seat of the C.N.R. in occasion of the closing of the exhibition of pre-fabricated houses, prepared in collaboration with the U.S.I.S. The President of the Council of Ministers and Members of the Government will attend the meeting.

Your presence will be appreciated.

A. G. Colombo

Shall be at Casate.

One of Eron See should go in my place.

HS 11/1

136
S876 28

2
(1924)

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

7 February 1946.

Ref: 4002/23.

SUBJECT: Telephone Call, ROME - WASHINGTON, 31 January 46.

TO : G-5, AFHQ.

The attached record of telephone conversation on 31 January
is passed to you for information.

For the Chief Commissioner:

N. W. HIND-SMITH 875

Brigadier,
Executive Commissioner.

Incl.

PA
9/12

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: ES/1.51

4 February 1946

SUBJECT: Telephone Call, Rome - Washington, 31 January 1946.

TO : See Distribution Below

Request addressees below take appropriate action on the attached record of telephone conversation of 31 January 1946 (see marginal notes).

Harlan Cleveland
HARLAN CLEVELAND
Acting Vice President

Distr:

ACTION: Col. Lege
Col. Walker
Mr. Sullivan
Lt. Col. Tooby
Mr. Rumbert
Mr. Morgan
Mr. Arnoldy
Mr. Gelbach
Miss Wukasz
Commerce S/C
Finance S/C

INFO : Chief Commissioner (Thru Exec Commr)
Mr. Keeny
Col. Walton
U. S. Embassy

G.S. AFHQ (by BC. 7/2/46)

See M. 6-8

(M.H.)
SPH
5/2/46

[Handwritten signature]

SUMMARY OF TRANSATLANTIC PHONE CALL
ROME TO WASHINGTON - 2800 HOURS CW
31 JANUARY 1946

PARTICIPATING:

From Rome end:

Messrs. Keeny and Cleveland

From Washington end:

Messrs. Hunt, Reiser, Treves, Sard

GENERAL

ACTION:

Mr. Gelbach

1. Payment for Calls. I told Mr. Hunt that future calls to him would be paid for from FEA funds.

INFO: U.S. Embassy

Finance S/C

Mr. Sullivan

2. Financial Mission. The question of inviting a Financial Mission to go to Washington is under discussion in Washington. The names of Piacenti and Nathan (now in London) have been mentioned.

ACTION:

Col. Tooby

3. 1946 Program. We are requested to send to Washington six copies of the English version of "Italy's Industrial Import Requirements."

ACTION:

Commerce S/C

4. Private Trade. Washington is sending comments (both through State Department and in MOC series) on MOC 489, the text of the Press release. The chief suggestion appears to be to delete Manchuria, Korea and Formosa, as exceptions to the reopening of private trade, leaving only Germany and Japan.

ACTION:

Miss Wukaseh

Washington said that the text of this MOC Airgram had been received through the Embassy, but had not yet arrived in the regular military airgram channel.

ACTION:

Commerce S/C

5. Olive Oil Exchanges. Washington drew our attention to a long cable, COM 378, which is designed to cover questions of exchanges of olive oil against other oils.

ACTION:

Sub-B. Sup. Op

(Arnoldy)

Sub-B. Ind. Reb.

(Dr. Reibert)

6. Manufacture on UNRRA Account. The general UNRRA policy on use of Italian or other indigenous resources to meet the needs of UNRRA countries is still under discussion. The most current proposal is that countries be credited in terms of supplies to be delivered by UNRRA, for procurement of indigenous supplies for other UNRRA countries for UNRRA account or for manufacture of goods for export on UNRRA account.

In this connection the fish net yarn project (manufacture of fish net grown in Italy, from imported cotton, for use in Mediterranean countries and possibly China) has been approved to the extent of 500 tons of Egyptian cotton. Mr. Broadbent of the British Hemp Control Organization is being taken on by UNRRA as a temporary employee and will be sent to Italy to supervise the operation.

The project for the manufacture of piece goods, previously discussed, now looks doubtful.

- 2 -

SUPPLY7. Wheat.

(a) A cable has been sent in the last two days, recapitulating all coal and wheat sailings on FEA account, January.

(b) January Performance. All but two of the FEA wheat ships have sailed - i.e. 183,000 tons have sailed with 16,000 more to sail. As of Feb. 1 or 3, UNRRA will have shipped about 89,000 tons. The total January wheat sailings are, therefore, 280,000 tons.

(c) February Outlook. The following is Kaiser's "informal appreciation" of the February situation on grain:

	<u>Tons</u>
Program for Feb. by UNRRA	187,000
(Wheat equivalent includes oats, etc.)	
Shippage from UNRRA January program	51,000
FEA program (wheat)	16,000
FF flour on civil account	58,000
FF flour (for Armed Forces Carabinieri etc.)	19,000
Two ships from the Argentine	13,000
<u>Total</u>	<u>274,000</u>

(d) Department of Agriculture has asked UNRRA to divert 6 ships destined for China now loading in Gulf ports to the Italian civil program.

(e) The wheat position for liberated areas is being raised at the next U. S. Cabinet meeting.

INFO: Miss Wagoner (f) We are requested to repeat UNRRA wheat cables in the COM-SEC series for the next couple or three weeks.

(g) Kaiser said that they were objecting to having cuts made by UNRRA on a uniform basis among countries as long as Italian ration is considerably lower than in other countries. There is some tendency to, for example, cut everybody's ration by 100 grams. It was suggested that we should resist this tendency by a cable.

8. Coal.

(a) 80 coal ships sailed for Italy during January (i.e. about 400,000 tons).

(b) For February the allocation is 432,000 tons from U. S. sources plus 18,000 tons from South Africa. The February coal shipping program will be set up on a completely FEA basis at first -- i.e. all coal ships for Italy in February will be assigned US numbers. When all FEA's backlog of coal has been shipped, the shipping allocations of the actual ships will revert automatically to UNRRA to avoid any break in the supply.

ATTN:
Fuel Div.

872

- 3 -

(c) A meeting of the Combined Coal Committee is being held next week to consider possible additional allocations for liberated areas from the U. S. The effect of the steel strike is to make more coal available for export at the moment.

STICH:
Sub-A. Relief
Sup. (Morgan)

9. Malaria Project. Sprayers and parts for the malaria project will be delivered March 13 (at the earliest) in Italy.

10. Strike in Chile. The general strike in Chile will delay all shipments of nitrates and of copper (and, therefore, also Peruvian cotton, which is loaded with the copper from Chile).

- 4 -

ADMINISTRATIVE

11. FSA Personnel. Curtis asked for information as quickly as possible on the points left open in our recent cable about FSA personnel.

12. Matacia. Was asked to provide the effective transfer date for Miss Matacia.

13. France. Stanley France's draft board is raising questions about his remaining overseas. If he remains, a justification will have to be put up by him.

14. White. Washington asked about Leslie White and was informed that he would transfer to UNRRA.

15. Dickerman. Forest Service has been approached on a continued leave of absence for Dickerman. Mr. Josephson of the Forest Service has agreed, but needs a cable reply from Dickerman to his inquiry.

16. Eleanor Thompson. A package will arrive from Mildred Carter for Eleanor Thompson. It is to be kept in Rome, if Miss Thompson is not in Rome to receive it.

17. Last Working Day. We are asked to send cables immediately about the last working day of each FSA employee as he or she transfers to other agencies in the theatre.

18. Raffa. Aldo Raffa was to leave 31 January by air via London.

19. Luzzatto. Bruno Luzzatto should leave within a week or so.

20. Checci. Mr. Hunt was asked to take up with Max Ascoli the problem of maintaining Checci on the present basis, rather than to have him work full-time immediately for Handicraft Development, Inc., this arrangement to continue until about the middle of the year.

ACTION:

W. Galbach

HARLAN CLEVELAND



CONSIGLIO NAZIONALE DELLE RICERCHE

IL PRESIDENTE

Roma,

Brig. M.S.LUSH

Acting Executive Commissioner

R O M A

Il giorno 14 febbraio 1946, alle ore 11,30, avrà luogo nella sede del C.N.R. una adunanza plenaria degli organi direttivi del Consiglio stesso, in occasione della chiusura della Mostra dei progetti di case prefabbricate, allestite in collaborazione con l'U.S.I.S. All'adunanza presenzieranno il Presidente del Consiglio dei Ministri e i Membri del Governo. Sarà gradita la presenza della S.V.



CONSIGLIO NAZIONALE DELLE RICERCHE

IL PRESIDENTE

Roma,

Admiral E.W. STONE

Chief Commissioner

R O M A

Il giorno 14 febbraio 1946, alle ore 11.30, avrà luogo nella sede del C.N.R. una adunanza plenaria degli organi direttivi del Consiglio stesso, in occasione della chiusura della Mostra dei progetti di case prefabbricate, allestita in collaborazione con l'U.S.I.S. All'adunanza presenzieranno il Presidente del Consiglio dei Ministri e i Membri del Governo.

Sarà gradita la presenza della S.V.

124

VII/act

Ref: 4002/124/73

5 February 1946

SUBJECT: Italian Oil Drilling in Greece

TO: GREEK Delegation to the Advisory Council for Italy

1. Reference your letter no. 4323 dated 15 Sept. 45 subject as above.
2. Enclosed is a report as per your request.

121

VICTOR L. ODDI

Brigadier
Executive Commissioner

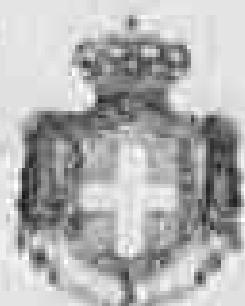
Encl: Report for the DPA concerning drilling for oil during the Italian occupation of Greece

867

124
5/2
2

0774

Declassified E.O. 12356 Section 3.3/RND No. 785017



Ministero degli Affari Esteri

FEB 4 1946

MEMORANDUM FOR THE ALLIED COMMISSION

Subject: Drilling for oil in Greece.

1. Reference is made to Allied Commission's note 471/EC(L), dated 14 September 1945.

2. The results of the drilling operations carried out during the Italian occupation of Greece and the conclusions reached are detailed in the report enclosed herewith.

Encl.

Rome, January 30th, 1946



866

(LPT O)

COPIA

BPAGOPSA (nell' area ad occidente di Jinina) - Numerosi studi effettuati in varie epoche da eminenti geologi permettevano di sperare nella presenza, nella zona in oggetto, di petrolio in quantità industrialmente sfruttabile. I lavori di perforazione che erano stati eseguiti ed una galleria in prossimità degli affioramenti avevano raggiunto però profondità modestissime non risolvendo nessuno dei problemi di ricerca prospettati dai geologi.

Nel marzo del 1942 fu inviata una moderna sonda rotaria capace di raggiungere i 1.000 mt. di profondità.

Con la sonda a rotazione furono eseguiti tre pozzi i cui profili stratigrafici sono qui di seguito riportati:

Sondia n.1

da m. 0	a m. 16,10	intercalazione di molarie ed arenaria irregolarmente impregnate di bitume liquido				
" "	" "	" "				
" "	16,10	22,10	arenaria calcarea con impregnazioni di bitume liquido			
" "	" "	" "	42,40	arenaria calcarea irregolarmente impregnata di bitume liquido e bitume secco		
" "	" "	" "	" "	46,00	argilla arenacea irregolarmente impregnata	
" "	" "	" "	" "	46,00	57,70	arenaria calcarea e argillosa con impregnazioni secche ed umide (utilizzato a m. 57,70).

Sondina, n. 2

da m.	0	a m.	1,50 terreno vegetale
" "	1,50	" "	27,00 arenarie irregolarmente impregnate di bitume secco
" "	27,00	" "	41,00 arenarie impregnate di bitume liquido
" "	41,00	" "	55,00 arenarie impregnate intercalate da sabbie impregnate di bitume liquido
" "	55,00	" "	63,30 arenaria calcarea argillosa irregolarmente impregnata (ultimato a m. 63,30).

Sonda n.3

da m.	Q	a m.	1	terreno vegetale
" "	1	" "	28,70	arenaria con saltuarie impregnazioni secche
" "	28,70	" "	79,50	alternanze di banchi di arenaria, sarna arenacea
" "	79,50	" "	84,00	arenaria argillosa irregolarmente impregnata
" "	84,00	" "	91,00	arenaria argillosa con tracce d'impregnazione
" "	91,00	" "	106,40	alternanze di sarna arenacea e calcaree ed arenarie calcaree
" "	106,40	" "	119,00	arenaria argillosa e arenaria calcarea con tracce d'impregnazione
" "	119,00	" "	168,00	sarna calcaree, sarna sabbiose e sarna arenacee
" "	168,00	" "	200,00	arenarie calcaree sarnose ed arenarie calcaree argillose (ultimata a m. 200).

55
56
57

Stratigrafici sono qui di seguito riportati:

Sondina n.1					
da m. 0	a m. 16,10	intercalazione di molasse ed arenaria irregolarmente impregnate di bitume liquido			
" " 16,10	" " 22,10	arenaria calcarea con impregnazioni di bitume liquido			
" " 27,70	" " 42,40	arenaria calcarea irregolarmente impregnata di bitume liquido e bitume secco			
" " 42,40	" " 46,00	argilla arenacea irregolarmente impregnata			
" " 46,00	" " 57,70	arenaria calcarea e argillosa con impregnazioni secche ed umide (ultimato a m. 57,70).			

Sondina n.2					
da m. 0	a m. 1,50	terreno vegetale			
" " 1,50	" " 27,00	arenarie irregolarmente impregnate di bitume secco			
" " 27,00	" " 41,00	arenarie impregnate di bitume liquido			
" " 41,00	" " 55,00	arenarie impregnate intercalate da sabbie impregnate di bitume liquido			
" " 55,00	" " 63,30	arenaria calcarea argillosa irregolarmente impregnata (ultimato a m. 63,30).			

Sonda n.3					
da m. 0	a m. 1	terreno vegetale			
" " 1	" " 28,70	arenaria con saltuarie impregnazioni secche			
" " 28,70	" " 79,50	alternanze di banchi di arenaria, marne arenacee			
" " 79,50	" " 84,00	arenaria argillosa irregolarmente impregnata			
" " 84,00	" " 91,00	arenaria argillosa con tracce d'impregnazione			
" " 91,00	" " 106,40	alternanze di marne arenacee e calcaree ed arenarie calcaree			
" " 106,40	" " 119,00	arenaria argillosa e arenaria calcarea con tracce d'impregnazione			
" " 119,00	" " 168,00	marne calcaree, marne sabbiose e marne arenacee			
" " 168,00	" " 200,00	arenarie calcaree - marnose ed arenarie calcaree argillose (ultimato a m. 200).			

Con la sonda rotaria fu eseguita una sola perforazione in cui profilo stratigrafico, dall'inizio del carotaggio meccanico, è il seguente:

da m. 0	a m. 28,00	(perforato con scalpello)			
" " 28,00	" " 163,00	alternanze di marne e argille marnose			
" " 163,00	" " 154,00	argilla scistosa			
" " 154,00	" " 439,50	marne arenacea			
" " 439,50	" " 493,30	alternanze di arenarie compatte intercalate da arenarie scistose e marne arenacee.			
" " 493,30	" " 495,60	arenaria			
" " 495,60	" " 713,00	argille scistose (flysch)			

Ultimato a m. 712.

See 124

120

Ref: 4605/RS

2 February 1946

SUBJECT: Approval of Expenditure.

TO : IS: Commandant.

1. This office letter 4605/RS of 31 Jan 46 (not to USMA) is recalled.

2. The Chief Commissioner has directed that the cost of telephone calls to WASHINGTON initiated by Acting Vice President Economic Section and Mr. Henry, USMA, should be charged as follows as from 1st January 1946:

50% to Allied Commission
50% to USMA.

3. He further directs that as from 1st February in so far as Allied Commission is concerned the maximum payment each week should not exceed five 6000 (for 15 minutes speech).

M. S. LUSH

Brigadier,
Executive Commissioner.

MSL/JL

Copy to: A/VP, Econ Sec.
Chief Financial Advisor.
USMA.

6. Am
X4. 400/10 ✓

864
1A/2
J. S.

785017

4002

115

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION
Italian Mission - ROME
Bureau of Requirements and Distribution

28 January 1946

Ref: RD/1.51

JAN 28 1946

SUBJECT: Telephone Call, Rome - Washington, 24 January 1946.

TO : See Distribution Below.

Request addressees below take appropriate action on attached record of telephone conversation of 24 January (see marginal notes).

Harlan Cleveland
HARLAN CLEVELAND
Deputy Chief of Mission

Distribution:

ACTION: Col. Walton (Sub-Bureau of Supply Operations)
Mr. Legg (Sub-Bureau of Relief Supplies)
Col. Walker (Division of Fuels)
Mr. Crooks (Ports and Shipping Division)
Mr. Sullivan
Dr. Rambert
Mr. Gelbach
Commerce S/C

INFO : Chief Commissioner (Thru Exec Commr)
Mr. Keeny
Mr. Holstein
American Embassy (Para 3)

See M. 116.17-119

863

(mm) H)

2/9/46

SUMMARY OF TRANSATLANTIC CONVERSATION
ROME TO WASHINGTON AT 1700 HOURS ON
24 JANUARY 1946

PARTICIPATING From the Rome end:

Messrs. Keeny, Cleveland, Holstein

From the Washington end:

Messrs. Hunt, Treves, Alcock, Sard,
Lussatto, Curtis

1. WHEAT The allocation for all of UNRRA for February loading is 230,000 tons, of which Italy is tentatively allocated 160,000. February is the worst month in prospect. The maximum that can be had for February loading, even if several things break the right way, is 264,000, and that is only a hope. 264,000 is likely to be the size of the allocation for March and April. However, the shipping situation has improved and is no longer a limiting factor in the matter of wheat and coal.

On the FEA wheat, cable was being sent out on 24 January, saying that 117,000 tons of wheat had left during January, and that another ship (8,000 tons) was reported to have sailed (but was still unconfirmed). In addition, 38,500 tons had not yet sailed. The total of these three figures (163,000) will complete the FEA shipments of wheat. The YT flour will continue to be shipped on the schedule given in previous telephone conversation.

On the UNRRA wheat, Sard said that 149,000 tons had been "certified" for February loadings. This represents the amount of money committed, and does not affect the practical impossibilities referred to in the second paragraph preceding.

(From notes of Mr. Keeny: Governor Lehman saw President Truman yesterday, and a special supply meeting is being held. Sard reports first UNRRA wheat boat left 19 January and two more loading, which will apparently be all that will clear in January. Balance due to leave January will, he says, get out first week February.)

2. STRIKES Strikes in the U. S. are likely to continue to interfere with ships to Italy and other liberated areas. In addition to the strikes of meat packers and steel workers, a strike vote will be taken in the next few days among the train men, which may lead to a nationwide transportation tie-up.

RELIEF
SUPPLY

113

- 2 -

U.S.
EMBASSY

3. TRIPARTITE ECONOMIC ADVISORY COUNCIL The principle of this council appears to have been virtually accepted within the State Department. A tentative budget has been drawn up, including the following: Chief, Deputy Chief, 5 Advisors, a Projects Staff of 5 people, 9 Clerks, 6 Consultants. The salaries are at the P-8 and P-7 levels for the specialists, P-8 for the consultants, and CAF-5 for the clerks.

FUEL
DIV.

4. COAL As of December 31 the backlog on the FEA program was 502,419 tons of coal. Shipment of this backlog will continue on an FEA basis until it has all been shipped - roughly until Feb. 10. The amount of coal to be shipped during January is still estimated at about 400,000 tons.

SUPPLY
OPERATIONS
PORTS &
SHIPPING
DIV.

The Italian Embassy has presented a note to the State Department, asking for help in connection with the movement of 70,000 tons of Sardinian coal to the mainland. We are asked to let Washington know in the MOC series in what way the State Department can be most helpful.

(From notes of Mr. Keeney: Received cable on requirements through July. Says it looks better February. Requests military assistance to be kept separate. POL says requirements now coming through military should be filed through USMRA.)

MR.
SULLIVAN

5. EXPORT-IMPORT BANK Italian Embassy has presented to the Export-Import Bank a request for something over \$900,000,000 in the form of a loan on their import program. Informal estimates of how much they may actually get range around \$100,000,000. The Export-Import Bank, however, has changed its original idea that all loans would be made on a projects basis, and is now apparently willing to consider requests for loans based on an overall import program.

COMMERCE
S/C

6. TEXTILES The Combined Textile Committee, which made an adverse decision about selling Italian and other European textiles in the Western Hemisphere, is sticking to its decision. The cable from Ambassador Kirk on the subject is, however, creating a considerable amount of discussion. Washington suggested that the Italian Government should send a good textile man to Washington to participate in the allocation meetings.

(From notes of Mr. Keeney: Sard says additional cable requesting more information about textile capacity coming through.)

7. EXPORT POLICY I confirmed the receipt of the TAN cable on export policy.

RELIEF
SUPPLY

8. NITRATES A strike in Chile has held up the bagging of nitrates for shipment to Italy. Washington's present intention is to ship the remaining nitrates, still to be loaded on a ship now in Chile, in bulk, including with the shipment the necessary bags for bagging in Italian ports.

0781

Declassified E.O. 12356 Section 3.3/NND No. 785017

113

- 3 -

SUPPLY
OPERATIONS

9. SUPPLY BUDGET The total supply budget of UNRRA will go to the Central Committee in one or two weeks. There is some talk of the figure of \$383,000,000 instead of the \$375,000,000. The Italian portion of the supply budget, as submitted, will be taken to Rome by Col. Raffa, who should be in Rome the "end of first week in February".

SUPPLY
OPERATIONS

10. SHIPS I gave Washington a list of the ships on the high seas on which we did not have adequate information. The information was given to me on the phone, and has already been relayed to the Requisition Branch (Mr. Checchi).

SUPPLY
OPERATIONS

11. IT FUNDS Washington said that the Troop Pay Account had \$25,000,000 left in it, and that this was the amount that presumably would be turned over to the Italian Government on 1 February.

SUPPLY OPERA.
RELIEF SUP.

12. TROUT EGGS The landed cost of the trout eggs (of which I confirmed the receipt) was given as \$100 value plus \$200 freight, total \$300.

13. VENEZIA GIULIA Washington said the War Department had raised a question about the repayment of the Venezia Giulia supplies. I summarized briefly the point of view on this question which we have put forward in the MOC series.

SUPPLY
OPERATIONS

14. SURPLUS CATALOGUES Washington requested that we send to the Italian Division, OFIC, one copy of each of the surplus catalogues that have been issued to date, beginning with No. 1.

MR. GELBACH

15. PERSONNEL CHANGE Chester Lane has replaced Marshal McDuffie as Deputy to Mr. McCabe. McDuffie and Paul White are going to Russia.

16. ANNUAL LEAVE Curtis said that FEA employees could be placed on annual leave in the field, but that they still would have to return by 15 March or 30 March in order to take advantage of FEA repatriation rights.

MR. GELBACH

17. DAVE SACHS Arrived in Washington after being "stuck" at Casablanca for 22 days.

FUEL DIV.

18. FOL I told Sard that STAT 4 (April dues in) would be dealt with in cable form shortly and later by airgram. Payment for civil requirements in STAT 4 will be met by UNRRA.

Harlan Cleveland

cc: Chief Commissioner
(Thru: Executive Com.)
Mr. Legg, Relief Supply
Col. Walton, Supply Operations
Appropriate Excerpts:
Fuel Division, etc. as indicated

HARLAN CLEVELAND
Acting Vice President
Economic Section

- 4 -

THESE ARE NOTES BY col. KERRY:C.S.O.
NOTE

1. Col. Raffa has not yet left Washington, because of transportation delays. Is about to leave, and should be here "end of first week February". Has been helping Sard meanwhile.

C.S.O.
ACTION

2. Washington has cancelled requirement for 2,000 tons paper bags on request of Italian Government through Sacerdoti. They understand that such cancellations must come through Rome. Will Cleveland please accept this cancellation, if he agrees, but draft letter for my signature to Government indicating what channel must be.

LEGG

3. Wheat Governor Lehman saw President Truman yesterday, and a special Supply meeting is being held. Sard reports first UNRRA wheat boat left 19 Jan., and two more loading, which will apparently be all that will clear in January. Balance due to leave January will, he says, get out first week February.

WALKER

4. Coal Received cable on requirements through July. Says outlook better February. Requests military amounts to be kept separate. POI says requirements now coming through military should be filed through UNRRA.

LEGG

5. Fertilizer Says - "Should get most requirements for first quarter," but was not clear whether the amount available was 78,000 tons. Asks whether phosphate rock situation under control, and whether we want Washington to do anything about it.

IRLIE

6. Cable 1136. Says - "Cable coming on DDT Emulsion". Meanwhile, reports 8,000 gallons being loaded, but says sprayers held up by steel strike.

C.S.O.
NOTE

7. Wants clarification on typewriter situation: Whether we want 30 typewriters now available Washington. Action Hodgetts.
8. Says request made through Army release meat for staff ordered in November. Washington has ordered no meat for staff rations to date. Action Hodgetts.

INDUSTRY
(REPORT)
NOTE

9. Textiles Says additional cable requesting more information about textile capacity coming through.
10. Car Parts Says Hudson car parts shipped air freight from La Guardia Field 18 Jan. and promises cable flight number.
11. Says Jackson still discussing with London whether Wolk shall go London or come Rome.
12. SME asked Sard request Salisbury to hold western pending decision.

S.M.K.

859

ACC2 46

110

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref. ES/1.51

22 January 1946

SUBJECT: Telephone Call, Mr. Cleveland (Home) - Lt. Col. Tooby (London),
19 January 1946.

TO : See distribution below.

1. Reference attached record of subject telephone conversation,
request appropriate action as follows:

2. Requisition Branch - paragraph 2.
3. Commerce Sub-Commission - paragraphs 3 and 4.
4. Finance Sub-Commission - paragraph 4.

Harley Cleveland
HARLEY CLEVELAND,
ACTING VICE PRESIDENT

DISTRIBUTION:

Action: Requisition Branch
Commerce S/C
Finance S/C

Info : Chief Commissioner ✓
Mr. Ewery
Mr. Holstein
Col. Walton
Col. Legg

See M 111

SAH
23/1/46
(P2) #1

PA 37
23/1
B 2

NOTES OF CONVERSATION WITH LT. COL. TOOHY
IN LONDON ON 19 JANUARY 1946 BY MR. CLEVELAND

1. Col. Toohy will fly from London direct to Rome on Monday, 21 January 1946.
2. Shipments from U.E. These are dealt with in PAT 204. Col. Toohy said the situation was as follows:
 - (a) Wool - 1,000 tons shipped, 4,000 tons to be shipped in January "if possible".
 - (b) Rubber - 570 tons have already been procured, 380 tons of these are being loaded now on the Fort Glen Lyon.
 - (c) Jute - The total quantity promised will be sent from Calcutta the first week of February. In this connection, refer to ARSENT 1 1946 to British Embassy from London Foreign Office.
3. Phosphate Rock - PAT 203 deals with this. Col. Toohy urged quick action on PAT 203, particularly with regard to making firm the shipping allocation for 50,000 tons per month for the next few months.
4. The French have placed 20,000,000 francs at the disposal of the Italian Government in Paris, according to Col. Toohy. However, they have stipulated that the exchange rate on this fund should be at 192 liras per franc.

Harlan Cleveland

/s/ Harlan Cleveland

HARLAN CLEVELAND
Acting Vice President
Economic Section
Allied Commission

HEADQUARTERS UNITED COMMISSION
ECONOMICS SECTION
APO 394

Ref: 1.31/23

24 January 1946

SUBJECT: Telephone Call, Rome-Washington, 17 January 1946

TO : See distribution below

1. Reference attached record of subject telephone conversation,
request appropriate action as follows:

Mr. Holstein	-	Para. 19
Supply Group	-	Paras. 6, 8, 9, 12, 13, 17a, 17c.
Food-Agriculture S/C	-	Paras. 7c, 7e, 17b
Finance S/C	-	Paras. 10, 12
Commerce S/C	-	Paras. 10, 11, 14 (for preparation of objection), 15, 16.
Requisition Branch	-	Para. 13.
Program Coordination Br.	-	Para. 13.
Fuels Department	-	Paras. 8, 9.
Industry Department	-	Paras. 13, 17c.
Capt. Highland	-	Para. 5.

2. The American Embassy has been informed of Para. 16.

Harlan Cleveland
HARLAN CLEVELAND
Acting Vice President

DISTRIBUTIONAction:

Mr. Holstein
Col. Walton
Col. Legg
Finance S/C
Commerce S/C
Requisition Branch
Program Coordination Branch
Fuels Department.
Industry Department
Capt. Highland

Information:

Chief Commissioner
Mr. Keeny- USMRA

See M III

858

APR 26 1946
JEB

(MAJ H) 20/1/46

MEMORANDUM FOR THE RECORDS OF PHCA. CALL
TO WASHINGTON FROM ROME AT 1700 HOURS ON
17 JANUARY 1946

PARTICIPATING: On the Rome end were Mr. Keeny, Mr. Holstein
and Mr. Cleveland
On the Washington end were Mr. Hunt, Mr. Haizer,
Mr. Treves, Mr. Luzzatto, Mr. Sard.

1. Morale Mr. Hunt wanted to know about the state of Italian morale
in view of the wheat and coal situation. I told him that it was generally
low, as was to be expected under the circumstances.

2. Tirana Rifat Tirana has joined the staff of the Export-Import
Bank and will be working, among other things, on Italian problems.

3. Currie Lauchlin Currie will arrive in Rome on 28 January.

4. Merritt Jim Merritt has arrived in Washington.

5. American Cardinals Cardinals Stritch of Chicago and Mooney of
Detroit will leave Washington by plane on 18 February. Mr. Hunt transmitted
a message from Gael Sullivan, asking that facilities be arranged for their
stay here, which will be from 12 February to 3 March.

6. Crews The situation on crews for civil supply ships appears to be
improving, but Mr. Hunt said that the problem was not yet solved. A new
inter-departmental group has been set up in Washington under the over-all
Committee on Foreign Shipments. This new sub-committee is "headed by"
Capt. Conway, Administrator of War Shipping Administration, who is charged
with the job of seeing that sufficient transport is made available for
movement of supplies to liberated areas.

7. Wheat (a) Mr. Haizer reported that sailings through 12 January
showed that 14 ships (all of them not previously reported to AC, as having
sailed) have sailed during the first 12 days of January, and that two more
had "probably sailed" in the last couple of days. He said that except for
two ships, all of the wheat ships which were to be shipped under the FEA
program will have sailed in the next ten days.

(b) UNRRA's over-all wheat position is still very tight.
There is being made available to UNRRA for shipment, against its January/
February requirements, only 55% of the total amount requested (this in-
formation applies to wheat, rolled oats and oatmeal.)

(c) We are asked to cable as soon as possible our stock
position as of Monday, 21 January, in preparation for an important alloc-
ation meeting to be held late next week.

- 2 -

(d) Flour 32,300 tons are scheduled to move this month; in February 14,000 tons are scheduled to be shipped each week until the flour backlog has all been shipped. Washington emphasized again that flour for the armed forces (MOC 451) would have to be taken out of the regular flour shipments, all of which had been procured with YT funds. Washington will cable confirming this.

(e) We were particularly requested to give stock figures of the major cities, like Rome and Naples, quoting stocks in terms of the number of days' supply are on hand.

8. Coal Washington still hopes and expects to get 400,000 tons of coal during January. They said that reported sailings had so far been 17 ships (which checks with our information, I understand). The allocation for February is 450,000 tons. I said that as a result of short shipments in December, coal was being allocated only to railroads, gas works, bakeries and hospitals, and whatever fuel-processing plants and thermo-electric-power stations going. I also said that we could no longer keep the lack of coal arrivals in January a secret, as we had been requested to do in a recent MOC cable, and that the Government was forced to make some announcement about it during the next day or two.

9. POL Arrangement with Army-Navy Petroleum Board is that A.N.P.B. will handle February and March arrivals (in addition to the January arrivals which they are handling as agents for ENA). This arrangement was made because USRA Washington was not set up to handle procurement of shipments of petroleum.

10. Conguaglio Regarding MAT 950, Mr. Treves said that a reply had been sent in the TAM series, and I confirmed its receipt on this end. Treves said that originally there had been some comments in the cable on the conguaglio, but all that is now to be handled through diplomatic channels.

11. Export Policy - A TAM cable is being sent which revises AS's responsibility under TAM 640, and abolishes categories A and B as far as exports are concerned. In answer to question, Treves said that this cable still leaves up with certain residual functions.

12. Category B Supplies - A TAM cable is also in preparation on the termination of the combined responsibility for requirements under category B, and U. S. Government procurement of category B, supplies under the "Troop Pay Account". Treves said that a cable had been sent through State Dept. to Rome, asking the Embassy to take up with the Italian Government what was to be done with the unspent balance of the YT funds after 1 February.

13. Electric Steel Requisitions for this commodity (YT 33 and YT 100) were referred to. Electric steel is not available without a very strong justification from us through the MOC series, stressing particularly the consequences which may arise from non-receipt of this steel. The requisitions were referred to as "rather large quantities". Apparently this type of steel is in very short supply.

- 3 -

105

14. Reserved Community List A cable is being sent to us, which will clear automatically all shipments of finished cotton products to destinations other than the Western Hemisphere. There was some discussion of this decision on the phone. The reason for it is said to be the supply situation. That is, that the Western Hemisphere is so much better stocked with finished textiles that the production of European countries is believed to be most needed in Europe and other than Eastern Hemisphere countries. I stressed that dollars would not be available from Eastern Hemisphere markets, and that, therefore, a dark shadow was placed over the repayment of the Export-Import Bank loan. Treves said that the Italian Embassy in Washington had taken the same position and that the main hope from that standpoint seemed to be that the Combined Board control would be removed from textiles "after a few months".

15. Fats and Oils Treves mentioned that the number of export license applications were being received for export of fats and oils to Italy and that it seemed difficult or impossible to grant them during the period when UNRRA's fats and oils requirements for Italy were not nearly able to be met.

16. Treves Peter Treves hopes to be able to get away during the first part of February.

17. Messages for Keeney

(a) A cable granting authority to the UNRRA Italian Mission to purchase up to \$5,000,000 worth of U. S. warehousing property is supposed to go out the next day (16 January).

(b) Regarding meat for consumption by the Italian Mission itself: There is apparently a snag in the U. S. supply, owing to a meat packers strike. Washington said the possibility of securing meat from theater excesses was being investigated.

(c) Production for other areas Sard said that a meeting had been held in UNRRA looking to the use of Italy as a source of textiles for other UNRRA countries and the general attitude in UNRRA is very favorable to this kind of activity. We will be hearing more about it.

18. Export-Import Bank Luzzatto has prepared a report, showing and justifying requirements for materials over and above the UNRRA program. The "green book" was used as a source, in addition to other things Luzzatto picked up while he was over here. It is being submitted to the Eximbank, simply as advice from the State Department, and not, of course, as a request for a loan. All such requisitions will have to come from the Italian Government, and Luzzatto says there is no indication on the Washington end that the Italian Government is energetically conscious of this fact.

19. Personnel I mentioned that cables had gone out through UNRRA requesting immediate recruitment of Luzzatto and Sullam. Luzzatto said that nothing had apparently been done about the cables, if they had been received, since ~~xxx~~ he had heard nothing from the UNRRA personnel people.

- 4 -

104

20. Directive With regard to the status of the over-all AC directive, Washington mentioned that it had become involved in the question of whether or not there will be a tripartite economic council.

21. Argentina Sard indicated that there was no definite indication when Argentina would become a member of UNRRA.

s/ Harlan Cleveland
HARLAN CLEVELAND
Acting Vice President
Economic Section
Allied Commission

19 January 1946

4002 41

101

MEMORANDUM FOR THE RECORDS OF PHONE CALL
TO WASHINGTON FROM ROME AT 1700 HOURS ON
5 JANUARY 1946

1. Participating: On the Rome end were Mr. Keeny, Mr. Holstein and myself; on the Washington end, Mr. Hunt, Mr. Treves, Mr. Heiser, Mr. Callahan, Mr. Curtis, Mr. Saul and Mr. Belk.

2. Treves: A suggestion previously discussed for Peter Treves to come to Italy in connection with procedures for Italian foreign trade operations and particularly exports to the U. S. is now looked upon favorably in Washington. In cabling for him, we are requested to secure concurrence of Ambassador Kirk.

3. Crews: I was asked to suggest to Ambassador Kirk that a cable be dispatched raising the question of using Italian crews in case ships cannot sail from the U. S. because of lack of crews. Mr. Hunt said he did not yet know whether the shortage of crews was simply due to the holidays or represented a general and continuing problem.

4. Liguti: Mgr. Liguti is coming to Rome and we are requested to facilitate his movements. A letter is on its way explaining his mission.

5. Supplies for Armed Forces: We are asked to confirm by cable Washington's assumption that supplies for the Italian Army and Carabinieri will be taken out of indigenous resources.

6. YT Procurement: (a) U. S. Government procurement of supplies against Troop Pay (YT) Fund will end definitely on 1 February 1946. The amount then remaining in the Troop Pay Fund will be placed at the free disposal of the Italian Government. (b) Washington referred to MOC 415 and a statement therein that YT funds might be used to purchase surplus. They reminded us of COM 224, which ruled against the use of YT funds for surplus procurement.

7. Foreign Trade: Washington referred to the State Department's desire to have a joint release on foreign trade on the occasion of the reopening of private commercial trade. However, they emphasized that no clearance of Italian Government trade procedures was required by the U. S. Government.

8. Export of Textiles: We will shortly receive cables approving all exports of finished textiles which have been referred to Combined Boards, except shipments to U. S. on which a special cable is being sent.

9. Spare Parts for Trucks: We are asked to confirm that the requisition for spare parts for Army trucks was sent after a determination that the spare parts are not available in the theatre from surplus.

See 1. 423

851

PA
10/11
4/2
5/1

- 2 -

10. Tripartite Council: Washington reported that there is a feeling in the State Department that the number of people (40) requested for the Tripartite Economic Advisory Council on the U. S. side was too high.

11. Coal: The amount of coal actually shipped in December was 210,000 tons. The allocation for January is 432,000 tons. Most of this coal for January loading will actually have been procured from YB Funds. Any amount not already procured from YB Funds will be taken up by UNRRA. The total allocation, however, cannot exceed 432,000 tons. The crew difficulty has hit coal ships to such an extent that 13 coal boats which are now loaded at Hampton Roads cannot sail.

12. Personnel for UNRRA: (a) Victor Bulter is available to come to Italy whenever we request him through UNRRA channels.

(b) Bruno Luzzatto is now available to come back, also through UNRRA channels.

(c) I requested Luzzatto to investigate the availability of Weissman for work on industry and particularly PCI. Luzzatto said that he was extremely useful at UNRRA Headquarters and that it might not be good to take him out of his present position.

13. Transfers of Personnel: I said that approximately half the FEA people would be transferred to UNRRA; four or more to the Embassy, and the rest either on the clean-up staff or home right away. I referred to MAC 434, which had not yet been received in Washington.

14. 1946 Program: I asked whether the "green book" had been received and was told that while the cable giving the figures had reached Washington, the airgram with the green book had not.

15. Wheat: The following gives the figures which came out on wheat and the action we were requested to take:

APPENDIX "A"

1. The total wheat actually shipped through December was 142,000 tons.
2. January loadings of wheat on FEA account are to be 167,000. In addition, of the 91,500 tons of flour which are to be shipped as back log, approximately 40,000 (perhaps a little less) should be shipped during January on FEA account.
3. UNRRA will ship 170,000 tons of wheat on its account during January in addition to figures in preceding paragraph. In addition, UNRRA will ship 25,000 tons of soya flour and some other minor cereals (S.M.K. has details), if we confirm ability to use them.

- 2 -

10. Tripartite Council: Washington reported that there is a feeling in the State Department that the number of people (40) requested for the Tripartite Economic Advisory Council on the U. S. side was too high.

11. Coal: The amount of coal actually shipped in December was 210,000 tons. The allocation for January is 432,000 tons. Most of this coal for January loading will actually have been procured from YB Funds. Any amount not already procured from YB Funds will be taken up by UNRRA. The total allocation, however, cannot exceed 432,000 tons. The crew difficulty has hit coal ships to such an extent that 13 coal boats which are now loaded at Hampton Roads cannot sail.

12. Personnel for UNRRA: (a) Victor Suire is available to come to Italy whenever we request him through UNRRA channels.

(b) Bruno Luzzatto is now available to come back, also through UNRRA channels.

(c) I requested Luzzatto to investigate the availability of Weisman for work on industry and particularly POL. Luzzatto said that he was extremely useful at UNRRA Headquarters and that it might not be good to take him out of his present position.

13. Transfers of Personnel: I said that approximately half the FEA people would be transferred to UNRRA; four or more to the Embassy, and the rest either on the clean-up staff or home right away. I referred to MCC 434, which had not yet been received in Washington.

14. 1946 Program: I asked whether the "green book" had been received and was told that while the cable giving the figures had reached Washington, the airgram with the green book had not.

15. Wheat: The following given the figures which came out on wheat and the action we were requested to take:

APPENDIX "A"

1. The total wheat actually shipped through December was 142,000 tons.
2. January loadings of wheat on FEA account are to be 167,000. In addition, of the 91,500 tons of flour which are to be shipped as back log, approximately 40,000 (perhaps a little less) should be shipped during January on FEA account.
3. UNRRA will ship 170,000 tons of wheat on its account during January in addition to figures in preceding paragraph. In addition, UNRRA will ship 25,000 tons of soya flour and some other minor cereals (S.M.K. has details), if we confirm ability to use them.

- 3 -

4. In presentation to the Combined Food Board, Washington said that they were faced with the necessity of choosing between what they understood to be the Italian Government figure for consumption (3,822,600 tons per year) and the AC figure, which is 3,700,000 tons per year. They are using the higher figure for the presentation to the Combined Food Board and we are asked to confirm that the Italian Government figure is correct.
5. In the Combined Food Board presentation, they were similarly faced with a choice between the Italian Government figure of the total amassable wheat (1,325,000 tons) and what they understood to be the AC figure of 1,475,000 tons. Here again they are adopting the Italian Government figure and we are asked to confirm that it is correct. In this connection I said that while the total amassable figure was an important element in the equation, it should be emphasized to the Combined Food Board that it is highly theoretical figure and does not represent what we would want (in fact, expect to be) amassed during the crop year 1945-46.


HARLAN CLEVELAND
Acting Vice President
Economic Section
Allied Commission

8794
1007 91
Exec Comm
HM. QUARTERS ALLIED COMMISSION
APO 394
Economic Section

ES 1400
Ref. AC/3/11E/Tn5

11 January 1946

SUBJECT: Request for Vehicles

JAN 12 1946

TO : Secretary General
Italian Centre of Studies for Reconstruction
Corso d'Italia 3 - MILAN

- 91
1. Reference is made to your letter of 22 Dec. 45.
 2. All available Allied Military Vehicles from Allied Commission have been handed to the Italian Government and it is therefore regretted that no assistance can be given you.

3. It is suggested that you address your enquiries to:

Azienda Rilievo Alienazione Residui
Via Ludovico 16 - ROMA
Telephone Rome 41405

CHARLES W. WALTON
Colonel, AG
Chief, Supply Group

cc: The Ministry of Transport (with copies of C.I.S.R.
Chief Liaison Officer, Lombardia Region) letters dated 18 and 22
December 1945

Exec Comm

848

PA
1411
2

(11/11) 5000
11/11

Italian Centre of Studies for Reconstruction

Dear Admiral Milley & others, Dear
Chief Commissioner

1948

Milan, 21 December 1948

88

Referring to your letter (ref. 3/15.19, dated 3 December last, with
reference to demand made in Milan for approval of the International
Exhibition for Reconstruction, (Industrial Exhibition) in Milan, we hereby
acknowledge a copy of the letter sent by the Italian Centre of Studies for Reconstruc-
tion to Admiral Milley & others. Regional Commissioner Lombardy region, which
says that, in accordance with the instructions received, the concrete program of
the exhibition, and especially all technical and financial estimates and all the
information regarding the organization that have been requested.

To General A.A. HANCOCK, Regional Commissioner, Lombardy region,

Milan,

Referring to the approval of the International Exhibition for Reconstruction, (Industrial
Exhibition) in Milan, we hereby acknowledge a copy of the letter sent by the Italian
Centre of Studies for Reconstruction, dated 15.12.19, dated 8th inst.) and in
connection with the said approval and the relative organization of the technical
organism concerned, we bring the following facts to your attention:

The Italian Centre of Studies for Reconstruction formed with the pur-
pose of developing and organizing on a national plan the relations between sci-
entists, technicians, producers and distributors interested in the problem of the
rehabilitation of the Italian nation took the initiative of organizing a con-
gress of reconstruction in Milan in 1948, (to be inaugurated on April 1st), to
develop among such scientific communities, the study of what is necessary to
give back to the country trust in itself, give it an idea of the situation regard-
ing what can and must be done, and counsel with wisdom and realism the difficult
problem of labour which alone can make a win the reconstruction and support of
the allied nations.

This initiative which has been approved and authorized by Admiral (then
Chief Commissioner of the Allied Commission and by the Italian Government and
which will take the name of 'Congress International for Reconstruction' (Industrial
Exhibition) will have great importance, not only because of the organization of
the congress, but also and chiefly for the first time it brings their relations with Italian
industry, but also and chiefly because its practical purposes chiefly aim at rehabili-
tation, which is the only way, by means of economic and social reconstruction and rehabili-
tation, which the crisis which is already striking us and which all Italians of
goodwill intend to face.

It is well to state before all that the manifestation in question has
nothing to do with initiatives that might be coming from other sides.

847

785017

the exhibition, and various industrial and financial articles will all be included. The exhibition will have been opened.

[illegible]

According to the approval of his immediate superiors. Topic: Party membership, Party, Order Candidates, Name: Conf. on 19.09, dated 8th inst. and in the case of the Party and the relative situation of the political situation of the Party. The following steps to form a situation:

to the fact that the Government has not been able to secure the necessary funds to carry out its program. The Government has been unable to secure the necessary funds to carry out its program. The Government has been unable to secure the necessary funds to carry out its program.

[illegible]

It is well to state before all that the manifestation in question has nothing to do with individuals that might be coming from other sides and cannot compare with such, for I had a purely occasional experience and its character-
istics were nothing in common with those of the manifestations undergone in
travelling to the north.

only 1000

It is the intention of the U.S. Government to create a new international organization for the purpose of maintaining peace and security in the world. The organization will be a permanent body which will be composed of representatives of all the nations of the world. The organization will be a permanent body which will be composed of representatives of all the nations of the world. The organization will be a permanent body which will be composed of representatives of all the nations of the world.

2) the international obligation for non-discrimination and a temporary character, and, logically, it can't be able to reach those goals in the future to come. If meanwhile, the various false claims re in discrimination has been dismantled by the various false questions.

E.C.D.I.T. - 8 Jan

$$t_{L,D12} = 8 \text{ years}$$

0220

—

3

1197

that because of

3) Considering the present difficulties for demonstrations and exhibitions and food services, it is difficult to commit to one town, even if only for a few days, several hundred exhibitors and visitors, the International Exhibition for Reconstruction will take place in different towns following each other, so as to concentrate on each of them the interest of the authorities concerned, and the various exhibitions will take place in seven or eight towns the most important Italian towns so that each people is well informed and get in touch with the initiative of the Italian Centre of Studies for Reconstruction without being put to much expense or need to travel far.

4) For each exhibition and in every chosen city, various by provinces, all technical and people concerned will be notified, so that the important problems may be dealt with in relation with the specific interest of the provinces, so that adhering to the purposes of the Italian Centre of Studies for Reconstruction, all the most important elements of planning reconstruction may be brought to the attention of the superior organisms concerned.

The International Exhibition for Reconstruction plans to organize seven different consecutive manifestations, to last about a fortnight each, from April 15th 1946 to October 10th, in Milan, and should this program be a success, also in Turin, Genoa, Florence, Rome, Naples, Bari and Venice at the same time.

In every town and for each manifestation, we to be surprised only such people as are interested in this particular manifestation, and belonging to the provinces in the neighbourhood of the centre where the exhibition is taking place, so that, after asking all the products on show and their characteristics, they may express in a technical discussion the opinions and requirements that are necessary to solve all the problems of the various provinces for every class of products.

The show will be open to the public at certain hours or on certain days of the week, for information and propaganda purposes only.

The conclusions, orders of the day, etc of all discussions regarding the various categories will appear in detailed minutes for further developments.

From what we have just said, it is easy to realize the importance of the initiative and how that it will bring the most valuable and effective contribution to the great task of the Italian Government.

The initiative of the Italian Centre of Studies for Reconstruction has already been approved by the main representative of Italian public life, and foreign commercial and industrial circles intend to make under its task of showing the Italians the difficult but surely successful road to their rehabilitation.

brought to the attention of the superior organism concerned.

The international exhibition for reconstruction plans to organize seven different international exhibitions. To list about a fortnight each, from April 15th 1946 to October 15th, in Milan, and during this period as a nucleus, also in Turin, Genoa, Florence, Pisa, Naples, Bari and Rome at the same time.

In every town and for each manifestation, are to be organized only such people as are interested in this particular manifestation, and belonging to the provinces in the neighborhood of the centre where the exhibition is taking place, so that, after seeing all the products on show and their characteristics, they may express in a technical discussion the opinions and requirements that are necessary to solve all the problems of the various provinces for every class of product.

The show will be open to the public at certain hours or on certain days of the week, for information and propaganda purposes only.

The conclusions, orders of the day, etc of all discussions regarding the various categories will appear in detailed minutes for further developments.

From what we have just said, it is easy to realize the importance of the initiative and see that it will bring the most valuable and effective contribution to the great task of the Italian Government.

The initiative of the Italian Centre of Studies for Reconstruction has already been approved by the main representatives of Italian public life, and foreign commercial and industrial interests intend to make studies in view of showing the Italians the difficulties but surely successful road towards reconstruction.

In Milan, the exhibitions will take place in the place of the university, in Corso Venezia, kindly put at our disposition by the Municipality of Milan, and in other towns, in premises temporarily chosen in consideration of the technical requirements of the various exhibitions.

The exhibitions will be as follows:

- 1) Building exhibition
- 2) Household equipment exhibition
- 3) Clothing exhibition
- 4) Chemical industry exhibition
- 5) Iron sources and their applications
- 6) Transport exhibition
- 7) Exhibition of popular reconstruction (port-of-harbour-radio-transport-creaky tourism-toys-etc)

94

There will be an exhibition on the social reconstruction of customs, to show to the masses life in typically democratic nations, leading to the moral and social welfare that many nations, including Italy, still tormented by the problem of misery and want, are still trying to reach.

For what concerns the necessary funds, the Italian Centre of Studies for Reconstruction drafted the following plan:

The expenses foreseen for the carrying out of the international exhibition for reconstruction will amount to about 50,000,000 L.

To finance this amount, the Committee obtained a subvention of 10,000,000 L. from a group of Italian manufacturers and tradepeople. This sum will be paid in advance to a Credit Institute of the town, as soon as the exhibition will enter the executive phase, i.e. as soon as it will have received the written approval of Your Excellency, for you already gave us your oral approval.

This supply of funds will be entirely paid back by the yielding of the loans of the stands in the exhibition, the entrance taxes to be paid by visitors, and the amount of the various concessions incident to the exhibition; the total amount foreseen is of 10,000,000 L.

The possible difference between the field and the expenses will be entirely assumed by the Italian Centre of Studies for Reconstruction; in the same way, any profit will belong to the Centre which will use it to support the national function of the said Centre.

As it has been said, the Italian Centre of Studies for Reconstruction took the initiative of this exhibition and therefore fully assumed the moral and legal responsibility; the Centre was careful to ensure complete independence in the manifestation and at the same time was that it shouldn't have to ask for contributions or help of any kind from the Government or local institutions.

The International Exhibition for Reconstruction has a President, General Mario Grosso, who is also President of the Italian Centre of Studies for Reconstruction; the Secretary General of the Centre, Mr. Ernesto Libero who is also Secretary General of the exhibition.

The International Exhibition for Reconstruction has a Committee of Honour to be definitively formed as follows: ING. AGOSTO LABAL, Inspector of Civil Engineering for Lombardy; ING. GIOVANNI PALLA, Commissioner of the Lombardy Manufacturers Association; PROF. EMILIO PLEBANKA for Artisanal; MR. ALDO MARTI for the Trade Union; MR. GIAN LUIGI DI COMINASSO for the Provincial Movement; MR. PAULI Director of the Milan Bank of Italy; ING. CARLO, Finance Inspector for Milan; ING. CARLO, Chief of the Milan Polytechnic School; PROF. G. D. A. DELLA, Dean of the National Commercial University of Milan; (the relative documents have already been approved by the Economic Section and the Industrial Section of the Allied Exhibition in Rome).

will enter the executive phase, i.e. as soon as it will have received the written approval of your excellency, for you already gave us your oral approval.

This supply of funds will be entirely paid back by the yield of the loans of the stands in every exhibition, the entrance being to be paid by visitors, and the amount of the various suggestions amounting to the exhibition; the total amount increased to 0. 1. 100.000.000.

The possible effects on between the fields and the countries will be entirely managed by the Italian Centre of studies for reconstruction, in the same way, any profit will belong to the centre which will use it to support the national function of the said centre.

As it has been said, the Italian Centre of studies for reconstruction took the initiative of this exhibition and there it fully assumed the entire and local responsibility; the centre was created to assume complete independence to the manifestation and at the same time use that it should have to ask for contributions or help of any kind from the Government or local administrations.

The International Exhibition for Reconstruction has a President, General Mario Grosso, who is also President of the Italian Centre of studies for reconstruction; the Secretary General of the centre, Dr. Ernesto Libero who is also Secretary General of the exhibition.

The International Exhibition for Reconstruction has a Committee of Honour to be definitively formed as follows: ING. ROCCO LAGGI, Inspector of Civil Engineering for Lombardy; ING. GIOVANNI FALDI, Commissioner of the Lombardy Manufacturers Association; PROF. MARCO ALBERTINI for Artisans; DR. ALDO GIACCI for the Trade Union; DR. LUIGI CATTOLINI Commissioner of the Provincial Tourism Organization; DR. FORTI Director of the Milan Bank of Italy; DR. LUIGI PIEMONTE Inspector for Italy; DR. LUIGI PIEMONTE Chief of the Milan Polytechnic School; PROF. G. B. MALLA, Dean of the Second Commercial University of Milan; (the relative documents have already been approved by the Economic Section and the Industrial Section of the I.I.R. Ministry in Rome).

The International Exhibition for Reconstruction has its Executive Committee (which is being formed definitively) which includes: Count C. DE. MONTMAYR, of the Cassese Cotton Mills; DR. GIOVANNI M. DIAMANTI of the I.I.R. 875; DR. M. DIAMANTI, Chief of the Milan Polytechnic School; DR. ALDO GIACCI, Chief of the Milan Polytechnic School; DR. LUIGI PIEMONTE, Chief of the Milan Polytechnic School; DR. LUIGI PIEMONTE, Chief of the Milan Polytechnic School.

The exhibition has its own exhibition fixing the way in which it is to be carried out, and all the administration will be controlled by the board of auditors of accounts of the Italian Centre of studies for reconstruction.

The Committee which organizes the exhibition and which has been entrusted by the centre with the technical responsibility is composed of people that are already well known as experts and technicians in the field of commercial manifestations and propaganda, so that it is certain that the success of the initiative will satisfy the various categories of people concerned and the objectives of the United Nations.

93

The time foreseen for the carrying out of this important work is very short; we ask for the support of all local Allied authorities concerned and also for the nulla osta requested as for all manifestations of that kind to be granted without delay.

ITALIAN BUREAU OF STUDIES
FOR RECONSTRUCTION

(L.F. Puotari)

S. Puotari

785017

Transmission

Italian Centre of studies
for reconstruction

Rome, 22 December 1945

His Excellency Ellery S. Stone
Rear Admiral, USMC
Chief Commissioner
C. S. S.

JAN 3 1946

The study of the possibilities of giving to the Italian nation a new economic vitality, capable of placing the population on a plan of national dignity within the frame of a normal resumption of activity, basing itself on the practical carrying out of reconstruction, brought the American factor to our attention (by Americans, in Italy, we mean the United States), for we can state that the United States have the necessary possibilities for rehabilitating materially - and therefore also morally - whatever has been destroyed by war.

Italian technicians, builders, trade unions and political organizers should beware of selfish considerations and face the problem, trusting the friendly hand that the United States intend to offer us.

For such a purpose, the Centre asks you to supply us with powerful trucks, which we shall equip technically, and organize in convoy, and on which we shall have great exhibitions of all what industrial America can offer to the Italian market; they could stop for a fortnight in all Italian towns.

All the industry of the United States will certainly be willing to participate in this demonstration.

We feel sure that the success would be enormous.

Should you approve this plan, we can let you have a concrete financial plan.

Sincerely yours,

THE SECRETARY 843

G. L. P. MORARI

a/c

E.C. DIST. 3 Jan

As Trans: Ec. Sec. (2)

Info: c.c.
E.C.

See M. 92

998

2/1/46
2/1/46
2/1/46

Translation

Italian Centre of Studies
for Reconstruction

Milan 18 December 1945

Referring to your letter 20/12/45 in which you
approve the General Exhibition for Economic Recon-
struction, organized by our Centre, we are happy to
send you the expression of our gratitude.

We take this opportunity to send you our best
wishes for Christmas and the New Year.

THE SECRETARY GENERAL
(L. R. Pizzari)

L. Pizzari

Rear Admiral Stone
Chief Commissioner
R. A. S.

e/c

842

SPH
3/1/46

785017

HEAD, UNITED ALLIES COMMISSION
APO 394
ECONOMIC SECTION

Spitz
Ex Comm
89

Ref: 25/19.00

12 December 1945

DEC 12 1945

SUBJECT: Industrial Exhibition in Milan

TO : The Ministry for Reconstruction
Italian Government
Rome

1. Reference Professor Rinaldi's letter of 26 November to Admiral Milner & those with respect to the exhibition of National Reconstruction which the Italian Centre of Study for Reconstruction would like to organize in Milan.

2. Enclosed is a copy of a letter from the Chief Commissioner to General Infante on this subject.

87
HARRAN CHEVELAND
Acting Vice President

Encl.-1
25/19.19, 3 Dec. 45

841

Copy To:

Ex Comm

(na H)
12/17/45

PA
12/12/45

Declassified E.O. 12356 Section 3.3/NND No. 785017

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

7 November 1945

DEC 8 1945

My dear General,

I am replying to your letter of 11 November 1945.

Allied Commission approves the proposal to hold an Industrial Exhibition in Milan with the proviso that the principals of the Centro Italiano Studi per la Ricostruzione should obtain the approval of the Regional Commissioner, Lombardia Region, Colonel A.S. Hancock, to all details concerning the exhibition.

Very truly yours,

ELBERT W. STONE
Rear Admiral, USNR
Chief Commissioner

General Adolfo Infante
Primo Aiutante di Campo Generale
di S.A.R. il Luogotenente Generale
del Regno

840

A
1/2
3

Translation

The Minister for Reconstruction
5580/E

26 November 1945

REC 1 1945

The Italian Centre of Study for Reconstruction, established in Milan, Corso Italia, n. 5, with such purposes as are expressed by its name, intend to organize a 'General Exhibition of National Reconstruction' in the said town.

As it seems that such an initiative deserves to be encouraged, I take the liberty of asking for your kind intervention with the Allied Command, to have it consider the possibility of approving the said exhibition.

I thank you and remain,

Yours sincerely,

S. Guin

Admiral Henry H. Stans
Chief Commissioner
Allied Commission
R O M E

e/a/

789

Plt 3/12/45

76

E.S. DIST. 1002

839

Actual: 1002

The it lies centre of study for Reconstruction, established in Allen, Gorno Italia, n. 5, with such purposes as are expressed by its name, intend to organize a 'General exhibition of National Reconstruction' in the said town.

As it seems that such an initiative deserves to be encouraged, I take the liberty of asking for your kind intervention with the Allied Command, to have it consider the possibility of approving the said exhibition.

Thank you and remain,

Yours sincerely,

S. Guind

Admiral Murray K. Stone
Chief Commissioner
Allied Commission
Rome

o/a

76

Note: copies of 11 were made
& deposited of 17 Oct.

2-11/15
(msh)

789

PFF
3/1/15

E.O. DIST. 1

839
Action: Econ. Dev.
Sup. E.C.
E.C.

4062

70

830

EL

Translation

86

Public Works Ministry

2765/SP

Rome, 14 November 1945

NOV 24 1945

Admiralillery Stone
Allied Commission

Rome

The Italian Centre of Studies for Reconstruction, whose seat is in Milan, Corso d'Italia, n. 3, is planning a 'General Exhibition for National Reconstruction'.

This Ministry has no objection against the said Centre organizing the above mentioned manifestation, the program of which we hereby enclose.

Sincerely yours,

(Ing. Giuseppe Romita)

G. Romita

enclosure 1

s/c

EC DIST - 24/11/45

4834 - Ec. Dec. 13
Info: C.C.
E.C.

PA
20/11
B

MISS CAMPBELL

Translation

GENERAL EXHIBITION FOR NATIONAL REHABILITATION, & OHIO
RECONSTRUCTION AND HANDICRAFT

Committee: Eng. ROCCO LAURI, General Inspector for Civilian Engineering; Eng. Giovanni FALK, Commissioner for the Association of the Lombardy Manufacturers; Prof. MARIO ALBERTELLA, President of the Artisans Provincial Union; Mr. ALBERGANTI, Secretary General of the Camera del Lavoro; Mr. GIANLUIGI PONTI, Commissioner of the Provincial Touristic Organization; Mr. FORTE, Manager of the Banca d'Italia; Dr. BASSI Superintendent of Finance, for Milan; Prof. Eng. CARMINI, Director of the Milan Politecnico; Prof. G. DE MARIA, Principal of the Bocconi Commercial University, Milan.

Promoting Committee: Count GOM. ACHILLE OLIVERO, of the Olcese Cotton Mills; Dr. GIOVANNI B. PIRELLI, of the Pirelli Co.; Eng. ALDO MARI of the S.A.F.F.A. Co.; Eng. LUCCA, of the Lucca & Co Building Concern; Eng. MARIO CARMINI, General Manager of the S.A.F.A.R. Co.; Prof. Eng. ARON GAVALLI, of the Milan Politecnico; Prof. ARON PIRELLI of the Turin Politecnico; Eng. Dr. FERRARI; Cr. Uff. G. GIACOMA 'Gov. del Lavoro'.

P R O G R A M

The First General Exhibition will take place in the large premises of the former Università degli Studi, in Milan, CORSO ROMA, 10 (Piazza Duomo placed at our disposition by the Comune, thanks to the kind intervention of the Sindaco, Avv. Greppi).

It will be formed of and divided into 8 different Exhibitions, lasting 20 days each, following each other in groups according to the categories of the products, with an interval of 10 days between one show and the next one.

The Exhibitions run as follows: a) TECHNIQUE, PREFABS, WALL DECORATION, TOOLS AND LOCKS - b) HOUSEHOLD FURNITURE AND IMPLEMENTS, ETC - c) OFFICE AND SHOP EQUIP., ETC. - d) CLOTHING, TEXTILE, FASHION, PERFUMES EXHIBITION; - WIRLESS, ELECTRICITY, CINEMA, PHOTOGRAPHY, OPTICS, CLOCK AND WATCH MAKING, INVENTIONS, ETC. f) BOOKS, MUSIC, PHILATELY, ENGRAVINGS, TOYS, ETC. g) BICYCLES, MOTOR CYCLES, MOTORCARS, ETC h) FOODSTUFFS, WINES, LIQUEURS, AGRICULTURE, ETC.

Considerable prizes will be awarded to the best exhibitors, and all exhibitors can have a diploma showing they participated in the show.

There will also be such characteristic manifestations and initiatives as will encourage the participation of the public and of tradespeople.

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

Ref: 4002/84/SC

22 November 1945

SUBJECT: Chambers of Commerce

TO : Regional Commissioner
Piemonte Region

74 1. Reference your 091.31 of 11 October 1945 and our
4002/74/SC of 15 November 1945.

2. The Counsellor for Economic Affairs at the American
Embassy has requested information and charts regarding the
American Chambers of Commerce from the Department of Commerce
in the United States. As soon as these data are received they
will be forwarded to you for transmittal to Count Marosi.

For the Chief Commissioner:

R. SAMSON

Brigadier
Executive Commissioner

836

84
Bill
29/11
11/12/45



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, Italy, November 19, 1945

NOV 20 1945

Brigadier M.S. Lush,
Executive Commissioner,
Allied Commission.

Sir:

Reference is made to your letter of November 15, 1945 (4002/77/EC) requesting a reply to a previous communication of October 26, 1945, concerning the desire of the President of the Turin Chamber of Commerce for information concerning the functions and activities of the Chambers of Commerce in the United States.

The Embassy has requested information and charts regarding the American Chambers of Commerce from the Department of Commerce in the United States. As soon as these data are received, I shall be pleased to forward them to you for transmittal to Count Maroni.

Very truly yours,

Charles A. Livengood
Charles A. Livengood
Counselor for Economic Affairs

835

See 84

(MISS CAMPBELL)

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

Ref: 4002/77/92

15 November 1945

SUBJECT: Chambers of Commerce

TO : American Embassy

1. We would be grateful if we could have a reply to our 4002/65/40 of 26 October 1945 on the above subject.

For the Chief Commissioner:

B. SANDSON

Brigadier
Executive Commissioner

834

See Folio 83

20/11

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

Ref: 4002/74/93

15 November 1945

SUBJECT: Chambers of Commerce

TO : Regional Commissioner,
Piemonte Region

1. Reference your 091.31 of 11 October 1945.
2. The Commercial Attache' to the British Embassy has informed us that no information is available in the British Embassy on the organization of Chambers of Commerce in the U.K. and suggests that Count Maroni communicates on this subject with Count Carandini, the Italian Ambassador in London.
3. We will forward the views of the U.S. Embassy upon receipt.

Brigadier
Executive Commissioner

833

Handwritten signature and initials in the bottom right corner.

~~1002 9~~
71
British Embassy,
ROME.

733/4/45.C.B.

1st November 1945.
NEW 2 1945

To: Brig. H. Ingh, Allied Commission H/V.

From: Sir Richard Norworthy, British Embassy.

Subject: Chambers of Commerce.

~~63~~
I have received your letter (ref: 1002/65/33) of the 26th October, enclosing copy of one from Colonel Filoyd E. Thomas, dated the 21th October.

~~64~~
No information is available in this Embassy about the organization of Chambers of Commerce in the United Kingdom and it is suggested that Count Maroni might be advised to communicate on this subject with Count Ceradini, the Italian Ambassador in London.

See 71.

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

Ref: 4002/65/20

26 October 1945

SUBJECT: Chambers of Commerce

TO : American Embassy,
British Embassy

1. Herewith letter from Regional Commissioner,
Miami, inquiry about organization of Chambers of
Commerce in U.S. and U.K.

2. Are you in a position to supply any of the
information requested.

For the Chief Commissioner:

Encl: 1

Brigadier
Executive Commissioner

See folder 171

74-78
77

832

HEADQUARTERS
PIEMONTE REGION
ALLIED MILITARY GOVERNMENT
APO 394

John G. Smith
Econ Sect

Reference: C91.31

Subject : Chambers of Commerce

To : Headquarters Allied Commission
(Attn: Local Government Sub-Commission)

12 OCT 1945

64

1. Discussion with Count Maroni, president of the Chamber of Commerce in Turin, brings out a point which I think is important. It is his belief that officials in the Italian Chambers of Commerce need to be informed as to the functions and activities of such bodies in other democratic countries. They can continue to exercise usual functions according to Italian law, but if they are to advocate a more progressive and democratic program for their organization in the Italian economy, they need to have information from the outside on what might be desirable for discussion.

2. Count Maroni wishes to obtain charts of the Chamber of Commerce organizations in the U.K. and in the U.S. - with such break-down from national to city levels, with explanatory remarks, as is possible. I believe that the request is a sensible one, and suggest that the British and U.S. embassies be contacted with a view to their furnishing such material.

12 OCT 1945

Floyd E. Thomas
FLOYD E. THOMAS
Colonel, Infantry
Regional Commissioner

FET/pjh

OCT 23 1945 26

831

74

69

Es Com. Ref. fol. 68. This is a big order.
 Why don't we give them a copy of
 the DMG review & say if they have
 anything specific to add or if and we
 will try to give the information provided
 we can do it with our reduced staff.
 Wonder what they're driving at.

Emil

70.

2/11

CSO Tell the Secretary to ACI to take this up.

The GK. Ref. should be communicated
 through him. Suggest as outlined above (69)

SS/xx

71

Capt Riggio - (Sec. to ACI). Ref fol. 68

Please ~~confer~~ reply to Greek 830
 representative along lines of min. 69 as
 directed by Es Com at min 70.

785017

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

91

Ref: 4002/84/20

14 November 1945

SUBJECT: Industrial Exhibition

TO : Economic Section

76

Reference letter 1017/8-0-1 dated 11 November 1945 from Generale Infante passed to you for action by this office on 14 November 1945. The following is copy of the CC's comments on this letter:

"Ex. Comm. We have nothing to do with this have we?"

G. R. BRAYTON

Capt

Chief Staff Officer
to Executive Commissioner

see 88

829

Translation

Rome, 13 November 1945

To President Truman.

NOV 16 1945

Several times, I appealed to you, but I am afraid you didn't get my letters.

I shall send this one with particular care, hoping that it will reach you and that you may take it in consideration.

I am an engineer and have a building concern. However I cannot undertake works that would bring me a fair benefit, for the war deprived me of my financial means and of the necessary equipment.

Part of the said equipment was destroyed by the bombardments, part I had to sell for I had reached the end of my financial resources.

I had neither work, nor any possibility of making money, for I refused to work for the Germans during the occupation.

I cannot undertake any work, for I have no equipment, while I could easily raise the necessary funds if I had machinery.

I appealed to the Highway Equipment Officer, Mr. A.C.I.S. & C.S.S./C, to the public works Ministry, asking for materials and means of transport to be either allocated or sold to me, but without result. It seems that this organization will put at the disposition of the said Ministry materials and machinery which are to be assigned to building concerns that are working for the Ministry.

In short, having no equipment, I cannot undertake any work, and having no work, I cannot benefit of the above mentioned equipment.

I contacted the Headquarters of the Mediterranean Theater Field Commissioner Office of the Army Navy Liquidation Commissioner in Rome.

This office only sells surplus material against payment in dollars.

I have no dollars, and the Treasury Department which I contacted cannot assign me any, nor can I buy them on the black market, for moral as well as for financial reasons.

I therefore appeal to you, asking for your help:

Would it be possible for you to issue orders, so that I may be allocated the materials mentioned in the enclosed list, in accordance with what is available.

If I cannot have them free, I would like to have them for a reasonable price, and if possible with a long term payment. To this end, the material might be handed over to me; I would state that I accept the 828 and way of paying agreed upon. The Italian Government might be debited with the sum which I would pay by instalments according to the agreement made E.C. Dist - 16 Nov

Action - Econ. Sec (3)
Info - C. Com
Ex. Com

MISS SAMSON

Supply

- 2 -

Should this not be possible, I ask for the materials requested to be sold to me against immediate payment, in Italian lire, at the official rate of exchange, in which case I would have to raise the necessary funds from a third party.

I beg you to let me have an answer in any case, and to have the matter dealt with as quickly as possible, for my position which is very intricate, will be solved if you accept my request.

Trusting you will take my case in kind consideration and bring peace of mind to myself and my family, I beg you to let me know whom I should contact to carry on this business.

Believe me,

Sincerely yours,

s. Mario Volpe

trans. e/c

Translation

COPY

Rome, 1 October 1945

PUBLIC WORKS MINISTRY

ISPETTORATO GENERALE PER LE RIPARAZIONI
EDILIZIE

n. 3668

To : Highway Equipment officer
Via Montebello - Rome

Subject : Mario Volpe concern

The Mario Volpe concern which worked for this Administration needs new equipment because of the destructions caused by air bombardments.

We bring this concern to your attention in case this office should proceed to distribute equipments and machinery.

The Inspector General
S. P. Praxioso

COPY

Rome, 29 September 1945

Ing. Mario Volpe
Building Concern - Rome
Via Bertoloni, 26 A

Mr. F.C. GRIFFITH - Highway Equipment officer No. A.C.I.W. & U. S/O
Rome

The undersigned 'Ing. Mario Volpe' Building Concern, known by and accredited to the Ministry for Public Works, under the supervision of which it carried out numerous works in the areas devastated by the 1908 earthquake; also known by and accredited to the War Ministry - Direzione Generale del Genio, because of its works in Albania, Montenegro, and Eastern Sicily; also registered in the Contractors National Roll:

asks to be allocated or given machinery, equipment and means of transport; building materials and M.M.I.A. bedding (for the workers) no longer required by the Army, for the reorganization of its equipment, and its greater contribution to the reconstruction of the nation.

It encloses a list of the main items, mentioning for each of them the number it wants to be assigned if possible, and asking to be informed about such materials as might be available, even if they do not appear on this list.

Waiting for your answer, I remain,

Sincerely,
826

S. Ing. Mario Volpe

Translation

1017/3-01

Rome, 11 November 1945

My dear Admiral,

the Board of managers of the Italian Committee for Reconstruction Studies (Centro Italiano Studi per la Ricostruzione) asked for the interest of His Royal Highness the Lieutenant General of the Kingdom for the opening of the industrial exhibition which is to be organized in the premises of the former Milan University, Corso Roma, n. 10.

I shall be most grateful if you kindly take this matter in consideration, and grant the necessary permission for the opening of the exhibition to the above mentioned board, represented by Mr. Puerari.

Thanking you, I remain, my dear Admiral,

Truly yours,

S. A. Infante

Dear Admiral Ellery H. Stone
Chief Commissioner
Allied Commission
R o m e

trans. e/c

130 19/11

See 81-88

cc - 2-1 - 1-10-1
Action - 2-1-10-1

825

(OFF CRAYDOCK)

4002 30

72

ADVISORY COUNCIL FOR ITALY
OFFICE OF THE IAA OFFICER,
APO 394 U S Army

8 November 1945.

Subject: Inquires.

To : Greek Delegation, AGI.

1. Reference is made to your letter of 29 October 1945, Ref. No. 5411, addressed to the Chief Commissioner.

2. While your letter lists several matters which would take a long and comprehensive study and compilation of records, it has been found impossible to comply with the request due to shortage of personnel now at this Headquarters.

3. The attached booklet "Review of AMG and of the AG in Italy" contains much of the information you have requested.

4. It is suggested that should you have further questions that you would please submit further letter with a specific subject and direct question as to information desired.

incl: 1 Booklet.

HA
STEVE R. GIGIO,
Captain, AGI,
I & A Officer.

7/11

NOV 1 1945

URGENT

Rome, October 29, 1945

Ref. No. 5411

GREEK DELEGATION
TO THE
ADVISORY COUNCIL
FOR ITALY

Sir,

I have the honour to request you to kindly provide me, if possible and through your competent channels, with the following:

"A brief list of 1°) all types of assistance granted to the Italian Government or to the Italian people by the Allied Military Government and the Allied Commission since the liberation of the country up to this day, whether in cash currency or in goods; 2°) all public enterprises undertaken by the Allies in Italy or by the Italian authorities with the help of the Allies and 3°) all facilities of an economic nature fulfilling the essential requirements of the Italian people."

Thanking you in anticipation,

Yours sincerely,

Vatikiotis

Const. Vatikiotis
Deputy Representative.

Sir,

I have the honour to request you to kindly provide me, if possible and through your competent channels, with the following:

"A brief list of 1°) all types of assistance granted to the Italian Government or to the Italian people by the Allied Military Government and the Allied Commission since the liberation of the country ^{and} up to this day, whether in cash currency or in goods; 2°) all public enterprises undertaken by the Allies in Italy or by the Italian authorities with the help of the Allies and 3°) all facilities of an economic nature fulfilling the essential requirements of the Italian people."

Thanking you in anticipation,

Yours sincerely,

Vatikioti

Const. Vatikioti
Deputy Representative.

Dear Admiral
Ellery W. Stone,
Chief Commissioner,
Allied Commission,

R o m e

8269-71, 7.72.
see

(CAPT WHITE)

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

IS/15.12/0

23 October 1945

My Dear Mr. Ambassador:

Further to Chief Commissioner's letter ref. IS/15.12/0
of 25 September 45, I am pleased to forward, for your information,
THOMAS cable to WHITING, reference 78008 DCA of 5 October 45.

This is the latest information on the subject.

M. S. LUSH

Brigadier
Executive Commissioner

The Honorable Alexander C. Kirk
American Ambassador
Palazzo Margherita
Via Veneto 119
Rome

Copy to: cc.
Exec Sec.

822

JA

53

Ref: ES/15.12/0

25 September 1945

My dear Mr. Ambassador:

This is in connection with your letter relative to the question of Italian representation in the European Coal Organization.

For your information, attached is a copy of a letter from the Italian Ministry of Foreign Affairs, reference 6/3206/1500 of 5 September 1945, and of Allied Commission reply ES/15.12/0 dated 22 September 1945.

This is the latest information I have on this subject.

Sincerely

CLAUDE W. STONE
Rear Admiral, USNR
Chief Commissioner

The Honorable Alexander Kirk
The American Ambassador
419 Via Vittorio Veneto
ROME

400241
HEADQUARTERS ALLIED COMMISSION
APO 394
Economic Section

CWA/tke

17 September 1945

ES/15.14
x-2112

SUBJECT: Greek Application for Italian Data.

TO: Acting Vice President, Economic Section.

1. Mr. C. C. Vatikioty, a Greek member of the Advisory Council for Italy, wishes to obtain basic information on Italy as follows:

- a. Report on food situation in Italy.
- b. Present and prewar standard of living in Italy.
- c. Clothing material and thread availability.
- d. Availability of sulphur.

2. Mr. Vatikioty was advised to obtain his information either through the Advisory Council or from the British and American Embassies.

3. Later, I learned that Mr. Livengood had already told Mr. Vatikioty that he is unable to give him the desired information. Have been unable to contact Sir Richard Neworthy.

(Sgd) C.W.W.

CHARLES W. WALTON
Colonel, A.C.
Chief, Supply Division

cc:
Executive Commissioner
Mr. Merritt
Industry S/C
Commerce S/C

1120/9
820

(Capt. Harte) 14
CH

WGT/sms

Ref: 471/ED(52)

14 September 1945

SUBJECT: Oil

TO : Italian Ministry of Foreign Affairs

1. The Greek Delegation to the Advisory Council for Italy addresses to this Commission, by their 8 September letter, a request for information on certain points on which your kind reply is requested.

2. According to a 1938-39 agreement with the Greek State, the National Bank of Greece undertook a search for oil in the national mine area of Epirus. The outbreak of war interrupted this work.

3. During Italian occupation of Greece, Italian authorities obtained from the National Bank of Greece copies of the studies on oils made up to that time, and proceeded to drill for oil on the basis of these studies.

4. The National Bank of Greece now requests a detailed account of the results of these drilling operations and of any conclusions reached by further studies under Italian auspices.

5. To facilitate a reply, the following organizations and/or individuals are mentioned as specifically concerned:

- a. The Azienda Italiana Petroli Albania (A.I.P.A.) through its Directors Tarnasconi and Verani;
- b. The Italian commissioner Forte accredited, throughout the occupation, to the Bank of Greece;
- c. The A.I.P.A. engineer, Alfredo Lingaresi;
- d. The director of the Banca Nazionale del Lavoro Com. Reg. G. de Rosa;
- e. The lawyer of the A.G.I.P. (higher organization of the A.I.P.A.) Giacomo Giacinto Mira.

6. It will be appreciated if this office may be informed what reply may be made to the Greek Delegation.

819

See 123

Copy to : Economic Section

Officer-in-Charge
Liaison Division

4202
 X. Comm
 49

GREEK DELEGATION
 TO THE
 ADVISORY COUNCIL
 FOR ITALY

Ref. No 4325

Rome, September 8, 1945

SEP 15 1945

To : Office of the Executive Commissioner,
 Allied Commission,
 Rome.

1. The National Bank of Greece following an agreement with the Greek State had, in the year 1938/39, undertaken the execution of a search for oil in the national mine-area of Spirus, calling for this purpose British oil experts among whom were Messrs. A. Beaby Thompson, H.O.S. Vincent, F. Walton.

The works in question were interrupted due to the outbreak of war in Europe.

2. Throughout the Italian occupation of Greece, the Italian organization of Italian Oils A.I.P.A. (Azienda Italiana Petroli Albania) at the intervention and with the support of the Italian authorities of occupation succeeded in obtaining from the National Bank of Greece copies of the studies made on the oils of Spirus, geological maps, etc. etc.

On the basis of these studies and despite the protests of the Bank, the A.I.P.A. proceeded to drill for oil the ground in the region of the Molitan valley, between the villages of Polylofos and Dragona.

The search has been interrupted after the fall of Mussolini.

3. The National Bank of Greece is greatly interested to have today detailed accounts of the results of this drilling, of the studies and of the conclusions reached by the Italian experts.

4. The Greek Delegation would be grateful to the office of the Executive Commissioner if it would kindly take the necessary steps to obtain and communicate to them the above requested information.

5. For your further knowledge it may be added that the Italian authorities of occupation intervened locally

1. The National Bank of Greece following an agreement with the Greek State had, in the year 1938/39, undertaken the execution of a search for oil in the national mines of Epirus, calling for this purpose British oil experts among whom were Messrs. A. Beby Thompson, H.O.G. Vincent, T. Walton.
The works in question were interrupted due to the outbreak of war in Europe.

2. Throughout the Italian occupation of Greece, the Italian Organisation of Italian oils A.I.P.C. (Azienda Italiana Petroli Libani) at the intervention and with the support of the Italian authorities of occupation succeeded in obtaining from the National Bank of Greece copies of the studies made on the oils of Epirus, geological maps, etc. etc.

3. On the basis of these studies and despite the protests of the Bank, the A.I.P.C. proceeded to drill for oil the ground in the region of the Epirus valley, between the villages of Polylofos and Dragons.
The search has been interrupted after the fall of Mussolini.

4. The National Bank of Greece is greatly interested to have today detailed accounts of the results of this drilling, of the studies and of the conclusions reached by the Italian experts.

5. The Greek Delegation would be grateful to the office of the Executive Commission if it would kindly take the necessary steps to obtain and communicate to them the above requested information.

For your further knowledge it may be added that the Italian authorities of occupation intervened locally through the following organizations and people:

- a) The Azienda Italiana Petroli Albania (see above) through its Directors Tarascordi and Vraniti.

See 124

12 SEP 1945

GREEK DELEGATION
to the
ADVISORY COUNCIL
FOR ITALY

- b) The Italian commissioner Forte accredited, throughout the occupation, to the Bank of Greece.
- c) The A.I.P.A. engineer, Alfredo Lingarati.
- d) The director of the Banca Nazionale del Lavoro Comm. Eng. G. de Yoma.
- e) The lawyer of the A.G.I.P. (higher organization of the A.I.P.A.) Giacomo Ciasquino Mira.

P. Vatikioty
G. Vatikioty
Deputy representative.

Declassified E.O. 12356 Section 3.3/NND No. 785017

- b) The Italian commissioner Forte accredited, throughout the occupation, to the Bank of Greece.
- c) The A.I.P.A. engineer, Alfredo Lingarati.
- d) The director of the Banca Nazionale del Lavoro Comm. Reg. B. de Roma.
- e) The lawyer of the A.G.I.P. (higher organization of the A.I.P.A.) Giacomo Giacquinto Mira.

P. Vatiklotty
C. Vatiklotty
Deputy Representative.

4002
CONFIDENTIAL

FX 77721
MAY 181715B

E/1360
MAY 190945B
ROUTINE

From: AFHQ SIGNED ALEXANDER CITE PINGED
To: ALCON HOME

FOR INFORMATION ONLY

CONFIDENTIAL.

This is MAT 697.

Resumption commercial and financial communications from ITALY. Pending establishment proper Italian control over external assets, this HQ so far authorized only non-transactional business and support remittance communications from ITALY to U.S. and British Empire. However, despite repeated recommendations since last Autumn, Italian Government has still not issued decree recognizing the statutory and proclaimed lists, although as recently as 7 May Ministry of Treasury assured AC this would be done as soon as possible. In recent weeks there have been numerous requests to permit resumption of non-transactional communications from ITALY to countries additional to US and British Empire which this HQ has refused on grounds of Italian failure so far to meet the minimum requirements laid down in TAM 320 and TAM 420 as prerequisite to resumption this traffic. Confirmation requested that cited policy still holds; also advice as to whether additional representations should be made to Italian Government to bring its economic warfare controls into line with those of rest of liberated Europe and US/UK Government.

HEADQUARTERS
10 MAY 1945

CONFIDENTIAL

REF

INFO-ACTION: Communications S/C
Finance S/C
INFO: A/President
Executive Commissioner
Econ Sec
File 2
Float

ALLIED CONTROL COMMISSION
INTER-OFFICE MEMORANDUM

SUBJECT: Information for Commercial Council FILE NO. 1.01/ES
20 April 1945

TO : Exec. Com'n

APR 21 RECD

The information contained in the
attached letter from the Chief Commissioner
was communicated to the Economic Section
Sub-Commission heads at the last
Economic Section staff meeting by
Mr. Antolini.

Robt
ROBERT E. DOB
MARK A. G. D.

815
A
B

RESTRICTED

ME31

AFR 1220008

MAIN AND 8TH ARMY
HQ ALSCM

D/7488

AFR 1308308

OF PRIORITY

APR 16 Recd

RESTRICTED.

In view of imminent overrunning of FEDHARA Province which has already started request following questions be answered by signal.

1. What is to be price of grain to farmers.
2. What is to be the price of other cereals.
3. What is the policy in regard to wage scales.
4. Is any cost of living bonus to be agreed.
5. Is increase in salaries as applies up to date to take effect.

DISC

ACTION: Leon Sec
INFO: A/President
Chief Commissioner
Food S/C 2
Agris S/C
Labor S/C
File 874
Fleet

RESTRICTED

Ref: 4002/41/008

10 February 1945.

My dear Mr. Ambassador:

Reference to my interim letter to you of 5 January 1945, reference CC 950, replying to your request of 2 January 1945 for information regarding the problem of civilian relief in Italy, I am pleased to attach a memorandum prepared by our Civil Affairs Section giving up-to-date information with respect to what is planned and now being done in the field of civilian relief for Italy.

This is in line with subsequent conversations between my staff and your Mr. Galt McLean and Mr. Livingston regarding the exact nature and degree of detail of the information desired.

Sincerely yours,

ECLERY W. STONE

HARRY W. STONE
Rear Admiral, USNR
Chief Commissioner

The Honorable Alexander Kirk
The American Ambassador
119 Via Vittorio Veneto
R.O.M.

Incl:

Memorandum dtd 7 Feb 45

c.c. Civil Affairs Section
Economic Section

813

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

Ref: 17/B/CA

7 Feb. 45.
FEB 8 1945

SUBJECT : Ambassador's KIRK Request for
information on Civilian Relief in Italy.

TO : Chief of Staff.

Reference your 4002/30/CCS of 13 January there is
forwarded for onward transmission to Mr. KIRK a Memorandum
on civilian relief in Italy.

G.R. UNJOHN, Brig
VP CA Sec.
DCOS AC

Copy to: Economic Section
Public Health Sub Commission
(Attn. Lt. Col McSweeney)
Displaced Persons and Repatriation Sub Commission

Mr. Col McLean of the American Embassy has seen and
indicated that the matter has requirements. He has further
visited the section and indicated possibly some further
of more detail with regard to the subject. 842000

CMH

7 Feb 45

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

CJM/eng

24 January 1945

JAN 25 1945

15-14/ES

SUBJECT: Ambassador Kirk's Request for Information
on Civilian Relief in Italy.

TO : Chief of Staff Section.

Your reference 4002/ 30/COS of 6 and 23
January and our reply of 15 January and our telephone
conversation this morning is the subject of this letter.

1. In our letter 15-14/ES of 13 January Mr.
Cleveland lays down clearly the scope of the enquiries
of Mr. Coit McLean in that he was interested solely in
"straight relief activities of the type handled through
Displaced Persons and Repatriation Sub-Commission and
Welfare Work in the public Health Sub-Commission. He
did not want any information on supplies which are sold to
the Italian population." Mr. Cleveland then suggested
that Mr. McLean get in touch with Civil Affairs Section
mentioning Mr. Cleveland.

2. In conversation this morning with Mr. Cleveland
I was informed that the enquiry would be satisfied wholly
by Civil Affairs Section inasmuch as no information was
required of this Section and that Displaced persons and
public Health Sub-Commissions would have the information
necessary.

3. If, as I understand, Col. Cripps is under the
impression that we should coordinate with C. A. Section,
then a reply from him to our letter of 13 January is
necessary. As Mr. McLean requires no information of
this Section, the question of Direction and Coordination
by us does not arise as the Chief Commissioner was aware of
the precise scope of the inquiry.

Capt. C. J. Macnamara, P.C.
S.O. 3 - Economic Section

811

see M 34 636

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief of Staff

Tel. 451

23 January 1945

Ref. 4002/30/000.

SUBJECT: Ambassador Kirk's Request for Information
on Civilian Relief in Italy.

TO : V.P., Economic Section.

1. Reference to letter 4002/26/000 of 6 Jan and your reply
thereto of 15 Jan on above subject.

2. The Chief Commissioner sent an interim reply on 5 Jan
to Mr. Kirk stating that he was having the Economic Section produce
the civilian supply information and would have them get in touch with
Mr. Livengood. A copy of Mr. Kirk's letter of 2 Jan is attached here-
to.

3. Please coordinate this information with information to be
supplied by Civil Affairs Section and prepare a suitable reply to the
Ambassador's letter for the Chief Commissioner's signature. Please
treat this as urgent.

Talbot
Chief Staff Officer,
To the Chief of Staff.

Copy to: CBO, Civil Affairs Section.

Encl. 1

BU
25/1
819
PA
23/1

Tel: 267

HEADQUARTERS ALLIED COMMISSION
APO 394
Economic Section

HC/ha

15.14/53

15 January 1945

SUBJECT: Request by Ambassador Kirk for information on
Civilian Relief Activities.

TO : Civil Affairs Section,
Attention: Col. R. R. Cripps, Chief Staff Officer.

1. As a result of the attached memorandum from the Chief of Staff (file No. 4002/26/COS dated 6 Jan 45), we got in touch with the American Embassy in order to determine more definitely what type of information was required.

2. Mr. Coit McLean came to see me this afternoon about it. It developed that he was interested only in straight relief activities, of the type handled through Displaced Persons and Repatriation Sub-Commission, and the Welfare work in the Public Health Sub-Commission. He did not want any information on supplies which are sold to the Italian population.

3. I therefore suggested that he get in touch with the Civil Affairs Section, and gave him your name.

R.
HARLAN CLEVELAND
Executive Director
Economic Section

cc: ✓ Chief of Staff ✓

809

Office of the Chief of Staff

Ref: 388.

Mr. Kirk's request for Statistics
of Civilian Relief.
VP Economic Section.

14002/26/003.

6 Jan 5.

Will you please get out a short statement for Mr. Kirk on the
lines of our conversation yesterday. I suggest getting Mr. Livengood
along, finding out what he wants and then having it prepared with his
help.

Brigadier,
Chief of Staff.

808

BU p/1

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

785017

24
5 Jan 45

Chief of Staff: ✓

Will you please discuss with
Colonel Bensmore and Mr.
Cleveland in line with our
conversation this morning.

E.W.S.

see serial 25
126

CC 950

5 January 1945

JAN - 6 1945

My dear Mr. Ambassador:

Replying to your letter of January 2nd I am asking my Economic Section to get in touch with Mr. Livengood to work out the statistics which you seek in your letter, which I interpret to cover the field of civilian supply rather than the more narrow field of civilian relief.

Sincerely yours,

EMERIT S. STONE
Rear Admiral, USNR
Chief Commissioner

The Honorable Alexander Kirk
The American Ambassador
119 Via Vittorio Veneto
Rome

see 26 807

COPY

UNITED STATES REPRESENTATIVE
ADVISORY COUNCIL FOR ITALY

Rome, January 2, 1945

My dear Admiral,

In view of the importance of the problem of civilian relief in Italy, I am anxious to give the Department of State the most complete and up to date information with respect to what is now being done in that field and what is planned for the future.

To that end I shall be very grateful if you can let me have a brief statement outlining the relief activities carried on by the interested sections of the Commission and the manner in which these are coordinated with similar activities of other agencies, both Allied and Italian.

In addition to a description of the Commission's own activities, I should very much appreciate any information you may have available regarding the general aspects of the relief problem in Italy such as the following:

1) Estimated number of civilians in Italy needing relief:

- a) Italians;
- b) Other nationalities.

2) Estimated quantities and cost of the various categories of supplies which it will be necessary to import in order to satisfy the minimum needs of such persons;

3) Extent to which it has been possible to provide these supplies, the sources from which they have been procured, and the channels through which distribution has been made;

4) Future program for the provision of civilian relief, including the preparations which have been made for meeting the needs of Northern Italy when that area has been liberated.

I wish to express my cordial thanks in advance for the cooperation which I feel sure you will give me in this matter.

Sincerely yours,

/s/ A. Kirk

Rear Admiral Ellery W. Stone,
Chief Commissioner,
Allied Commission,
Rome.

22

get

806

26

Ref. 4X02/21/008

Tel. 451

28 December 1944

SUBJECT: AGO 8 Army Supply Manuals.

TO : Economic Section.

1. Reference your 3.03/RS dated 23 Dec 44.
2. Amendments are only required for the Chief of Staff's copy No. 98.

JCR
Chief Staff Officer,
To the Chief of Staff.

4002 217/11

(2)

Tel: 555

HEADQUARTERS ALLIED COMMISSION
AFG 394
ECONOMIC SECTION

CJM/rs

3.03/25

23 Dec 44

24 DEC 1944

SUBJECT: A.M.S. B. Army Supply Manuals

TO : Chief of Staff ✓ 58.101
Food S/C 58.57
Finance S/C 58.59
Commerce S/C 60.61
P.S. Brig. Lush ✓ 96.
Col. Grinstead Smith 100.
Industry S/C 126.

Will you please inform this section if it be your wish to receive amendments to this manual. NIL returns are required.

[Signature]
C. J. MACNAMARA, Capt. P.C.
SOS, C.A., Economic Section

see 21

7 4002
dy

18

Tel: 553 HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

CJM/hs

24 DEC 1944

4.00/ES

16-17

23 Dec 44

SUBJECT: Effect of Change of Status on Local Procurement.
TO : Chief of Staff Section.

1. A copy of a letter received by P.B.S. is enclosed which reflects a change in Italian attitude towards the Allies on the dropping of the word "control".

C. J. Macnamara
C. J. MACNAMARA, Capt. P.C.
303, C.A., Economic Section

1 Encl:
copy PAC of. to QM, PBS
18 Oct 44

see Memo 19

802

Handwritten initials

COPY

17

(From Inter-Office Communication, PAC Officer to (M, PBB 18 October, 44)

The Effect of Italy's Changing Status from Co-Belligerent
to Ally upon Local Procurement

1. Ever since the Quebec Conference, reports, news broadcasts and AFHQ Memorandums have constantly stressed the greater aid which Italy will receive from the Allies with emphasis upon the more complete economic and political freedom which the Italians will receive as a result of this Conference.

2. The first and greatest effect has been felt in the attitude of local Italian Government Officials. In the past they have worked very willingly with us, assisting us greatly to procure local items, but recently, since they have been informed that they will gain economic as well as political freedom, they have tended to hold back supplies and local resources which they are able to use for their own purposes, and only in cases where pressure is brought to bear will they release these items, instances of which are leather and potatoes.

3. The second effect has been felt on the part of the contractors who have taken a more independent stand with the contracts we are making now as compared with those made previously. They have taken the attitude that if we do not meet their terms they will work on civilian contracts where greater profit is forthcoming and where they might take advantage of the Black Market and also to prepare themselves for the coming needs of the newly liberated people in Northern Italy where supplies are short, or they will go to ACC and most likely get a contract to work for them making items for the civilian population under ACC supervision. Two recent cases of this have been, first, the new coffee roasting and grinding contract which price had to be set at 1.10 cents per lb. instead of the figure of 3/4 cent per lb. felt to be a reasonable price by this office. This price was forced upon us due to our inability to furnish the necessary technicians and personnel to operate our plant ourselves, and therefore, had to rely on the local contractors to do this work. The second case is that of our glass factory which we put into production approximately 10 months ago, and has been selling exclusively to the Quartermaster, PBB. This factory has now found that due to the scarcity of these items they can get from 3 to 4 times the price the Army pays them, on the Black Market.

4. The Black Market which, according to reports has been cleaned up by ACC, has benefitted tremendously by this change in the status of the Italian people and is now flourishing on a big scale. In fact, you can buy almost any item of Army foodstuffs on this market as well as clothing, and all civilian items produced or manufactured locally.

5. The extent to which the Italians will go to withhold local resources from the Allied Armies is shown by the recent killing of a

British Officer working for ACC who, on his assignment of making potatoe crop surveys, was killed in the region south of Naples. However, most of the opposition has been in the conversation and attitude of the contractors dealt with.

6. This information is presented in order to keep you up to date on local procurement and its problems, and your suggestions and recommendations are requested.

J. C. PARRY, JR.
Major, Q.M.C.
P. & C. Officer

785017

Ref: 4002/13/003

SUBJECT: Letter from Mr. Cecil D. Mallaby.

TO : Civil Affairs Section.

Tel: 451

9 December 1944.

1. A copy of this letter was forwarded to you on 5 Dec 44, reference 4002/10/003.
2. It is particularly requested that Public Safety investigate the individual concerned and obtain a report as to his standing in the community, financial position, political background etc. This for submission to the Chief of Staff.
3. Will you please issue the necessary instructions so that this matter may be undertaken promptly.

Copy to: Room 200

Chief Staff Officer,
To the Chief of Staff.

798 11/12
-Noted JH.

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

785017

Ref. 4002/10/003

Tel. 735

5 December 1944

SUBJECT: Letter from Mr. Cecil D. Mallaby.

TO : Economic Section.

Copies of correspondence addressed to the Chief Commissioner by Mr. Cecil D. Mallaby are sent to you for reply. Please coordinate - necessary action with Civil Affairs Section.

*Copy to: Civil Affairs Section
Major Quayle
File 3604/003.*

Letter referred to PC Torrance for appropriate check reply
Chief Staff Officer,
To the Chief of Staff.

20/12

798

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

785017

C.S.O.

Why is this sent to me
without comment or action by staff?
Mr. [unclear]

9

C O P Y

364 & 4002

VILLA TORINO FILICI

ASCIANO (SIENA)

25th Nov. 1944

5/12/44

Comodore Stone
Chief Commissioner
A. O.

Rome

Sir,

I have been advised to write direct to you since various appeals made to A.E.C. officials in Siena have not produced any result.

First let me introduce myself. I am an Englishman aged 59 years, a small landowner, and married to an Italian lady. I have been resident here for 19 years. My son by my first marriage (English) is an officer serving in the C.M.F.

Arms and the A.E.C. In the first week of Nov. three serious acts of robbery with violence have been committed by armed and masked bandits on Villas in this area (one only 700 metres from us), and I have twice asked A.E.C. to be supplied with some arms for the defence of this house; but, as usual, no notice at all was taken of my request. It is true that the local police force for Comune of Asciano has been increased from one old bare-achallo and one carabinieri to an army of 6, so they are now able to go out on patrol; but the danger is that when a fair period of calm has elapsed it will be withdrawn; when the outrages will be resumed.

The bandits, by the way, are not armed with shotguns, as A.E.C. seems to imagine, but with tommy-guns, automatics and handgrenades. The only effective way of definitely restoring a state of peace and safety is to hunt down and punish the aggressors and for this task the carabinieri are not suitable, as the criminals have too many friends in the District, who keep them well informed; but probably in collaboration with men of the Gestapo they might be able to accomplish it.

In the meantime, I want my household to be armed if this can be allowed without jeopardising the safety of the Allied Armies. The general position in the Province (thanks to the fervid activities of A.E.C.) is that all the decent, respectable people are disarmed, and criminals and Communists unconcernedly well armed.

I hope Sir, you will give this question serious attention, for brigandage is on the increase in every province. Thanks to the complete immunity from interference it has enjoyed.

Yours
5/12

Sir,

I have been advised to write direct to you since various attempts made to A.M.B. officials in Meru have not produced any result.

First let me introduce myself. I am an Englishman aged 27 years, a small landowner, and married to an Italian lady. I have been resident here for 19 years. My son by my first marriage (English) is an officer serving in the C.M.F.

Area and the A.M.B. In the first week of Nov. there serious acts of robbery with violence have been committed by armed and masked bandits in Villages in this area (one only 700 metres from us), and I have twice asked A.M.B. to be supplied with some arms for the defence of this house; but, as usual, no notice at all was taken of my request. It is true that the local Police Force for Cusiano has been increased from one old Mare-Sciallo and one carabinieri to an army of 8, so they are now able to go out on patrol; but the danger is that when a fair period of calm has elapsed it will be withdrawn; when the outrages will be resumed.

The bandits, by the way, are not armed with shotguns, as A.M.B. seems to imagine, but with tommy-guns, automatics and hand-grenades. The only effective way of definitely restoring a state of peace and safety is to hunt down and punish the aggressors and for this task the carabinieri are not suitable, as the criminals have too many friends in the District, who keep them well informed; but probably in collaboration with men of the Gestapo they might be able to accomplish it.

In the meantime, I want my household to be armed if this can be allowed without jeopardizing the safety of the Allied Action. The general position in the Province (thanks to the ferocious activities of A.M.B.) is that all the decent, respectable people are disarmed, and criminals and Communists unconcernedly well armed.

I hope Sir, you will give this question serious attention, for brigandage is on the increase in every province, thanks to the complete immunity from interference it has enjoyed.

There can be no return to normalcy until both brigandage and black market are suppressed, as these not only take men from labour and make them indeed disinclined ever to work again; but also interrupt communications, make honest work and honest commerce impossible.

It is ^{the} considered opinion of all land owners and contadini - and indeed most people who are not communists that SERIAL is allowed for too much power and authority.

1
2

are all agreed that the Allies proposed to introduce and support a real Democracy in Italy; but so far nothing like that is visible. The organization just mentioned, together with the Commission Price Control - once Paschet - have changed their personnel to some extent, but carry on the same methods and are animated by the same spirit. They are accustomed to exercise a completely arbitrary control and to the issuing of despotically not admitting of discussion or question, and they find it difficult to adapt themselves to the new conditions of democracy. They are in no way experts in their subject (not to say grossly incompetent) and their activities in most cases have been distinctly deleterious.

Salt. A prime necessity of life always and very soon to be of great importance also for the salting down of the family pig - for the year's supply, is almost non-existent in this Province. The destruction by the Germans of all but one of the salting plants at Volterra was doubtless a temporary cause of shortage; but a little organization on the part of several with a little help from ASD in transport could have remedied things. As no salt has been distributed the population, desolate, began to take the 1,200 road to Volterra on bike or on foot to get salt for their families. Here A.S.D. came in, refusing all permits to travel outside the Province, and arresting all caught on the road. When, travelling by roundabout roads and over flooded rivers, they arrive at Volterra they find the sale of dry salt forbidden, so they are forced to buy from the peasants who buy bring at 1,300 per quintal, boil it down thereby obtaining 20 of dry salt, which they sell at up to 1,400 per chilo. I am told that there is not at present a small place near Arezzo, where coupons are issued to buy dry salt at 1.8 per chilo - 10 ch. for every family; but no one seems to know of this or they are frightened of being arrested. The comic opera situation has now arisen that unfortunates caught returning with their illicit salt have it sequestered and then are sold coupons to go back and buy the lawful article. A fine example of incompetence and heartlessness on the part of all concerned. In addition of other trials and the exorbitant price of the salt, those poor wretches lose a week's work and pay and are forced into the position of lawlessness and criminals for the sake of their families.

Export tax on pigs. Several are exacting a tax of 1,500 on every pig for which a permit is granted by them for export outside the Province - e.g. to Rome or Naples. Various explanations are given for this enormous but curious tax - none of them satisfactory especially when it is considered that Siena as a producing and exporting Province is by no means short of pigs. Enquiry wanted.

Provincial Commission Price Control

I would like to draw your attention to the fact that agriculture is always the target of a inequalities, and that there is no control at all of any but agricultural products. A pair of rough country boots costs 1,400

Salt. A price necessity of life always and very soon to be of great importance also for the salting down of the family pig - for the year's supply, is almost non-existent in this Province. The destruction by the Germans of all but one of the saltpetre plants at Volterra was doubtless a temporary cause of shortage; but a little organization on the part of several with a little help from him in transport could have remedied things. As no salt has been distributed the population, desperate, began to take the E.200 road to Volterra on bike or on foot to get salt for their families. Here A.S.G. came in, refusing all permits to travel outside the Province, and arresting all caught on the road. When, travelling by roads about roads and over flooded rivers, they arrive at Volterra they find the sale of dry salt forbidden, so they are forced to buy from the peasants who buy brine at L.300 per quintal, boil it down thereby obtaining Ch. 50 of dry salt, which they sell at up to L.100 per chilo. I am told that there is now at Pomerance a small place near Arezzo, where couriers are issued to buy dry salt at L.2 per chilo - 10 ch. for every family; but no one seems to know of this or they are frightened of being arrested. The comic opera situation has now arisen that unfortunately caught returning with their illicit salt have it confiscated and then are sold outwards to go back and buy the lawful article. A fine example of incompetence and heartlessness on the part of all concerned. In addition of other trials and the exorbitant price of the salt, those poor wretches lose a week's work and pay and are forced into the position of law breakers and criminals for the sake of their families.

Export tax on pigs. Several are exacting a tax of L.500 on every pig for which a permit is granted by them for export outside the Province - S.S. to Rome or Naples. Various explanations are given for this enormous but curious tax - none of them satisfactory especially when it is considered that Siena as a producing and exporting Province is by no means short of pigs. Enquiry wanted.

Provincial Commission Price Control

I would like to draw your attention to the fact that Agriculture is always the target of a legislation, and that there is no control at all of any but agricultural products. A pair of rough country boots costs L.4000 - a very moderate sort of suit costs about L.10,000 - a L.20 hat - L.850 "authorized price". Formerly a quintal of corn (at the old low price) bought 2 pairs of boots - now 1/2 quintal of corn at L.500 buys 1 pair of boots, which I think is sufficient to illustrate the hopeless quest of equilibrium caused by faulty and one sided control.

In spite of the colossal rise in the price of everything the agriculturalist **796** has to purchase (including such things as pig food) and in the cost of labour, the I.C.P.C. announces a scale of prices for pigs which it intends (with the kind help of the Prefetto) to enforce - prices which take no account of the high costs of everything and bear little relation to the market prices. Also they wish to force us to sell them at their price and ch. 10 pig for every brood sow owned.

The price for cattle they seek to fix at the ludicrous price of L.40 per chilo.

On the 14th Sept, the Segretario Provinciale of Andino called a meeting of proprietors (without disclosing the nature of the business until we were at the meeting) and then presented us with the demands of Segural for the sale to them of 16% of our working cattle at a price 60 - 70% below then market prices. The storm of protest which these naive proposals were met seemed great to surprise the Segretario who stated that he understood this task was merely to communicate the Segural demands and not to accept them without consent. However, he seemed convinced by our arguments and carried an exposition of our views compiled by us, to Lima - and those proposals were withdrawn.

I should say here that our most violent objection was not so much as to price (grievous and ruinous as that was) as that we were forcibly against any further reduction in the numbers of our working cattle stocks, already depleted through the passage of the war, which would have brought us to a point where it would be almost impossible to carry on with cultivation at all since there are very few tractors in this area where tractors can be used even were petrol available.

The financial losses involved very very serious indeed. On the 20th Nov. another meeting was convened but this time very few (if any) proprietors received notice - only contadini.

The two delegates from Siles who brought the new Segural demands were (A) a member of the newly formed Association of Agriculturists and (B) an employee of the railway who represented the Workers' Union.

These demands were more moderate 7% of our stock instead of 16% and L. 40 instead of L. 90 per chilo price; but the price caused a pandemonium principally amongst the contadini. Their arguments were on the same lines as I have already indicated.

The peasant speakers say that whereas demands for heavy sacrifices are continually being made on them, there is not the faintest suggestion of any reciprocity - they lack everything they need down to salt, farm tools and even nails for shoring their oxen - either it is unobtainable or the price impossible due to the unchecked operations of the black market. They absolutely rejected the price of L. 40, pointing out the injustice of being asked to sell at that price when replacements of young cattle and calves cost them L. 150 per chilo and the market price of all cattle is well over L. 100 per chilo.

If there were some attempt to supply their urgent necessities at a fair price, they, for their part, would be ready to meet the authorities, but they refuse any more one sided sacrifices.

Segural and P.C.P.C. by their past record and present performance have inspired nothing but the deepest distrust in the contadini, as in most other

I should say here that our most violent objection was not so much as to prices (grivous and ruinous as that was) as that we were forcibly against any further reduction in the numbers of our working cattle stock, already depleted through the passage of the war, which would have brought us to a point where it would be almost impossible to carry on with cultivation at all since there are very few tractors in this area where tractors can be used even were petrol available.

The financial losses involved very very serious indeed. On the 20th Nov. another meeting was convened but this time very few (if any) proprietors received notice - only contadini.

The two delegates from Siena who brought the new Sepral demands were (A) a member of the newly formed Association of Agriculturists and (B) an engine-drive of the railway who represented the workers' Union.

These demands were more moderate 7% of our stock instead of 15% and L. 40 instead of L. 30 per chilo price; but the price caused a pandemonium principally amongst the contadini. Their arguments were on the same lines as I have already indicated.

The peasant speakers say that whereas demands for heavy sacrifices are continually being made on them, there is not the faintest suggestion of any reciprocity - they lack everything they need down to salt, farm tools and even nails for shoring their oxen - either it is unobtainable or the price impossible due to the unchecked operations of the black market. They absolutely rejected the price of L. 40, pointing out the injustice of being asked to sell at that price when replacements of young cattle and calves cost them L. 150 per chilo and the market price of all cattle is well over L. 100 per chilo.

If there were some attempt to supply their urgent necessities at a fair price, they, for their part, would be ready to meet the authorities, but they refuse any more one-sided sacrifices.

Sepral and P.C.F.C. by their past record and present performance have inspired nothing but the deepest distrust in the contadini, as in most other people. The Prefetto an ex fascist but possibly a well-meaning man but has given the unfortunate impression that instead of running SEPRAI as its president, SEPRAI runs him and the Communists run SEPRAI and P.C.F.C. The delegates to Asciano actually dared to threaten that unless we accepted the demands they would be forced on us by Prefetto's Decree, notwithstanding that A.C. had already ruled that (a) working cattle (2) reproduction beasts (3) calves - were not to be touched - a wise move which allowed a just appreciation of the paramount importance of maintaining our stock of working cattle.

It is not impossible that the Communists will try to disarm peasant opposition by forcing proprietors to shoulder the whole of the colossal losses

which their plans, if successful would entail, although cattle are held in joint proprietorship with them and although we have to provide all the capital for purchase of stock. The inequity and injustice of such a thing needs no comment. Nearly every move made by the Communist Authority in the Province is directed at running and disposing the proprietors; but the success of this plan would have a disastrous effect on plans for the restoration of agriculture and for increasing production.

A.M.G. as a military organization are ordered not to interfere; but the position of A.G. I understand is quite different.

It is significant that in all this business no mention has been made of the Provincial Inspector of Agriculture, or of A.G.'s Sub Section for Agriculture a rather striking omission.

If you could spare an officer of this Sub Section to visit me and giving me a few days notice, I could arrange a meeting of representative agriculturalists.

Production of Olive Oil. After corn, is the most important crop in the alimentary life of Italy, and the next two months, which should see the milling of the olives is one of the most vital events of the agricultural year; especially of this year when although crop prospects are exceptionally good, there are no reserves whatever. Yet all producers are in a state of the utmost anxiety as to whether they will be able to produce oil at all, as there is considerable doubt as to whether the necessary electric power will be available.

Any failure would be a first class disaster for Italy. It does not seem to us that authority realises the extreme gravity of the matter. Allied engineers are doubtless doing their best to arrange something; but time is short and milling ought to begin within next 2-3 weeks, if the oil as a commodity is not to be lost for oil was won't keep very long. The Societa' Val D'Arno requested a truck with petrol for transport of workmen for overhauling the cable lines, but so far A.M.G. has not accorded even this help.

We are all trying to make alternative arrangements of our own; but, in almost every case, this involves an adequate supply of petrol; while on the basis of past experience in the case of the corn threshing, it seems unlikely that A.M.G. are able or willing to sell us the quantity required.

The expense of milling is bound to be dangerously high in any case this year - taking 20 as the medium number of working hours daily

(a) 6 litres petrol per hour at say, 1.75 per litre = L. 1.500 per day

If you could spare an officer of this Sub Section to visit and also giving me a few days notice, I could arrange a meeting of representative agriculturists.

Production of Olive Oil. After corn, is the most important crop in the alimentary life of Italy, and the next two months, which should see the milling of the olives is one of the most vital events of the agricultural year; especially of this year when although crop prospects are exceptionally good, there are no reserves whatever. Yet all producers are in a state of the utmost anxiety as to whether they will be able to produce oil at all, as there is considerable doubt as to whether the necessary electric power will be available.

Any failure would be a first class disaster for Italy. It does not seem to us that authority realises the extreme gravity of the matter. Allied engineers are doubtless doing their best to arrange something; but time is short and milling ought to begin within next 2-3 weeks, if the oil as a consequence is not to be lost for oilmen won't keep very long. The Societa' Val D'Arno requested a truck with petrol for transport of workmen for overhauling the cable lines, but so far A.M.C. has not acceded even this half.

We are all trying to make alternative arrangements of our own; but, in almost every case, this involves an adequate supply of petrol; while on the basis of past experience in the case of the corn threshing, it seems unlikely that A.M.C. are able or willing to sell us the quantity required.

The expense of milling is bound to be desperately high in any case this year - taking 20 as the medium number of working hours daily

- (a) 6 litres petrol per hour at 457, 1.15 per litre = 1.1, 500 per day
- (b) Steam engine - 20 quintals firewood daily at 1.110 (average estimated price per quintal) = 1, 2, 200 per day.

This is fuel only, but more labour is necessary with other means of power than electric, wages have increased seven times, all costs are up and we shall probably receive no income this year from "Janna" since the mills which dealt with the further extraction of oil from this waste, are mostly destroyed.

In face of all these facts the prices contemplated by Agrol and P.C.P.C. are believed to be about 1.400 per chilo, all oil (except a small allowance for family use to us and contadini) to be consigned to the Anas at this price. The price on the black market is 1.500 and all oil at this price and over is eagerly bought up.

I may say that we have never sold a litre at such a price, but L. 100 does not represent even a fair working return.

Olive stealing will be ripe this year and most of us mill owners have agreed to accept no olives for milling brought to us by men we do not know to own olive trees, but it ought to be made law.

Experience shows that every fresh black restriction fixed price or forced consignment is followed immediately by intensive black market activity and a soaring of the price of the product affected.

We believe that to abolish all restrictive measures, except the consignment of corn to the Ammasi is the only way to check the harmful operations of the B.M. and these two organisations Seyral and F.C.F.C. could be eliminated (except in skeleton and impotent form) at the same time.

Please excuse this long letter (rendered inevitable by the complete absence of personal contact with Allied authority) but, please, read it carefully and have the matters dealt with investigated as to the truth of my facts. Things are getting pretty serious all round, and so far I have been unable to gather a single ray of light or spark of hope from the Siera local authority (all Communist) or from Siera A.M.S. the former are only concerned with keeping their jobs, furthering their political aims or make money - while A.M.S. Siera - why I'm dashed if I know what they are concerned with except refusing all permits to travel and killing wretches caught on the roads without permits or denegados who have not given up their shot guns.

I am, Sir,

Yours faithfully

Cecil D. Malley

P.S. latest news. The Prefetto of Siera has made a Decree enforcing sale of 7% of our working cattle at the price of L. 40 per chilo.

Please act at once against this piece of tyranny and injustice.

and a soaring of the price of the product affected.

We believe that to abolish all restrictive measures, except the consignment of corn to the Aemasi is the only way to check the harmful operations of the H.M. and these two organizations Sogral and E.O.P.G. could be eliminated (except in skeleton and impotent form) at the same time.

Please excuse this long letter (rendered inevitable by the complete absence of personal contact with Allied authority) but, please, read it carefully and have the matters dealt with investigated as to the truth of my facts. Things are getting pretty serious all round, and so far I have been unable to gather a single ray of light or spark of hope from the Sierra local authority (all Communist) or from Sierra A.E.G. the former are only concerned with keeping their jobs, furthering their political aims or make money - while A.E.G. Sierra - why I'm dashed if I know what they are concerned with except refusing all permits to travel and jailing wretches caught on the roads without arms or desperados who have not given up their shot guns.

I am, Sir,

Yours faithfully

Cecil D. Wallaby

P.S. latest news. The Prefetto of Sierra has made a Decree enforcing sale of 7% of our working cattle at the price of 1.40 per chilo.

Please act at once against this piece of tyranny and injustice.

which admitted no protestations. It was a personal matter which seemed to belong to some one who had been badly hurt and was now being helped.

The way to solve the problem for us, which was made clearer in earlier talks, was to make the situation more understandable. They all thought that after the war, the situation would be different, which had been the case. As for the next supply, 1000 of their cattle was taken, and after the taking by the war, the situation was different. It was a personal matter which seemed to belong to some one who had been badly hurt and was now being helped.

On the contrary, they found that the regulations regarding their property without any change. As in the time of the war, and then during, the regulations were the same. They expected that the regulations would be different with respect to the interests of the people of the province to whom they belong.

Everybody and everyone against the situation. The way to solve the problem for us, which was made clearer in earlier talks, was to make the situation more understandable.

The percentage of cattle required was 100. It was thought to be too much for it didn't correspond to the situation of the people, which had been changed a few days later, and the situation was different. It was a personal matter which seemed to belong to some one who had been badly hurt and was now being helped.

It is obvious that unless animals were taken to 10, is, about a sixth.

Because, the regulations were changed out of the situation, the regulations were different. It was a personal matter which seemed to belong to some one who had been badly hurt and was now being helped.

The price was considered to be quite insufficient. At that time, if an agriculturalist had to buy a few animals, he had to pay 1.50 a day, five might in every animal, or an average weight of 100, he would have lost 10 thousand lire.

161

The committee agreed to declare that the price couldn't be accepted, and this also in the interest of the farmers who should have had to bear their losses.

The meeting ended after the agriculturalists had written a short memorandum, which the Commission of the Prefect promised to hand to Your Ex., who doubtless took it in consideration, for the solution of this problem was postponed.

On the 20th of this month a circular of the municipality against the situation was sent to the prefect. To discuss the situation, very justly, the peasants were also summoned to this meeting, to express their opinion, and to defend their own interests. It was announced that a representative of the agriculturalists (Associazione Genese), and one of the 'Camera del Lavoro' would be present.

The delegate of the Agricultural Association commented that the percentage of cattle required had been reduced to 7%, the price was fixed at 1.40 the kg., live weight, ~~including~~ 30%. He said it was simply not desired that if they couldn't meet an agreement on this basis, they had better expect a decrease from the present.

It was observed that the delegate of the Agricultural Association didn't express the wishes of the rest of the agriculturalists. The association which was created by the initiative of the people only, couldn't seem able to contact the numerous agriculturalists scattered in the municipality of Amolano, probably because of the difficulties of transportation. Though useful because it attempted at defending the interests of the agriculturalists, the vice of the association proved to be imperfect. The delegate who spoke present thought that the percentage of cattle required was inadmissible, but that the price was insufficient; the threat of a decrease created a bad impression.

The delegate presented with greater energy, clearly showing that a compulsory contribution was abnormal to them, and still more so the enforcement of a price which, at the present time, represents barely 30% of the market value. Now it is inadmissible to ask for meat at 1.40, live weight, while it costs 1.40 in the market. The difference of about 50% is a serious loss of 10 thousand lire which the agriculturalist would have to bear on every head of an average weight of 130 kg. High enterprises can stand this for a long time.

A useful observer will say that, during the fascist regime, the agriculturalists supplied meat at low prices without seriously protesting. This is true, at least for the period that goes till 1933 (included) but this can be explained by the fact that the difference between the price of the cattle in the market and the price sold to them was of a few lire only on each kg. At present, if the price of 1.40 is enforced, the difference will mean an unbearable loss for the agriculturalist. In such conditions, the substitution of one animal would mean the same loss as was caused by the contribution of ten animals under the fascist regime.

Many people are against the current view; they do not realize that to slaughter the cattle, even meat, even the head that is not only for him, but mostly for the municipality, the agriculturalist must buy the required cattle at market prices, and when it should have to give it away at 1.40 kg. Is it fair to require that of the agriculturalist, without giving them anything in exchange? They are unjustly represented as opposing the contributions, and anyway for more money and responsible for the high prices; on the contrary, they know quite well that their animal only is: in the present difficult situation, they must keep up the agricultural production, and even try to increase it, so that their products will answer the requirements of the population. But it is their right not to be despoiled of the fruit of their daily toil, and to have their products sold at good prices. If, because of present circumstances, a sacrifice is asked from the agriculturalist, they will make it as long as it is within reasonable bounds.

But they cannot be expected to supply agricultural products at a low price

- 2) On this price a reduction of so much per cent should be made; this would give the price of the compulsory contribution (this reduction would be over around 20%).
- 3) The compulsory contribution should be limited to one percentage strictly if necessary to supply the market; the price will be 100% with meat; they should have a special food card.
- 4) Within these limits, contracts and slaughter should be free.
- 5) Considering that the use of animals with functions at once, the agriculturalists of the land must have a contribution of 1% for culture and will have the price of 1.10, live weight, dressing and this temporary and as an exception of 2 months.
- 6) As regards that the agriculturalists understood the need and urgency of rapidly solving the problem; for this reason they suggest the above mentioned solution, hoping that all those concerned, in a spirit of comprehension and solidarity which should be that of all good Italians, will appreciate its true value.

P.S. This memorandum was written before the setting up of the last market about meat supply, confirming the determination to fix the price of meat at 1.40 per kg.

The Agriculturalists of Lodi confirm what has been said above; they suggest a solution which would allow to leave the price in question unchanged and yet gratify their wish.

As there was a premium for wheat and oil, there was also a premium on meat, the difference between the two is 1.10 and should be paid by the Government, the services or later on by the State; the market will be organized by all the tax payers and not by the agriculturalists only.

Hoping to have faithfully expressed the opinion of the farming class of Lodi, on this first year it will take it in consideration, and we remain,

Truly yours,

Representatives of the Lodi Farmers' Union

Dr. Del. Carlo Bruno

Dr. Maurizio Umberto

Dr. Antonio Lazzarini

Representatives of the 'Municipal'

Comune Lodi

Adriano Lazzarini

Adriano Lazzarini

10874