

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

785017

ACC

10000/104/737
(VOL. II)

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

10000/104/737
(VOL. II)

FOREIGN TRADE (OTHER THAN FRANCE)
FEB.-OCT. 1946

A.L.C.

129

CSO. Herewith for your information are f. 120-228.

H. 1314 H. 1314.

Mr. [unclear]

140.

Ex. Comm.

See f. 139. H.S. 9/5

I agree - subject
will be B/C at 15/5.
V/S letter on 15/5.

CSO: H.S. 6/6

143

No reply received as of this date to
cable at f. 142. Follow-up has been
suggested to Col. Winter

W.S. 5/6

See p 139. J.S. 9/15
I agree - subject
will be B/4 at 10/15
V.B. letter on 10/15

C.S.O. J.S. 6/16

143

no reply received as of this date to
call at p. 142. Follow-up has been
suggested to Col. Webster
WOF 516

1095

104
 to lower.
 100. Please see Folio 102 for info.

5048 JRS 13/3
 12/3/42

105

V P Econ Sec

Can you let me know what action (1) AC

(2) Italian Gov took on 1942. (103)

172 (13/3)

106

Commerce Br.

For answer to 104 above.

Cap. Mont. 11/3
 Econ. Sect.
 10/3

107 107

Econ Sect

Answer to 104 is

① Passed information to Italian Govt via

Dr Bombassei on 12 March.

② Italian Govt has taken no action to date.

Commerce Br. queried the matter today (14th March)
 to telegram
 transmitted by tomorrow.

Commerce Br.

For answer to 104 above.

Capt. Henry J. U.S.
even. det.
10/3

107

Econ Sect

Answer to 104 is

① Passed information to Italian Govt via

Dr. Bombacci on 12 March.

② Italian Govt has taken no action to date.

Commerce Br. queried the matter today (14/3 March) and Italian Govt has promised to reply by tomorrow.

Encl. Cooper Lt
Commerce Br.

106

TO: Executive Commissioner, AC

Invite attention to minute 105 above.

March 1946
Economic SectionColonel, AC
Acting Vice President

1093

4003 98

146

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

4 October 1946

G-5: 973.21

SUBJECT: Foreign Exchange

TO: Headquarters,
AMC XIII Corps

OCT 13 1946

1. In Italy as you are aware the foreign commerce regulations produce, in broad outline, the position that an exporter is permitted to use for his own account half of the foreign exchange he gets from the transaction; the other half is at the disposal of and used by the Italian Government, repayment for that half being made in lire to the exporter.

2. Will you please state the procedure for dealing with the foreign exchange earned by exports from Zone A.

3. In the event of any such balances of foreign exchange standing to the credit of AMC the amounts will be reported to this Headquarters.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

MAJ. GEN. H. L. HARRIS
Colonel C.S.C.
Assistant Chief of Staff, G-5

Copy to:

Chief Commissioner
Allied Commission
APO 794

OCT 13 1946

1092

(CAPT K)

47
EX COMM 145
OCT 3 1946
2 October 1946

My dear Commander McCoy:

As of April of this year the Allied Commission ceased to have screening functions and the Italian Government is now in complete control of its foreign trade.

All imports must now be licensed. With the exception of (b) below, all licenses are issued by the Ministry of Foreign Trade and may be divided into the following four categories:

- a. (Franca valuta); i.e., without disbursement of foreign exchange subject to certain conditions as follows:
 - (i) acceptance by consigner of payment in lire in a blocked account in Italy,
 - or
 - (ii) the foreign currency used must belong to a private or legal body in Italy with no legal obligation to cede it to the Italian Government.
- b. Temporary; i.e., where the processing is to be carried out in Italy, and the whole of the product exported.
- c. Using free currency resulting from exports.
- d. Using foreign credits assigned by the Italian Government to the importer. These imports are limited to imports of material, essential or reconstruction, or reactivation of industries.

Where there is a question of the import of Reserved Commodity items the Italian Ministry of Foreign Trade must obtain an allocation from Washington before issuing a license.

Generally speaking, however, exports must be licensed. Certain goods may be exported without license but only to countries paying in dollars, sterling, Swiss francs or Swedish kronen. In this case, a bank permit is issued after the exporter has made a declaration to cede 50% of the foreign currency to the government. Certain goods can be exported only

Commander J. M. McCoy
250 Greer Street
Memphis, Tennessee

1091

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within existing trade agreement quotas in force with certain countries. Goods not falling within the foregoing categories must be licensed for export by the Ministry of Foreign Trade.

Full information may be obtained in Italy from the Istituto Commercio Estero, 107 Via Torino, Rome, and in the United States by applying to the Department of Commerce, Office of International Trade, Washington, D. C. There is also a field office at 229 Federal Building, Memphis 3, Tennessee.

With best wishes for the success of your business venture, I remain

Sincerely yours,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

1030

785017

3845 DA 18

MAY 21 1946

4003

Ex. Commr.

W3225

MAY 23 1946

ROUTED

PROCES

PROCES, INFO, WASHINGTON ALCOA CORP

MAY 21 1946

RESTRICTED

RESTRICTED

615725. Please advise whether arrangements for trade exist between United Kingdom and Venezia Giulia similar to those announced on 9 February 46 for the rest of Italy. Request reply earliest.

AC DIST

INFORMATION - ECON SEC 3

INFO - CHIEF COMMISSIONER

EXAM CORP

FILE

SIGNATURE

RESTRICTED

HEADQUARTERS

94 MAY 1946

see M.143

CIPHER TELEGRAM

This message will not be distributed outside British or Foreign Office Departments or Headquarters and should not be distributed without authority. (Messages marked O.T.P. need not be paraphrased).

1083

(CPT DEJ)

58316 CA18

Y11545A

H/3225

Y 231615

PRIORITY

TROOPERS

FREEDOM INFO WASHINGTON ALCON ROME

RESTRICTED

RESTRICTED

AC DIST

INFO ACTION: ECON SEC 3

INFO: CHIEF COMMISSIONER

FILE

SKELETON

RESTRICTED

Capt De John

*This is off the float file.
Please find out what it is
about & if any action has to
be taken*

H.S. 24/5.

F. 142 refers

858

3.15.

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

785017

C.50

Inc

In view of Mem 1140.

can 7139 now be

PA'd please

17/5

yes. J.S.
17/5.

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref: ES/153

7 May 1946

MAY 9 1946

SUBJECT: Proposal for informal working group on foreign trade.

TO : 1. Executive Commissioner
2. Chief Commissioner

1. There is attached hereto a copy of a proposal for the organization of an informal working group on foreign trade. Likewise, attached are copies of an exchange of letters between the United States Embassy and the Prime Minister.

2. I see some advantage to the Italian Government to have such a group organized. A.C. membership on the group will be helpful in keeping us informed and need not do violence to the fact that foreign trade has been turned over to the Italian Government.

3. Because of reduced staff, A.C. can go no further than membership; that is, cannot assume extra burdens such as secretariat, should such proposal be made.

Charles W. Walton
CHARLES W. WALTON
Colonel, AC
Acting Vice President

Encls. 3

1085

9/15/55
(130)

PA
n/s
8

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PROPOSAL FOR ESTABLISHMENT OF AN INFORMAL WORKING GROUP
IN ROME OF ITALIAN AND ALLIED AGENCIES WORKING ON
IMPORT PROGRAMS AND TRADE REVIVAL.

In response to proposal made by United States Embassy with letter of April 9, 1946, Sig. DeGaspari, in his capacity of President of the Interministerial Committee for Reconstruction, has agreed, with letter of April 25, 1946, to the organization of a mixed committee, of an informal character, where certain problems of common interest to the Italian Government, UNRRA, A.C., and U.S. and U.K. Governments may be discussed.

The Embassy of the United States now proposes that such committee be promptly organized and established.

Composition of Committee

It is proposed that such committee have the following membership:

MEMBERS	
<u>Italian side</u>	<u>Allied Side</u>
Ministry of Foreign Trade, Chairman	UNRRA
Ministry of Foreign Affairs	U.S. Embassy
Ministry of Treasury	U.K. Embassy
Ministry of Industry	A.C.
OBSERVERS	
I.C.E. - Bank of Italy- Istocambi	USCC, WSA, UKCC
Ministry of Agriculture	Other Allied government
Food Commissioner	agencies upon invitation
Other Italian government	of Chairman depending
departments upon invitation	on subjects on agenda.
of Chairman depending on	
subjects on agenda.	

JOINT SECRETARIAT

C.I.B. The Secretariat will have the function of coordinating action and requests for action on the respective sides; will prepare agenda and minutes of meetings, both in Italian and English languages.

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Ministry of Treasury	U.K. Embassy	
Ministry of Industry	A.C.	
	<u>OBSERVERS</u>	
I.C.E. - Bank of Italy- Istcombi	USCC, WSA, UKCC	
Ministry of Agriculture	Other Allied Government	
Food Commissioner	agencies upon invitation	
Other Italian government	of Chairman depending	
departments upon invitation	on subjects on agenda.	
of Chairman depending on		
subjects on agenda.		

JOINT SECRETARIAT

UNRRA

C.I.R. The Secretariat will have the function of coordinating action and requests for action on the respective sides; will prepare agenda and minutes of meetings, both in Italian and English languages.

Meetings will be held twice a week on Mondays and Thursdays at 11 a.m. at Ministry of Foreign Trade, Palazzo Marescialli, Piazza Indipendenza.

Terms of Reference of Committee

As per exchange of letters between Sig. DeGappari, President of C.I.R. and the United States Charge d'Affaires at interim, it is proposed that the following be the scope of the committee:

-2-

- To coordinate UNRRA program and A.C. Venezia Giulia program with Italian government programs (Imports by Government purchase and imports through private channels).

- To assist the Italian Government in problems relating to commodities subject to control of International Committees and Combined Food Board, and eventually see that overall allocations are promptly administered.

- To assist in trade matters either relative to R.C.L. items or to other commodities which might be subject to national controls of individual countries.

- To facilitate foreign trade revival of Italy in adopting procedures to recommendations and rulings of international and national trade agencies and suggest the establishment of proper procedures where the absence of same prevents trade (i.e. trade between Italy and ex-enemy territories).

- To provide information of interest and pertinent to aims as per above, which might be available to some of the members through their own channels and can freely and more quickly be made available to all interested parties, through the medium of the committee instead of by individual actions. (Examples of this are exchange of trade intelligence and regulations of U.S., U.K. and other countries.

- To discuss, wherever the situation warrants it, problems of distribution of imported supplies when, because of their particular character, they bear heavily upon the current relief and rehabilitation programs of Italy.

- To discuss other matters in the trade and economic revival field when such matters are brought to the attention of the Committee and are placed on the agenda with the approval of the Chairman.

Rome, May 3, 1946.

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- To discuss other matters in the trade and economic revival field when such matters are brought to the attention of the Committee and are placed on the agenda with the approval of the Chairman.

Rome, May 3, 1946.

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EXAMPLE OF SUBJECTS TO BE PUT ON AGENDA OF ITALIAN
AND ALLIED INFORMAL WORKING GROUP.

1. Present organization of Italian Government trade control services. (Report, Ministry of Foreign Trade).
2. Scope and extent of UNRRA intra-mission trade. (Report, UNRRA).
3. Possibility of difficulties in United States under U.S. Custom Act to be experienced by Italian goods because of subsidy clauses in Italian government regulations. (Report, U.S. Embassy).
4. Transactions in specific E.C.L. materials between Italy and the United States, within clauses of controlled goods. (Report, U.S. Embassy).
5. Examination of possibility of trade between Italy and occupied zones of Germany - establishment of procedures. (Report, U.S. and U.K. Embassies).
6. Arrangements for current exchange of information on trade matters of common and mutual interest. (Report, Secretariat).
7. Necessity of reporting knowledge of stocks of undistributed, imported supplies, to prevent overstocking and difficulties at a later date when situation changes. (Report, UNRRA, I.C.E.).

2. Scope and extent of (Report, UNRRA).

3. Possibility of difficulties in United States under U.S. Customs Act to be experienced by Italian goods because of subsidy clauses in Italian government regulations. (Report, U.S. Embassy).

4. Transactions in specific R.C.L. materials between Italy and the United States, within charges of controlled goods. (Report, U.S. Embassy).

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7. Necessity of reporting knowledge of stocks of undistributed, imported supplies, to prevent overstocking and difficulties at a later date when situation changes. (Report, UNRRA, I.C.E.).

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AMERICAN EMBASSY
Rome, Italy
April 9, 1946

My Dear Mr. President:

I am pleased to acknowledge receipt of your letter of April 6, 1946, addressed to the Ambassador, with regard to the modifications recently brought about in the Italian foreign exchange system, contemplating a relaxation of exchange and trade controls. In that connection I am pleased also to attach a copy of the Embassy's Note Verbale No. 456 delivered today to the Ministry of Foreign Affairs, under instructions from the Department of State, concerning the manner in which the Italian Government may now have direct access to the international allocating bodies which recommend the equitable distribution of scarce commodities. The Embassy is transmitting the views which you express in your letter, as President of the Interministerial Committee for Reconstruction, to the Department of State for the information of the United States Government.

I wish to give assurance that your Government may expect the full cooperation of this Embassy in connection with technical problems related generally to foreign exchange and foreign trade.

It is recognized that new problems have now arisen as a result of the decisions communicated in the Embassy's Note Verbale referred to above, in that the Allied Commission will henceforth cease to act as an intermediary between the Italian Government and the Combined Food Board and other combined agencies. It is felt that assistance rendered by the Embassy to your Government may only take the form of advice regarding current procedures affecting trade in scarce commodities and concerning procedures developed in the United States for controlling trade in such commodities during this critical period. I am sure that you recognize the need for such controls, which have in fact been of great benefit to Italy, and welcome the opportunity now afforded to Italy for direct access to and cooperation with the work of the several international allocating bodies. In response to your invitation to offer suggestions concerning the manner of practical implementation of the foreign exchange measure recently adopted by your Government, the Embassy believes that a useful first step toward that end might be the development of a close working liaison between the Ministry of Foreign Trade, the Ministry of Foreign Affairs and other offices interested in these problems, perhaps through the establishment of a formal or informal working committee which would be representative of the several Ministries as well as of the Italian Mission of COMSEC and also, in an advisory capacity when desired, with participation of the British and American Ambassadors. Such a committee might be considered as a technical appendage of the Interministerial Committee for Reconstruction. Although the Embassy could assume no responsibility for decisions taken by the committee, it would welcome the opportunity to provide information and to observe more closely the development of Italian Trade practices and policies.

- 2 -

Because the United States is a principal supplier of the commodities which are subject to international allocations, is interested in the effective functioning of international controls on a cooperative basis, and because it is hopeful that your Government will utilize such foreign exchange resources as may be available to it in the most efficient manner, the Embassy is of course interested in observing the procedures which the Government proposes to adopt in order to

(a) coordinate its program for importing materials subject to international allocation with the program of imports of the same commodities by UNRRA, so that conflict of the latter with purchases by Italian Government purchasing missions abroad or by private Italian importers may be avoided,

(b) to administer the import quotas allocated to Italy by international bodies in such a manner that the quotas are neither exceeded (at the expense of other claimants) nor incompletely utilized (to Italy's own loss), and

(c) to control the destination of surpluses of scarce commodities which are available for export, so as to conform to the distribution patterns recommended by international allocating bodies.

Please accept, my dear Mr. President, the assurances of my highest consideration.

Respectfully yours,

Charge d'Affaires, a.i.

Belmontworth:eh

Enclosure:

Copy of Embassy's Note Verbale No. 455

No. 456

NOTE VERBALE

The Embassy of the United States of America presents its compliments to the Royal Ministry of Foreign Affairs and has the honor to submit the particulars of information now received from the Department of State regarding the manner in which Italian foreign trade may be brought within the framework of the International (Combined) allocating bodies insofar as concerns the movement of commodities which are in short supply throughout the world and which accordingly, are subject to international controls on a cooperative basis.

It is the Embassy's understanding that the Italian Government is disposed to act in harmony with other nations toward accomplishment of the objective sought, which is to obtain an equitable distribution of scarce commodities among the several claimant countries, and that to that end the Italian Government will take such steps as may be necessary to obtain and administer the import allocations recommended for Italy to assure that any surpluses of scarce commodities which may be available for export from Italy are notified to the international allocating bodies concerned for equitable distribution among other countries and subsequently exported in accordance with the recommendations of the allocating bodies.

The Embassy is informed by the Department of State that the Italian Government will in the future have the right of direct access to the Combined Food Board and to the Combined Commodity Committees. Such approach on behalf of Italy has in the past been maintained through combined military channels. The Commerce Sub-Commission of the Allied Commission will no longer be available as a channel of communication with the appropriate authorities in Washington, effective upon an early date to be notified by the Allied Commission, and the Italian Government will thereafter be able to maintain direct contacts with the allocation bodies concerned through its Embassy in Washington. By such direct contact the Italian Government may seek to meet its requirements for materials, outside of the current UNRRA programs, which are still under international allocation. Correspondingly, it may so keep the international bodies informed regarding any surpluses of commodities under allocation which are available in Italy for export. With regard to Italian import requirements of commodities under allocation (RCL items), it is requested that Italian requirements be submitted if possible in the form of over-1074 annual

-2-

annual program, rather than on an ad hoc basis, and that the requirements be coordinated with the Italian Mission of UNRRA in order to avoid duplication with the UNRRA program. Notification that such action has been taken should be indicated in the Italian program of requirements for the information of the international committee concerned. In order to facilitate consultations with the Combined Food Board and other committees, it is hoped that the Government will also transmit copies of the Italian program of requirements and later alterations or subsidiary requests, to this Embassy and also to the British Embassy in Rome.

Since the Italian Government has already submitted through the Allied Commission a preliminary program of import requirements for 1945 for commodities under allocation and has coordinated these requirements with the Italian Mission of UNRRA, the Embassy recognizes that the suggestions transmitted by the Department of State as set forth in the preceding paragraph are already known to the Italian Government, and are therefore repeated here only for corroboration in connection with subsequent agreements or additions to the initial program.

With regard to Italian exports of commodities under allocation which may consist largely of cotton yarn and piece goods and of certain foodstuffs, the Department of State suggests that

(a) the Italian Government may soon expect to be informed regarding the exact manner in which Italy will be associated with the Combined Textile Committee in Washington, for this matter is presently under discussion and that

(b) Italian exportable surpluses of foodstuffs which are subject to international allocations should be communicated at the same time through Italian Embassy channels to both Washington and London; that is, to the Combined Food Board in Washington, and to the Food and Agriculture Sub-Committee of the Emergency Economic Committee for Europe (EECE) in London. In that connection, the Department of State understands that Italy will shortly be invited by the EECE to associate herself with the various activities of that body in which Italy may have an interest and, in particular, with the Food and Agriculture Sub-Committee.

TRANSLATION
G.S.M.

INTERMINISTERIAL COMMITTEE FOR RECONSTRUCTION
THE PRESIDENT

Prot. No. 5752

Rome 26 April 46

Your Excellency,

I have the pleasure of referring to the letter of the 9th instant signed by Mr. Key, chargé d'affaires in which he has kindly brought to my knowledge the communication made to the Ministry of Foreign Affairs by means of the Embassy's Verbal Note No. 466 concerning the procedure by which the Italian Government was permitted to have access to the International Bodies responsible for the equitable distribution of commodities which are insufficient to cover the world's needs.

I wish to renew to you also in my capacity as the President of the Interministerial Committee for Reconstruction, my sincere thanks for this decision and kindly ask you to make the same known to the American Government.

I also thank you heartily for the explanations as to the practical consequences of such a decision with regard to the competence of the Allied Commission in so far as the contacts between the Italian Government and the aforesaid International Bodies are concerned.

With regard to the measure recently adopted by the Italian Government by means of which control is established over foreign exchange, the lack of observations in the letter relative to the clarifications contained in my letter of the 5th instant induces me to retain that the ends and motives of this first step towards freedom of trade have been illustrated to the utmost and that they will be appreciated by the American Government in their right light.

I have examined with the greatest interest, the suggestion of creating a mixed committee in which the U.S.R.R.A. representatives and eventually those of the Embassies of the U.S.A. and Great Britain may follow the action of the Italian Government with regard to:

- a) Coordination of the UNRRA importation programs for Italy with those drawn up by the Government for their direct application (through its purchasing agencies abroad) or else, reserved to the free initiative of private Italian importers;
- b) Surveillance of the utilization of allotment given to Italy by the International Bodies mentioned in order to avoid that said shares be exceeded or fail to be utilized;
- c) Control of destination of surpluses of needed commodities, which may be available in Italy, in order to regulate their distribution in harmony with the projects recommended by the International Bodies.

I agree as to the usefulness of such a committee, which I retain should have a semi official character, and to precise delimitation of its activity -
delimitation whose necessity your Embassy was understood.

I am above all to tell you that, by adhering to the wishes expressed by the Italian Mission of the UNRRA a committee of that type is already working at the Ministry for Foreign Trade and has held some meetings whose order of the day and results I am herewith attaching. Until now it was composed of the representatives of the Ministry for Foreign Trade, the Secretariat of the C.I.R. (Comitato Interministeriale per la Ricostruzione, Interministerial Committee for the Reconstruction)

the Delegation of the Italian Government for Relations with UNRRA, and the Italian Mission of the UNRRA. It is obvious that the representatives of the Ministry of Foreign Affairs may participate at its meetings in the future as well as, should there be need for it, those of the Embassies of the U.S.A. and Great Britain and those of the other Italian Administrations.

Thus the Committee would become the seat in which - the specific duties of the Ministry of Foreign Affairs remaining unaltered - the representatives of the UNRRA and those of the U.S. and British Embassies would be placed in a position to obtain with the proper freedom necessary in said semi-official discussions, those explanations on the directives of the Government with regard to supplies from abroad, without which explanations at times, it may be difficult to know about the measures adopted by the Government in solving determined technical problems.

I remain your Excellency,
yours very truly

HEADQUARTERS ALLIED COMMISSION
APO 384
ECONOMIC SECTION

Ref: ES/149

11 April 1946

SUBJECT: Letter of transmittal

APR 11 1946

TO : Executive Commissioner A.C.

Enclosed for your information is a copy of a letter from the President of the first National Meeting of Foreign Trade - Milan, complete with enclosures.

Charles W. Walton
CHARLES W. WALTON
Colonel AG
Acting Vice President

See Memo 129

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ES/2.0.00

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FROM: Roberto Tremelloni
President of the First National Meeting
for the Foreign Trade
Milan, Via Cesare Cantù No. 1
TO: President of the Economic Section of
the Allied Commission
THREE
FILE: 574 c.
SUBJECT: Acknowledgment

13 March 1946

1. The First National Meeting for the Foreign Trade, which has taken place in Milan this last days, has close yesterday.
2. I wish to thank you for having sent as your representative Lt. Col. F. F. Tooby; at our meeting were also members of the Italian Government, heads of bodies, associations, important industrial organizations, universities, and experts in foreign trade.
3. It is my privilege to forward you the orders of the day which the meeting has discussed and approved within the many that were presented by the attending persons, and in the name of all of them and of the organizing Committee I am sending you the best wishes, to which I add my personal ones.

THE ORGANIZING COMMITTEE
The President
WGD.

FIRST NATIONAL COUNCIL FOR FOREIGN TRADE

Order of the day No 1

The Council, after hearing the report of the Government on its work in collaboration with the Allies in connection with foreign trade relations and in the serious difficulties to be overcome in order to insure supplies of food, fuel and raw materials essential to Italy;

after examining and discussing the notes and motions submitted by various persons present at the meeting setting forth the urgent need to promote foreign trade to a maximum, as being the surest means of guaranteeing supplies and providing labour for unemployed,

DECLARES

the general conviction that, to this end, the Government must, as a basic rule, limit its intervention in foreign trade to the opening of political-commercial relations with various Nations and the control of the use of foreign exchange, leaving private initiative complete freedom, in order to avoid the serious and irreparable harm brought about by bureaucracy in the operations connected with trade; and in particular requests that:

1) a list be drawn up of goods of which export and import are prohibited, of the limits to which restricted goods may be imported or exported and that such bans and limits (with the desirable and timely amendments) be kept in force only for as long as the present emergency demands;

2) exporters be bound to hand over foreign currency at fixed rates only in a very small proportion of the amount obtained through exportation, while the greater part remain at the disposal of the exporters for importing supplies (goods authorized for importation and connected services) for their firms or for payments connected with authorized importation and relative services by free negotiation through authorized banks, and that these obligations be maintained only for as long as the present emergency demands, aiming at complete freedom of trade;

3) commercial clearing agreements be limited to indispensable cases;

- 125
- 4) private compensations be facilitated, whenever exchanges in free currency are not possible, speeding up the procedure which should be entrusted to authorized banks;
 - 5) a form of economic policy be adopted which will facilitate the foreign finance required to rebuild the nation and promote export production.

With regard to the above requests, in view of the gravity of the harmful consequences which any further delay in taking the desired measure would bring about the Council urges the Government to take immediate decisions.

Milano 14.3.1946

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FIRST NATIONAL COUNCIL FOR FOREIGN TRADE

Order of the day No. 2

The first national council for foreign trade, in conclusion to the discussion held during various meetings, again calls the attention of the Government to the immediate necessity of taking measures along the following lines:

- 1) a special rapid procedure should be introduced for issuing the new "temporary importation" permits, for "production on account" and for the formalities connected thereto and the procedure should be purely administrative in order to avoid the long procedure by decrees.
- 2) in order to simplify the operations it should be permitted to use the custom procedure of providing a banking guarantee at will, and the so-called "custom inspection" should be eliminated as much as possible or at least limited to very exceptional cases; and in using the "temporary importation" permits equivalent values of goods should be made the rule while identical goods should be exceptional cases. Lastly the department directions and customs directors should be given as much independence as possible in exercising the prescribed control.
- 3) the old laws should be revised without delay, and the heavy taxation on export eliminated or at least reduced. Moreover, the existing regulations on authentic (non-emergency) packing, the exportation of which is prohibited.
- 4) Transport agents should be given as much as freedom as possible, allowing them full use of the currency obtained and thus recognizing their initiative which is most desirable and also in view of the fact that no foreign currency need be issued to them by the State for such operations. Such free use of currency should be considered in the form of deposits in authorized banks, by free negotiation, or for covering imports planned according to a list of goods the importation of which is subject to authorization by the State but not subsequent to handing over currency.
- 5) Rules should be published without delay for the internal distribution of goods imported by the State or other goods not in limited quantities (UNRRA), allowing all agencies, both industrial and commercial, which form the Nation's economic structure, to take part.

6) With regard to established trade agreements, also, contracts of exclusive and representative agents between Italian and foreign firms should be duly considered and respected, for it is only by years of labour, financial sacrifices and risks that they have succeeded in establishing markets for their goods.

7) The I.C.E. (Istituto Commercio Estero) must return permanently to the original precise functions for which it was created namely statistics and information, under the State departments and at the disposal of exporters in general. Consequently, in the security field with regard to all goods imported and exported, the financial side of which comes under the jurisdiction of this Institute, the market of security bonuses should be open to all competitors, and not limited to exclusive preferences.

8) With regard to transport, the possibility should be examined of restoring all the various facilities in the services and rates for foreign trade, including the clause permitting forwarding agents to pay foreign agents for transport and accessory services by means of clearing agreements.

9) Commercial agreements should be made with the greatest number of countries, negotiations should be urged and conclusions facilitated to the maximum especially with countries outside Europe. The Government's attention should be called to the particular and delicate situation in guarding Italian interests in East Africa and maintaining Italy's national dignity.

In negotiating and establishing agreements with foreign countries, contrary to what has so far been done, commissions should be formed of expert industrialists, commercialists and farmers in order to assist and advise the government officials and thus obtain the best results.

10) In the same way as done in other countries long specialized in foreign trade, Italians residing abroad should be entrusted with the task of advising the State as to suitable relations to be made, making contact with the industrialists concerned and communicating information in market possibilities, in addition to the functions carried out by commercial agents.

11) A number of experts on foreign markets and the products concerned should be assigned to the various State Bodies for the purpose of insuring the utmost collaboration in examining and discussing the problems of directing foreign trade along profitable lines.

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12) A decree should be issued to repeal the former laws, in order that accounts formed in foreign countries by evading those laws may no longer be considered illegal. This step would favour the return of large capitals in foreign currency, which could be used and supervised with the same precautions prescribed for currency obtained by means of exportation.

Moreover the Council urged the State to consult the categories concerned when resolving upon the above steps, for only such freely formed unions can give the valid collaboration and guidance desirable.

Milano 14 March 1946

THE FIRST NATIONAL COUNCIL FOR FOREIGN TRADE

Order of the day N) 3

The Council,
-after hearing the reports of Mariotti and Gerelli on tourism;
-deeming it absolutely necessary to take the timely
steps for restoring tourism, in view of the considerable amounts
of foreign currency brought to Italy by tourists;

URGES

- 1) The State to consider the problem of facilitating the travel of foreigners and especially those who might constitute an important factor in Italy's future economic development and to bring up the matter in international conference with a view to obtaining the recognition of Italy's right for foreign visitors to be favoured and not restricted or deterred;
- 2) the State to reorganize official tourist services in such a way as will provide efficiency and security and to eliminate bureaucratic obstacles as far as possible. Above all, the E.N.I.T. should be enabled to resume its sound, efficient touristic propaganda and to reconstruct speedily the excellent technical bodies it formerly possessed, most important of which being the services uniting Italy with foreign countries and the economic and statistics of tourism;
v.12/14
- 3) the State to review the whole touristic legislation, especially that concerning hotel accommodation which constitutes the first problem to be examined in order to facilitate the movement of foreigners.

Milano 14 March 1946.

THE FIRST NATIONAL COUNCIL FOR FOREIGN TRADE

Order of the day No 4

The Council,

considering it advisable to favour the flow of foreign capital into Italy, not only by Government loans but by means of free participation and capital from foreign enterprises;

considering the need for commercial firms and real property to change ownership, and for foreigners to buy stocks and shares of Italian companies without restriction;

DEMANDS

-that R.D. No 807 of 24.7.1942 be annulled.

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H. QUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

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CASH

MEMORANDUM

5 April 1946

Subject: Conference with the Swedish Minister, Mr. Lagerberg.

1. Mr. Lagerberg asked A.C. authorization designed to facilitate a transaction between a Swedish company and an Italian company in fish to be exchanged for motor cars.

2. Mr. Lagerberg was told that A.C. has no part in this compensation arrangement. He was advised to write a specific letter asking for our participation to which we will make a reply stating our position.

3. The same letter will be used as the basis for a note to the Italian Government undertaking to clarify the non-participation of A.C. in deals of this sort.

Charles W. Walker
CHARLES W. WALKER
Colonel, AG
Acting Vice President

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SR 8/4
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M e m o r a n d u m .

The Swedish Export and Import company AB FALINDA, Stockholm, has on the 1st of March 1946 obtained from the Swedish competent Authorities the export licence N. B 98828 for 130 tons of stockfish against import of 10 cars "Lancia 4 cars "Alfa Romeo" and 55 motor vehicles "Guzzi". This compensation transaction has been authorized by the Italian competent Authorities, too.

The Italian representative of the abovementioned Swedish firm has communicated, that it is necessary to obtain authorization from the Allied Commission for the said transaction and that said authorization cannot be given before the arrival of the stockfish to the port of Genoa.

On the other hand the cars will not be delivered before the arrival of the stockfish in Italy.

The Royal Swedish Legation would highly appreciate it if the Allied Commission would kindly give their authorization to the abovementioned transaction.

Rome, April 5th 1946.

The Swedish Export and Import company AB FALLAL, Stockholm, has on the 1st of March 1946 obtained from the Swedish competent Authorities the export licence N. B 98828 for 130 tons of stockfish against import of 10 cars "Lancia 4 cars "Alfa Romeo" and 55 motor vehicles "Guzzi". This compensation transaction has been authorized by the Italian competent Authorities, too.

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On the other hand the cars will not be delivered before the arrival of the stockfish in Italy.

The Royal Swedish Legation would highly appreciate it if the Allied Commission would kindly give their authorization to the abovementioned transaction.

Rome, April 5th 1946.

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HEADQUARTERS ALLIED COMMISSION

APC 394

Industry Division

APR 1 1946

29 March 1946

TO : Acting Vice President
Economic Section

Subject : Foreign Trade Conference in Milan.

Herewith report on the Foreign Trade
Conference held in Milan on March 17/14 inclusive.

F. W. TOOBY
Lt. Colonel, R. A.
Chief
Industry Branch

TO : Acting Vice President
Economic Section

Subject : Foreign Trade Conference in Milan.

Herewith report on the Foreign Trade
Conference held in Milan on March 11-14 inclusive.

Hubert L. Tooby
P. W. TOOBY

Lt. Colonel, R. A.
Chief
Industry Branch

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FOREIGN TRADE CONVENTION

Held at Milan
11-14 March 1945

The "First National Convention on Foreign Trade" was held in Milan, March 11-14. It was initiated by a group that includes those same hard-working individuals who formed the Central Economic Commission of the CLNAI long before the liberation of the North and who have continued, notably through the North Italy Industrial Council (CIAI), to make valuable contributions to the planning of Italy's economic recovery. The list of members of the organizing committee includes names very familiar to those who have worked on the economic problems of Italy; particularly in the North: Dr. Tremelloni (the president), Prof. di Fenizio, Prof. Einaudi, Dr. Ferreri Aggradi, Dr. Muzagora, Prof. Pesenti, Dr. Angelo Saraceno (brother of Prof. Pasquale Saraceno).

Invitations to participate in the Convention were issued to a very comprehensive list of organizations interested in Italy's foreign trade; the Ministers of Foreign Affairs, Finance, Treasury, Industry and Commerce, Agriculture, Foreign Trade, Transport and Food; the regional Chambers of Commerce; Industrial, agricultural, commercial, artisan, banking, insurance, transport and shipbuilders associations; association of foreign traders; organizations of workers and managers in industry, commerce and banking; commercial faculties of universities; Italian chambers of foreign trade, foreign chambers of commerce in Italy and the Italian sections of the International Chamber of Foreign Trade; national institutes for studies in political economy.

The Agenda of the Convention covered a general examination of Italy's present position in respect of foreign trade and a number of subsidiary discussions each dealing with a group of related factors; Italian foreign and economic policy; free versus controlled trading; monetary, financial and credit policies; transport and insurance; and organizations in Italy and abroad for the development of foreign trade.

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On the opening day the new Minister for Foreign Trade spoke briefly welcoming the convention. His Under-Secretary, Avv. Storoni, put the problem facing the Government in simple straightforward language. He said that the Government must obtain the foreign exchange to buy abroad the essential imports of wheat, coal, oil and basic raw materials. The Government's plan for export and import licenses and the control of foreign exchange were devised to serve the purpose. If the Convention could produce

- 2 -

concrete proposals as to simple but equally effective ways of achieving the same end he would welcome them.

The official speeches from the platform over, the "floor" took over. Representatives of private overseas trading interests had massed themselves in the front rows of seats and throughout the Convention were the most talkative element in the audience. At times they were unruly. For the first two days it looked very much as if the Convention would degenerate into a mass meeting of protest by the commercial interests against the Government. Almost every speaker from the floor spoke "through his pocket". Yells of approval followed each variant of the basic cry for untrammelled liberty of action for the merchants.

On the third day a more moderate atmosphere prevailed. There emerged a recognition that in Italy's present position a degree of Government control is difficult to avoid. Speeches tended towards an insistence that Governmental control of foreign trade should be reduced to the essential minimum in scope and in time and that bureaucracy, if inevitable, should at least be efficient and fair in its operations. A commission was formed of the most representative speakers from the floor and given the task of drafting a Resolution on these lines to be presented by the Convention to the Government.

On the fourth and last day of the Convention this motion was put to the Convention in plenary Session and carried by an overwhelming majority. The text is given in Appendix A.

To satisfy the noisy critics among the "commerciants" in the front rows a secondary motion was also put to the Convention and carried. This Resolution (see Appendix B) specifies to the Government twelve matters which are a source of grievance.

A third Resolution (Appendix C) was passed by the Convention urging the Government to restore the tourist-trade as quickly as possible. About thirty other "Orders of the Day" on matters of interest only to specialised groups were also submitted at the final

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A third Resolution (Appendix C) was passed by the Convention urging the Government to restore the tourist-trade as quickly as possible. About thirty other "Orders of the Day" on matters of interest only to specialized groups were also submitted at the final plenary Session. There were adopted "as read" it being agreed that they should all be transmitted to the Government.

The final act of the Convention was to set up a Commission from among the present who would carry the Resolutions to the Government and remain at the disposal of the Government to discuss them.

Messages of greeting were read from the Prime Minister, the Chief Commissioner of Allied Commission, and the Chief of the UNRRA Italian Mission.

Appendix A

Resolution No. 1.

The First National Convention for Foreign Trade.

- having heard the communications of the representatives of the Government on the work developed in collaboration with the Allies in respect of foreign commercial relations and on the great difficulties to overcome in order to ensure the supplies of food, fuel and raw materials indispensable for the Nation,

- having examined and discussed the notes and motions presented by the participants to the Convention and which illustrate the immediate necessity of developing to the utmost foreign trade as the fundamental means of ensuring such supplies and to obtain the maximum employment of labour

expresses

the general conviction that, to such an end, the Government should - as an essential principle - limit its intervention in respect of foreign trade to the opening of political and economical relations with the various countries and to the control of the uses of foreign exchange, leaving on the other hand a free scope to private enterprise, so as to avoid the serious and irreparable economic damage deriving from a bureaucratic organization of trade functions;

- in particular requests that:

1) that there be established lists of goods the import and export of which is forbidden and their eventual quantitative limitations (opportunities and continually brought up to date) and that the lists be kept in force only for such time as is imposed by the exceptional conditions of the country;

2) the obligation for the exporter to hand over foreign exchange at a fixed rate should be limited to a minor portion of the exchange obtained by export, whilst the major portion shall remain at the exporter's disposal for the supplies (materials allowed for import and relative services) of the firm or for free internal negotiations through

relations and ensure the supplies of food, fuel and raw materials indispensable for the Nation.

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- 2) the obligation for the exporter to hand over foreign exchange at a fixed rate should be limited to a minor portion of the exchange obtained by export, whilst the major portion shall remain at the exporter's disposal for the supplies (materials allowed for import and relative services) of the firm or for free internal negotiations through an authorized bank, to be utilized for payments allowed imports and relative services and that also this obligation of handing over of exchange should be limited only for such a time as the above mentioned special conditions shall last with a final aim to complete exchange freedom;
- 3) the commercial clearing arrangements should be limited to indispensable cases;
- 4) private barter arrangements should be facilitated, where the exchange in free currency is not possible, rendering more agile the procedure with regional decentralization for the approval and control of the single deals by means of the Chambers of Commerce and of authorized banking institutions;

- 2 -

5) an economic policy be adopted with a view to facilitating foreign financing necessary for national reconstruction and for the development of the productive export activities.

In respect of what is specified above, in view of the gravity of the situation and of the damaging consequences deriving from any delay in adopting the measures suggested, the Convention requests from the Government urgent decisions.

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APPENDIX BFIRST NATIONAL CONGRESS FOR FOREIGN TRADEORDER OF THE DAY No. 2

The First National Congress for Foreign Trade, at the conclusion of the discussions which took place at its various settings, wishes to call the Government's attention once again to the urgent necessity for immediate steps being taken about the matters hereunder detailed:

1. It is requested that for the new concessions for "temporary importation", for "lavorage per conto" and for the formalities pertaining thereto, a special rapid, purely administrative procedure should be instituted, thereby avoiding the long delays inherent on the system of decrees.

2. So as to simplify and hasten matters, that it be permitted to cover customs bond by a bank guarantee, and that as far as possible the so-called "customs vigilance" be eliminated, or if this is not possible that it may be limited to special cases, and for the discharge of the "temporary" the criterion of equivalence shall become the rule, and that of "identity" the exception. Finally that the greatest possible autonomy be given to the departmental directorates and to the customs directors.

3. That a revision shall be made without delay of the old laws which cause considerable fiscal charges on exports, in order to do away or at least to reduce these charges. It is also desirable that the existing regulations, which prohibit the exporting of packages not of local manufacture, be abolished.

4. That the fullest liberty shall be given to transit operations, permitting the free disposal of the entire profit in exchange deriving therefrom, thereby recognizing the enterprise required for such operations and taking into account that these operations require no allocation of foreign currency.

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3. That a revision shall be made without delay of the old laws which cause considerable fiscal charges on exports, in order to do away or at least to reduce these charges. It is also desirable that the existing regulations, which prohibit the exporting of packages not of local manufacture, be abolished.
4. That the fullest liberty shall be given to transit operations, permitting the free disposal of the entire profit in exchange deriving therefrom, thereby recognizing the enterprise required for such operations and taking into account that these operations require no allocation of foreign currency by the State. Such free use of currency should be undertaken in the sense of the cession of such currency in free negotiations, either to an authorized bank, or as cover for imports as foreseen under a list of goods, whose importation is subjected to a State permit, naturally without any relative assignment of foreign currency.
5. That there be published without further delay the decisions regulating the distribution in this country of goods imported by the State or in any way outside quotas established by value (UNPRA) allowing all firms, both industrial and commercial, which constitute the economic structure of the Nation,

- 2 -

to have their share of such imports.

6. That in the matter of planned exchanges there shall also be taken into consideration the exclusive agency contracts existing between Italian firms and business houses abroad, the assertion in the Italian market of the products of which are the outcome of years of work and of considerable financial sacrifices and risks.

7. That the I.U.E. (Institute for Foreign Trade) shall return definitely to its specific functions as an organization for information and statistics, under the orders of the superior Ministry and at the disposal of the mass of exporters, functions which characterized and inspired its creation.

8. That in transport questions there be studied and examined the possibility of once more putting in action the various facilities for traffic with other countries, including the clause which foresees and permits in commercial arrangements by "Clearing", the payment through "Clearing" to the foreign senders and agents of the freight expenses, etc., incurred in the different countries participating in the transport.

9. That commercial agreements be concluded with as many countries as possible, and above all with those outside Europe, with a special request to the Government to keep in view the particularly delicate situation arising from the control of Italian interests in Oriental Africa and the defense of national dignity. That in negotiations and stipulations of agreements with the different countries, there shall be instituted, contrary to the present practice, commissions composed of manufacturers, business men and agriculturists, with the precise task of aiding Government officials, so as to arrive to the best results in the drawing up of such agreements.

10. Following the method, usual in those countries which traditionally specialize in foreign

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10. Following the method, usual in those countries which traditionally specialize in foreign trade, it is requested that there be considered the opportunity of utilizing the services of Italians living abroad, who have the necessary qualifications, entrusting them with the task of informing, signalling and contacting the right quarters, as to the existing possibilities of the market, apart from the mission entrusted to the Commercial Attaches.

11. That there be considered also the opportunity of forming, according to regulations referring to their

- 3 -

competency and knowledge of markets and goods, a framework of experts to be accredited to the State Organizations so as to have their collaboration available for the examination and discussion of the problems of foreign trade.

12. That be promulgated a decree of absolution for those who in derogation to previous decrees, which have never been revoked, hold sums in currency abroad. This would favor the return to this country of an important capital in foreign currency, which could be used with the same precautions prevailing for currency deriving from exportations.

They also request:

that the opinion of the categories concerned should be heard for the approval of a/m, that advice and collaboration to the Central Authorities could be granted only through the Associations freely constituted.

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APPENDIX CMotion 3The First National Convention for Foreign Trade

Having heard the communications of Messrs. Mariotti and Gerelli on the tourist trade; taking into consideration the urgent necessity of providing immediately for the drawing up of all those elements which are indispensable to ensure the tourist reactivation and with it the contribution in foreign exchange deriving from a tourist inflow to the international balance of Italian payments;

expresses the wish:

1. that the Government should consider the tourist problem as one of the most worthy of attention, owing to its importance in respect of the future of Italian economy; and that it should be considered on an international basis so that these be given to Italy recognition of the right of favoring the inflow of visitors from abroad rather than the opposite;

2. that the Government should reorganize the official tourist organizations so as to render them animated by a spirit of competent efficiency and that they should be relieved, as far as possible, from bureaucratic heaviness and unwieldiness. In particular the wish is expressed that E.N.I.T. (Ente Nazionale Italiano per il Turismo) should be reorganized in its original functions of efficient tourist propaganda and excellent services foremost of which were liaison with abroad, tourist economic studies and statistics;

3. that the Government should provide for the re-examination and reform of all tourist legislation, with particular attention to the hotel legislation, owing to the fact of its priority, characteristics favoring tourist movement.

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POLISH UNDERSECRETARY FOR FOREIGN TRADE ONE IN VIENNA FOR TRADE NEGOTIATIONS WITH AUSTRIAN GOVERNMENT HAS ASKED ME TO DRAW ATTENTION OF ITALIAN GOVERNMENT ON OPPORTUNITY THAT ITALIAN TRADE MISSION BE SENT TO WARSAW AT BEGINNING OF NEXT APRIL WITH A VIEW TO CONCLUDING TRADE AGREEMENT AND ARRANGING EXCHANGE POLISH COAL AGAINST ITALIAN GOODS. HE HAS ADDED THAT AS A RESULT OF STILL REDUCED PRODUCTION OF POLISH COAL AND OF CONTINUOUS DEMAND OF OTHER STATES COAL ALLOTMENT RESERVED FOR ITALY ON GROUND OF THE CONVENTATIONS HELD LAST OCTOBER IN WARSAW MAY BE CUT DOWN WHILE IT IS ON THE CONTRARY THE INTENTION OF POLISH GOVERNMENT TO FOSTER ACTIVE TRADE RELATIONS WITH ITALY. POLISH UNDERSECRETARY HAS INFORMED ME THAT DURING CONVERSATIONS WITH AUSTRIAN GOVERNMENT ABOUT TRANSIT OF GOODS THROUGH AUSTRIA SPECIAL PROVISIONS HAVE BEEN FORESEEN FOR ITALY. HE HOPED TOO, THAT TRANSIT AGREEMENT BETWEEN POLAND AND CZECHOSLOVAKIA WILL REACH FAVORABLE CONCLUSION VERY SOON MAKING THEREFORE EXPORTATIONS TOWARD ITALY EASIER. POLISH UNDERSECRETARY IS SUPPOSED TO REMAIN IN VIENNA A FEW DAYS IF NEED BE COMMUNICATIONS ON THE SUBJECT COULD BE THEREFORE WIRED THROUGH A C TO THIS OFFICE.

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See M.103.104-107 & 108

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(MAY 4) 5/12/46

FROM : HQ ALCON

TO : ACTION FOR CES FOR CLAC WARE (LONDON) FOR SLAC FEB 8 1946
SPECIALLY AFHQ PHREQ

Ref.No.: 685

UNCLASSIFIED

This is MOC 506.

Subject is Resumption of Private trading with Italy.

1. MOC 403, PWT 197, MOC 499 refer.

2. It is confirmed that on 5th February the Italian Government issued press release quoted to you in MOC 499.

Precedence : ROUTINE

Office of origin : Commerce (Foreign Trade) S/C

Tel.No. : 478192

Originator's Signature : (MAL. S.K.I. SAMI)
Deputy Director

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This is MOC 506.

Subject is Resumption of Private Trading with Italy.

1. MOC 403, PAT 197, MOC 489 refer.
2. It is confirmed that on 5th February the Italian Government issued press release quoted to you in MOC 489.

Precedence :ROUTINE

Office.of origin : Commerce (Foreign Trade) S/c

Tel.No. : 478192

Originator's Signature : (M.L. S.K.I. BAUL)
Deputy Director

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