

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

785017

ACC

10000/109/766

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

785017

10000/109/766

EXPORT TRADE POLICY
NOV. 1944 - NOV. 1945

4025/EC

CONFIDENTIAL

INFORMATION FILE

~~SECRET~~

OFFICE OF

CHIEF OF STAFF

3622
2274

EXPORT - TRADE

POLICY

See Italia Export Trade Bill 1989/EC

ED

EXPORT - TRADE

POLICY

See Italian Export Trade Bulletin 2019/20

CR

OS

Cr. OS

10000/109/766

THIS FOLDER

CONTAINS PAPERS

FROM NOV - 1944

TO NOV - 1945

LATE ISSUE

CONFIDENTIAL

95-
c20- 24/10. Tol. 70-94 for info further to COM 250
(Jul. 87)

Encl 23/10

101

Ex Comm. Tol. 100 for info

Encl 2/11

103- 107 for info. 13/11.

103- 107 for info. 13/11.

103- 107 for info. 13/11.

103- 107 for info. 13/11.

103- 107 for info. 13/11.

103- 107 for info. 13/11.

103- 107 for info. 13/11.

103- 107 for info. 13/11.

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

7850, 7

473

Chason

107

1161

2

3/12/65

117
Please see 111 for info

2/2/20

(73)

DEC 29 79

781-2575

(73)

(74)

To: CSO - for info. Seen by Ev Com.

Encl 20/9

2/1/9

79

~~CSO~~

CSO - Folio 78 for info

Encl 20/9

81

CSO - Folio 80 for info

Encl 10/10

88

Ex. Com.

CSO - Folios 86-87 for info. Looks like ~~that~~ CCS still want to hold a tight rein on Italy.

266

Encl 27/10

3272

C20 - Folio 18 for info
 2/29/10 Encl 28/9

Encl 81

C20 - Folio 80 for info
 Encl 10/10

88

Ex. Com.

C20 - Folios 86-87 for info. Looks like ~~that~~ ~~information~~
 CCC still want to find a light & ruin
 on Italy.

1-10-10 Encl 27/10

866

3277

PA

89

Ex. Commis meeting 8/21/10 ✓
 1A. 8/21/10

8/10 on 3-77

Chief Commissioner

4025700 antedated

REED

Attached is submitted for your signature

information

No great reduction of control here!

06/21/10

1/21/10

15/10

66

Eto For info re folio 64 - return as per folio 60.

ASB
10/9

67Eto

For info re folio 65. It would appear that S.M.F. has a legitimate complaint I am asking them first. I investigate & let this office read just what appears to be true. I will then attempt to make a long what inquiry. Please inform you.

ASB
11/9

68.

Capt. Amador

Added 6/11/67. An interview
reply should be sent 6/11/67.

Si 12/9

70

3271

For info to you & Dean
has a legitimate complaint I am asking
investigate & let the office know just what office there
to party. & when better arrangements they attempted to make & they
other minority. then inform you.

APR 11/9

66.

Capt. Burch.

He interview

Advised him 67. He sent

should

reply

8/12/5

70

3271

reply is forthcoming shortly.

APR 8 Eon Sect. - reply is forthcoming
please in form 69.
~~APR 14/5~~

APR 14/5

149

Ex-bomman

For your info. please see file ¹⁴⁸ indicating that
a conference is to be held in your office today at 1600 hours.

APR 27/8

50

Discussed 27/8. ML

Ex-2. Commission - 59

For your info re: what of Ex-bomman please
see files ⁵⁵ & ⁵⁸ thru 11.

APR 29/8

21 30/8

TR/3/12

63

3269

Exo. - ~~Executive Commission~~

For info file 62

APR 10/8

26 10/8

3268

Excluded

324

For info - please see folder

APR 1975

27/8 noted. 7

328.

Excluded

For info, folder 37. 12
APR 1975

Excluded

(46.)

For info. - 15

APR 1975

27/8 noted. 7

3267

3265

328.

Ex Comm
Mr. [unclear] 37.
[unclear] 24/8

(46.)

Ex Comm

(15)

Mr. [unclear] 15
[unclear] 24/8

27/8 noted. 7

3267

3266

To: VP Leon Sect.

Please see folio #18 in answer to your
minute #17. *CWW*

11 July
Lyon Sec
12 July 45
Tel: 415

TO: ~~Executive~~ Commissioner. 20

Attention invited to folio 18. Showing controls revised
in answer to CC's min 16.

Leon Sec
12 July 45
Tel: 415

1617

L. B. McMINLEY
Brigadier General, USA
Acting Vice President

[Signature]

175/181

Engine

Stop from 13

181/181

2e TAM 640

11/4/8

20
TO: Executive Commissioner.

attention invited to folio 18.

in answer to CC's memo 16.

Leon Sec
12 July 45
Tel: 415

E. B. McKINLEY
Brigadier General, USA
Acting Vice President

25 1617

18/524

25

Spence
18/524

to info from 23.

18/524

SH

2e TAM 640

25 4/8

18/524

3265

Chapman
18/524

27

Please see for info folio 26

18/524

18/524

Chapman
21/8

28

for information
Noted by CC 18/524

17

4.
 COS: Pls. see pgs 1 & 2. You may
 wish to discuss with DEAS, Econ. Sec.
 any 3-6-7
 30/4

Mr. (2/4)

12.
 Please see pgs 11-12 & 13. Ex. Com. & C.C. may
 possibly be interested in this. (Att. 20/4/45)

So to Christ

15.
~~Executive~~ Commissioner.

I think C.C. will wish to see the terms of reference of the
 temporary head of the Italian Buying Office of the Ministry of Food
 (Mr. C.J.B. HALDER). These are attached to folio 13 - at folios
 11 and 12. It is 4 3 months appointment (HALDER) and
 he is attached to British Embassies. (see 11)

By Mr. Halder
 C.J.B. Halder

15/10

2/7/45

V.P. - Econ. Sec.

No food should be allowed to leave
 Italy which is needed for the Italian
 economy. Please check our present system 2/6/45

probably be interested in this. (Cable 20/4/45)

So to Chief

Commissioner

15.

I think C.C. will wish to see the terms of reference of the temporary head of the Italian Buying Office of the Ministry of Food (Mr. G.J.B. HALPER).

These are attached to folio 13 - at folios

11 and 12. It is 3 months appointment (NADEN) and he is attached to British Consulate (see 11)

2/7/45
1510
J.P. 1000
L.C. 1000
O.S. 1000
E.C. 1000

V.P. - Econ Sec.

16

No food should be allowed to leave Italy which is needed for the Italian economy. Please check our present system of controls on this.

2/7/45
cc

17

To: Commerce S/C (Through Supply Division)

Please prepare a brief memorandum stating the existing controls, as reported in minute 16 above. How does Commerce S/C deal with Food S/C through AFPS sub-committee?

AFPS sub-committee?

2/7/45
Capt. T. Infanterie
Staff Officer

Econ Sec.
6 July 45
Tel. 415

So to Chief

Mr. Commissioner:

15.

I think C.C. will wish to see the terms of reference of the temporary head of the Italian Buying Office of the Ministry of Food (Mr. G.J.H. NELLE).

There are attached to Folio 13 - at folios

11 and 12. It is 3 months appointment (NADEN) and he is attached to British Embassy. (see 11)

Excluded
C.C. to Sec

1510

2/7/45.

JUL 5 1945

V.P. - E.C. Sec.

16

No food should be allowed to leave Italy which is needed for the Italian economy. Please check our present system of controls on this.

JWS
cc

17

To: Commerce S/C (Through Supply Division)

Please prepare a brief memorandum stating the existing controls, as reported in minute 16 above. How does Commerce S/C deal with Food S/C through

AFPRS sub-committee?

E.C. Sec

6 July 45

Tel. 4/5

W.H. (JWS)
Capt. Infantry
Staff Officer

HEADQUARTERS ALLIED COMMISSION
APC 394
Commerce (Foreign Trade) S/C

Ref : AG/5233/ROL/Imp/Commerce

29 November 1945

SUBJECT : Reserved Commodity List.

TO : See distribution attached.

1. The attached set of Reserved Commodity Lists,
consisting of :

- APPENDIX A (1) - Reserved Commodity List of Combined Raw
Materials Board.
- APPENDIX A (2) - Reserved Commodity List of Combined Food
Board.
- APPENDIX A (3) - Reserved Commodity List of Combined Production
and Resources Board.
- APPENDIX A (4) - Other commodities at present classified in
Category A by agreement between U.S., U.K. and
Canada.

is forwarded for your reference.

2. For greater convenience, this complete set replaces
all previous lists, but it is pointed out that there are no variations
from the latest issues of A (1), A (2) and A (3) sent respectively
on 18 October, 23 November and 30 October.

F.W. TOOEY
Lt. Col., R.A.

3262

1. The attached set of Reserved Commodity Lists, consisting of :

- APPENDIX A (1) - Reserved Commodity List of Combined Raw Materials Board.
- APPENDIX A (2) - Reserved Commodity List of Combined Food Board.
- APPENDIX A (3) - Reserved Commodity List of Combined Production and Resources Board.
- APPENDIX A (4) - Other commodities at present classified in Category A by agreement between U.S., U.K. and Canada.

is forwarded for your reference.

2. For greater convenience, this complete set replaces all previous lists, but it is pointed out that there are no variations from the latest issue of A (1), A (2) and A (3) sent respectively on 18 October, 23 November and 30 October.

P.W. TOOEY
Lt. Col., R.A.
Director
Comoros (Foreign Trade) S/C

3262

Encl. as para 1.

See 129 vol. II

[Handwritten signature and initials]

[Handwritten initials]

Appendix A (1)

COMBINED RAW MATERIALS BOARD

Reserved Commodity List

September 5, 1945

<u>Commodity</u>	<u>Reserved Forms</u>
1. Copal Gum	All forms.
2. Cordage fibers	Unmanufactured Manila, Manila, sisal, henequen, hemp (commercial sativa), and their manufactures.
3. Hides, skins and leather	Raw cattle hides and raw calf and kipskins; all cattle, calf and kip leather; raw goatskins; all goatskin leather; East Indian tanned Kips; East Indian tanned goatskins; East Indian tanned sheepskins.
4. Hog Bristles	All lengths.
5. Jute (including Belgian Cargo Jute)	Fiber and butts; yarn, cloth, bags and other jute goods.
6. Lead	Unrefined forms 1/; refined lead metal and lead-base alloy basic forms and shapes 2/, including solder and babbitt; and scrap.
7. Lumber	Lumber, logs and bolts, crates (railroad and miscellaneous), poles and piles, dimension stock, lath, shingles, millwork, and hardwood flooring.
8. ~~Mica~~	Muscovite bookform splittings, grades 5 1/2 and larger. (To be deleted November 30, 1945).
9. Newsprint	
10. Pine Rosin	
11. Rotenone	Cube and corris roots; powders and extracts.
12. Rubber	Natural and synthetic, including latex; and reclaimed.
13. Tin	Unrefined forms 1/; refined tin and tin-base alloy basic shapes and forms 2/; (including tin-bearing bronzes); and scrap.

3261

3. Hides, skins and leather
Raw cattle hides and raw calf and kipskins;
all cattle, calf and kip leather; raw goatskins;
all goat skin leather; East Indian tanned Kipa;
East Indian tanned goatskins; East Indian
tanned sheepskins.
4. Hog Bristles
All lengths.
5. Jute (including Belgian
Congo Jute)
Fiber and butts; yarn, cloth, bags and other
jute goods.
6. Lead
Unrefined forms $1\frac{1}{2}$; refined lead metal and lead-
base alloy basic forms and shapes $2\frac{1}{2}$, including
solder and babbitt; and scrap.
7. Lumber
Lumber, logs and bolts, cross ties (railroad and
miscellaneous), poles and piles, dimension stock,
lath, shingles, millwork, and hardwood flooring.
8. ~~Prior~~ *see 129*
Muscovite bookform splittings, grades $5\frac{1}{2}$ and
larger. (To be deleted November 30, 1945).
9. Newsprint
10. Pine Rosin
11. Rotamane
12. Rubber
Cube and derris roots; powders and extracts.
Natural and synthetic, including latex; and
reclaimed.
13. Tin
Unrefined forms $1\frac{1}{2}$; refined tin and tin-base 3261
alloy basic shapes and forms $2\frac{1}{2}$; (including
tin-bearing bronzes); and scrap.

The term "unrefined forms" is used to designate mine, concentrating mill, and smelter products, residues or waste materials, and products of other primary reduction processes. Examples are ores, concentrates, matte, speiss, tailings, blister, anodes, bullion, precipitates, fine dust, drosses, slags, skimmings.

Metal and alloy "basic shapes and forms" include refinery, intermediate, and semi-fabricated shapes. Refinery and intermediate shapes of the various metals might include cathode sheets, ingots, pigs, slabs, sticks, rounds, pellets, shot, cakes, blooms, billets, wire bars and rods, et cetera. Semi-fabricated shapes include rolled, drawn and extruded forms; such as plate, sheet, strip, angles, sections, rods, bars, bare wire, pipe, tubing, structural shapes, discs; powder; foil.

Appendix A (2)

COMBINED FOOD BOARD

Reserved Commodity List

November 2, 1945

List I covers commodities for which the Combined Food Board recommends international allocations. All of the items on List I are under combined determination of sources of supply.

List II covers commodities that are not at present under Combined Food Board allocation recommendation and has been revised to include only a relatively small number of items. Commodities remaining on List II will continue to be under close observation by the Board and it is expected that claimants will notify the Board of their requirements and prospective purchases. In respect of these commodities, claimants may proceed with procurement arrangements unless notified by the Board within 10 days following receipt of the programs that allocation recommendation will be considered by the Board.

Reference to the Board of requirements for commodities not included herein is not required.

List I - General Commodity Heading

- | | |
|-------------------------------|--|
| 1. Animal Feeding Stuffs | Fish meal, whale tankage (or guano); tankage; bone meal; blood meal; groove cakes; oil cakes and meals (all types); mixed feed and liver meal. |
| 2. Cereals | Rice, whole and broken. |
| 3. Citric and Tartaric Acid | Citric and tartaric acids, inclusive of argols, wine lees, etc. |
| 4. Cocoa | Cocoa beans, cocoa butter, unsweetened chocolate couverture. |
| 5. Dairy and Poultry Products | Butter; cheese, natural and processed; milk evaporated dried whole, sweetened condensed, roller skin and spray skin. |
| 6. Essential Oils | All kinds used in food flavoring (i.e., lemon oil, bitter orange oil, sweet orange oil, tangerine oil). |
| 7. Fats and Oils | All fats and oils (edible and non-edible, including shortening and margarine); all oil bearing seeds; soap. |
| 8. Fertilizers | Nitrogenous, phosphatic (including rock) |

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under close observation by the Board and it is expected that claimants will notify the Board of their requirements and prospective purchases. In respect of these commodities, claimants may proceed with procurement arrangements unless notified by the Board within 10 days following receipt of the programs that allocation recommendation will be considered by the Board.

Reference to the Board of requirements for commodities not included herein is not required.

List I - General Commodity Heading

- | | |
|-------------------------------|--|
| 1. Animal Feeding Stuff's | Fish meal, whale tankage (or guano); tankage; bone meal; blood meal; grease cakes; oil cakes and meals (all types); mixed feed and liver meal. |
| 2. Cereals | Rice, whole and broken. |
| 3. Citric and Tartaric Acid | Citric and tartaric acids, inclusive of argols, wine lees, etc. |
| 4. Cocoa | Cocoa beans, cocoa butter, unsweetened chocolate couverture. |
| 5. Dairy and Poultry Products | Butter; cheese, natural and processed; milk evaporated dried whole, sweetened condensed, roller skim and spray skim. |
| 6. Essential Oils | All kinds used in food flavoring (i.e., lemon oil, bitter orange oil, sweet orange oil, tangerine oil). 3269 |
| 7. Fats and Oils | All fats and oils (edible and non-edible, including shortening and margarine); all oil bearing seeds; soap. |
| 8. Fertilizers | Nitrogenous, phosphatic (including rock) and potassic. |
| 9. Fish | Salted cod, haddock, hake, cusk pollock, scotia and ling; canned fish. |
| 10. Fruits | Dried fruit (i.e., dates, figs, apples, apricots, raisins and currants, peaches, pears and prunes). |
| 11. Meat | Fresh, frozen, pickled, salted, smoked, canned and dehydrated meat (excluding fresh and frozen poultry, rabbits and venison). |
| 12. Pulses | Dry beans, peas, lentils. |
| 13. Seeds | Alfalfa, red clover, white clover, alsike clover, and Kentucky bluegrass. |
| 14. Soap | Soap (Notes Covered in General Heading 7). |

may proceed with procurement arrangements unless approved by the Board within 10 days following receipt of the program that allocation recommendation will be considered by the Board.

References to the Board of requirements for commodities not included herein is not required.

List I - General Commodity Heading

1. Animal Feeding Stuff

Fish meal, whale tankage (or guano); tankage; bone meal; blood meal; greave cakes; oil cakes and meals (all types); mixed feed and liver meal.

2. Cereals

Rice, whole and broken.

3. Citric and Tartaric Acid

Citric and tartaric acids, inclusive of argols, wine lees, etc.

4. Cocoa

Cocoa beans, cocoa butter, unsweetened chocolate couverture.

5. Dairy and Poultry Products

Butter; cheese, natural and processed; milk evaporated dried whole, sweetened condensed, roller skin and spray skin.

6. Essential Oils

All kinds used in food flavoring (i.e., lemon oil, bitter orange oil, sweet orange oil, tangerine oil).

7. Fats and Oils

All fats and oils (edible and non-edible, including shortening and margarine); all oil bearing seeds; soap.

8. Fertilizers

Nitrogenous, phosphatic (including rock) and potassio.

9. Fish

Salted cod, haddock, hake, cusk pollock, saithe and ling; canned fish.

10. Fruits

Dried fruit (i.e., dates, figs, apples, apricots, raisins and currants, peaches, pears and prunes).

11. Meat

Fresh, frozen, pickled, salted, smoked, canned and dehydrated meat (excluding fresh and frozen poultry, rabbits and venison).

12. Pulses

Dry beans, peas, lentils.

13. Seeds

Alfalfa, red clover, white clover, alsike clover, and Kentucky bluegrass.

14. Soap

Soap (Notes Covered in General Heading 7).

- 2 -

- | | |
|--------------|--|
| 15. Spices | Cinnamon quills, mace, nutmeg, pepper. |
| 16. Sugar | Sugar (raw and refined). |
| 17. Tea | Tea |
| 18. Vitamins | "A" oil. |

List II - General Commodity Heading

- | | |
|-----------------|---|
| 1. Cereals | Wheat and wheat flour, barley, oats, rye, corn, and grain sorghum. |
| 2. Seeds | All legume and grass seeds not on List I. |
| 3. Sugar | Kolassos, syrup, honey, manufactured food containing more than 10% sugar by weight. |
| 4. Nuts, edible | Almonds, walnuts, pecans, filberts and Brazil nuts. (Note: Nuts are included under item 7 of List I). |

Appendix A (3)

COMBINED PRODUCTION AND RESOURCES BOARD

Reserved Commodity List

September 27, 1945

1. Coal and Cokes (excluding Petroleum Coke)
2. Coal Mining Machinery (underground)
 - a. Cutting Machines (machines - Shortwall and Longwall)
 - b. Cutting Machines - Universal and Arowall
 - c. Loaders - Crawler
 - d. Loaders - Track
 - e. Conveyors - Chain and Elevating
 - f. Conveyors - Belt
 - g. Conveyors - Shaker
 - h. Mine Locomotives
 - i. Cars - Mine
 - j. Cars - Shuttle
 - k. Drills - Electric
 - l. Mine Crawler Trucks
 - m. Hoists - Coal Mine Type
3. Textiles
 - a. Cotton Broad Woven Goods
 - b. Cotton Yarn
 - c. Cotton Seine Twine
 - d. Cotton Fish Nets
 - e. Cotton Knit Goods
 - f. Cotton Sewing Thread
4. Footwear containing any leather.

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(13)

Appendix A (b)

OTHER COMMODITIES AT PRESENT CLASSIFIED IN CATEGORY A

BY AGREEMENT BETWEEN U.S., U.K. AND CANADA AS NECESSARY

FOR THE WAR EFFORT

1. Citrus Juices (unconcentrated and concentrated)
 2. Fresh Citrus Fruit
 3. Tomato Paste and Canned Tomatoes
- *****

translation

The President of the Council of Ministers
S. 10091

Rome, 26 November 1945

37-5 *Stenogram* NOV 27 1945

My dear Admiral,

I refer to a previous letter about the establishing of an increased coefficient (coefficiente di maggioranza) to make possible the resumption of our foreign trade. I want to inform you that, because of new facts that arose during the last few days, and before the enforcement of the above mentioned regulation, we saw that it would be advisable to enforce the said coefficient in the proportion of 120% instead of 100% as it had been previously established.

Sincerely yours,

a. Ferruccio Parri

See minutes 112.

Admiral Elery S. Stone
Chief Commissioner
Allied Commission
Rome

trans. e/c

E.C. DIST - 27 NOV

Action: E.C. (3)
Inf 250.c.
E.C.

MAN H
SAH
2/1/46

HEADQUARTERS ALLIED COMMISSION
APO 394
COMMERCE (FOREIGN TRADE) S/C

SKIS/VM/lg

Tel: 478192

23 November 1945

Ref. AG/5203/RCL/Imp/Commerce

NOV 27 1945

SUBJECT : Reserved Commodity List

TO : See distribution list attached

1. Reference is made to this Sub-Commission's previous notifications dated 18 Oct., 30 Oct. & 8 November on revision of Reserved Commodity List.

2. Attached is copy of the latest revision of COMBINED FOOD BOARD's Reserved Commodity List, dated 2 November 1945.

3. Please cancel Appendix A (2) which was sent enclosed in the last of our a/q letters, and replace it by the revised list attached.

F.W. Tooby
F.W. TOOBY,
Lt. Col., R.A.
Director
Commerce (Foreign Trade) S/C

1 Encl. as para 2

PIA

3256

PA
27/11
116

(785017)

Distribution :

Office of the Chief Commissioner
Office of the Executive Commissioner
Office of Representative of the Chief Commissioner, Milan (4)
Economic Section
Supply Group (3)
Industry & Utilities S/C (3)
Transportation S/C
Food & Agriculture S/C (20)
Finance S/C
Regional Commissioner, Lombardia Region (3)
" " Piemonte Region (3)
" " Liguria Region (3)
" " Venezia Region (3)
AMG 13 Corps (3)
AMG Naples Commune (3)
AMG Ancona Commune
AMG Livorno Zone
AC, Liaison Officer, Palermo
AC, Liaison Officer, Bari
AC, Liaison Officer, Catania
Allied Forces Local Resources Section (3)
British Embassy
American Embassy
French Embassy
French Representative to AC
Ministero Industria e Commercio,
Dir. Gen. Commercio Estero (3)
" dell'Alimentazione
" degli Affari Esteri
" dell'Agricoltura
" della Ricostruzione
" dei Trasporti
" delle Finanze
" del Tesoro
Sottosegretariato per il Commercio Estero
Istituto Nazionale per il Commercio Estero
Spares (20)

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Appendix A (2)COMBINED FOOD BOARDReserved Commodity List

November 2, 1945

List I covers commodities for which the Combined Food Board recommends international allocations. All of the items on List I are under combined determination of sources of supply.

List II covers commodities that are not at present under Combined Food Board allocation recommendation and has been revised to include only a relatively small number of items. Commodities remaining on List II will continue to be under close observation by the Board and it is expected that claimants will notify the Board of their requirements and prospective purchases. In respect of these commodities, claimants may proceed with procurement arrangements unless notified by the Board within 10 days following receipt of the programs that allocation recommendation will be considered by the Board.

Reference to the Board of requirements for commodities not included herein is not required.

List I - General Commodity Heading

1. Animal Feeding Stuffs
 - Fish meal, whale tankage (or guano); tankage; bone meal; blood meal; grease cakes; oil cakes and meals (all types); mixed feed and liver meal.
2. Cereals
 - Rice, whole and broken.
3. Citric and Tartaric Acid
 - Citric and tartaric acids, inclusive of argols, wine lees, etc.
4. Cocoa
 - Cocoa beans, cocoa butter, unsweetened chocolate couverture.
5. Dairy and Poultry Products
 - Butter; cheese, natural and processed; milk evaporated dried whole, sweetened condensed, roller skin and spray skin.
6. Essential Oils
 - All kinds used in food flavoring (i.e., lemon oil, bitter orange oil, sweet orange oil, tangerine oil).
7. Fats and Oils
 - All fats and oils (edible and non-edible, including shortening and margarine); all oil bearing seeds; soap.

8. Part II (Including meat)

notified by the Board within 10 days following receipt of the programs that allocation recommendation will be considered by the Board.

Reference to the Board of requirements for commodities not included herein is not required.

List I - General Commodity Heading

1. Animal Feeding Stuffa
fish meal, whale tankage (or guano);
tankage; bone meal; blood meal; grease
cakes; oil cakes and meals (all types);
mixed feed and liver meal.
2. Cereals
Rice, whole and broken.
3. Citric and Tartaric Acid
Citric and tartaric acids, inclusive of
argols, wine lees, etc.
4. Cocoa
Cocoa beans, cocoa butter, unsweetened
chocolate couverture.
5. Dairy and Poultry Products
Butter; cheese, natural and processed;
milk evaporated dried whole, sweetened
condensed, roller skin and spray skin.
6. Essential Oils
All kinds used in food flavoring (i.e.,
lemon oil, bitter orange oil, sweet orange
oil, tangerine oil).
7. Fats and Oils
All fats and oils (edible and non-edible,
including shortening and margarine); all
oil bearing seeds; soap.
8. Fertilizers
Nitrogenous, phosphatic (including rock)
and potassic.
9. Fish
Salted cod, haddock, hake, cusk pollock,
saiths and ling; canned fish.
10. Fruits
Dried fruit (i.e., dates, figs, apples,
apricots, raisins and currants, peaches,
pears and prunes).
11. Meat
Fresh, frozen, pickled, salted, smoked,
canned and dehydrated meat (excluding
fresh and frozen poultry, rabbits and
venison).
2. Pulses
Dry beans, peas, lentils.
3. Seeds
Alfalfa, red clover, white clover, alsike
clover, and Kentucky bluegrass.
4. Soap
Soap (Note: Covered in General Heading 7).

- 2 -

15. Spices

16. Sugar

17. Tea

18. Vitamins

Cinnamon, galls, mace, nutmeg, pepper.

Sugar (raw and refined).

Tea

"A" oil.

List II - General Commodity Heading

1. Cereals

2. Seeds

3. Sugar

4. Nuts, edible

Wheat and wheat flour, barley, oats, rye, corn, and grain sorghums.

All legume and grass seeds not on List I.

Molasses, syrup, honey, manufactured food containing more than 10% sugar by weight.

Almonds, walnuts, pecans, filberts and Brazil nuts. (Note: Peanuts are included under item 7 of List I).

HEADQUARTERS ALLIED COMMISSION

APO 394

COMMERCE SUBCOMMISSION

Foreign Trade Division

Tel. 478192

SKIS/VM/cr

Ref. AC/5203/RCL/Imp/Commerce

8 November 1945

SUBJECT: Reserved Commodity List

TO : See distribution list attached

1. Further reference is made to this Subcommittee's letters AC/5203/RCL/Imp/Commerce of 18 and 30 October regarding revision of Reserved Commodity List.

2. Attached is revised list dated 5 October 1945, as issued by the Combined Food Board and superseding all previous issues. As clearly stated in the document, only items under list I are under international allocation and therefore Category "A" exports from Italy.

3. Please cancel Appendix A (2) of the set of lists enclosed in the first of c/r a/q letters and replace it by the revised list attached.

Handwritten signature
L. J. GENT

Major

Director

Commerce Subcommittee

1 Encl. as para 2

See 110

3254

2. Attached is revised list dated 5 October 1945, as issued by the Combined Food Board and superseding all previous issues. As clearly stated in the document, only items under List I are under international allocation and therefore Category "A" exports from Italy.

3. Please cancel Appendix A (2) of the set of lists enclosed in the first of C. r. a/q letters and replace it by the revised list attached.

Helms
H. A. GENT
Major
Director
Commerce Subcommission

1 Encl. as para 2

3254

1102
1102

for
1102
1102

Distribution:

Office of the Chief Commissioner
 Office of the Executive Commissioner
 Office of Representative of the Chief Commissioner, Milan (4)
 Economic Section
 Industry & Commerce Div.
 Supply Division (3)
 Industry S/C (3)
 Public Works S/C
 Transportation S/C
 Agriculture S/C (3)
 Food S/C (20)
 Finance S/C
 Regional Commissioner, Lombard Region (3)
 " " " " " " " " " " " "
 " " " " " " " " " " " "
 " " " " " " " " " " " "
 AMG 13 Corps (3)
 AMG Naples Commune (3)
 Allied Commission, Liaison Officer, Palermo
 Allied Forces Local Resources Section (3)
 AMG Livorno Zone
 AMG Ancona Commune
 AC, Liaison Officer, Bari
 AC, Liaison Officer, Catania
 French Embassy
 French Representative to AC
 Ministero Industria e Commercio,
 Dir. Gen. Commercio Estero
 dell'Alimentazione
 degli Affari Esteri
 dell'Agricoltura
 della Ricostruzione
 dei Trasporti
 delle Finanze
 del Tesoro
 Istituto Commercio Estero

Spares (5)

106
APPENDIX A (2)COMBINED FOOD BOARDRESERVED COMMODITY LIST

The tabulation appended hereto is divided into two classifications :

LIST I

List I covers commodities for which the Combined Food Board has recommended international allocation. All of the items in List I are under combined determination of sources of supply.

LIST II

List II covers commodities that are not at present under Combined Food Board allocation recommendation; however, they are under one or another form of national control such as national allocation, reservation order or export license, and the supply of any one of them may become critical internationally if requirements increase substantially. All of the items on List II are under close observation by the Board. The Board desires to refrain from making formal allocation recommendations respecting these items as long as it is possible to withhold such action. However, if heavy buying or hoarding threatens to occur all nations would be adversely affected and it would then be necessary to recommend a division of supplies regardless of outstanding contracts or ownership. Therefore, in the interest of all concerned the Board desires that claimants for these items advise the Board of their proposed programs, indicating quantities they expect to obtain from each supplying country. When any claimant submits a proposed program the Board will consider it in conjunction with programs proposed by other claimants. If in the opinion of the Board the fulfillment of all programs taken together necessitates an allocation recommendation the Board will make such recommendation in the usual manner. However, until such time as the Board formally decides and notifies the governments concerned that it has become necessary to place under international allocation items on List II, the governments submitting such programs may, in default of such notifications within 10 days after receipt of the programs by the Board, proceed with procurement arrangements in consultation with the national agency or agencies administering national control of List II items in the particular country chosen by the buying government as a source.

General Commodity Heading

List I

List II

3253

LIST II

List II covers commodities that are not at present under Combined Food Board allocation recommendation; however, they are under one or another form of national control such as national allocation, reservation order or export license; and the supply of any one of them may become critical internationally if requirements increase substantially. All of the items on List II are under close observation by the Board. The Board desires to refrain from making formal allocation recommendations respecting these items as long as it is possible to withhold such action. However, if heavy buying or hoarding threatens to occur all nations would be adversely affected and it would then be necessary to recommend a division of supplies regardless of outstanding contracts or ownership. Therefore, in the interest of all concerned the Board desires that claimants for these items advise the Board of their proposed programs, indicating quantities they expect to obtain from each supplying country. When any claimant submits a proposed program the Board will consider it in conjunction with programs proposed by other claimants. If in the opinion of the Board the fulfillment of all programs taken together necessitates an allocation recommendation the Board will make such recommendation in the usual manner. However, until such time as the Board formally decides and notifies the governments concerned that it has become necessary to place under international allocation items on List II, the governments submitting such programs may, in default of such notifications within 10 days after receipt of the programs by the Board, proceed with procurement arrangements in consultation with the national agency or agencies administering national control of List II items in the particular country chosen by the buying government as a source.

3253

General Commodity HeadingList IList II

1. Animal Feeding Stuff

Fish meal, whale tankage (or guano); Tankage; Bone meal; Blood meal; Grease cakes; Oil cakes and meals (all types); Mixed feed; Liver meal.

2. Cereals

Wheat and wheat flour, Barley, Oats, Rye, Malt, Corn and Corn Products, (including corn starch, syrup and sugar); Grain Sorghums.

- 2 -

General Commodity Heading	List I	List II
3. Citric and Tartaric Acid	Citric and tartaric acids, inclusive of argols, wine lees, etc.	
4. Cocoa	Cocoa beans & all products.	
5. Coffee		All types.
6. Dairy and Poultry Products	Butter; Cheese, natural and processed; Milk; Evaporated dried whole, sweetened condensed, roller skin and spray skin.	Eggs, fresh, frozen and dried; poultry, including chickens and turkeys; milk-based baby food.
7. Essential Oils	All kinds used in food flavoring (i.e. lemon oil, bitter orange oil, sweet orange oil, tangerine oil).	
8. Fats and Oils	All fats & oils (edible and non-edible, including shortening and margarine); All oil-bearing seeds; Soap.	
9. Fertilizers	Nitrogenous, phosphatic (including rock) and potassic.	
10. Fish	Salted cod, halibut, hake, crabs, pollock, salmon and lingcod; Canned fish.	
11. Fruits	Dried fruit (i.e. dates, figs, apples, apricots, raisins and currants, peaches, pears and prunes).	Fruit pulp and pectin.
12. Hops		Hops and hop products.

6. Dairy and Poultry Products
Butter; Cheeses, natural and processed; Milk; Evaporated milk; Condensed milk; Sterilized whole milk; and turkey, milk-based baby food.

7. Essential Oils
All kinds used in food flavoring (i.e. lemon oil, bitter orange oil, sweet orange oil, tangerine oil).

8. Fats and Oils
All fats & oils (edible and non-edible, including shortening and margarine); All oil-bearing seeds; Soap.

9. Fertilizers
Nitrogenous, phosphatic (including rock) and potassic.

10. Fish
Salted cod, halibut, hake, crabs, pollock, salmon and king; Canned fish.

11. Fruits
Dried fruit (i.e. dates, figs, apples, apricots, raisins and currants, peaches, pears and prunes).
Fruit pulp and pectin.

Hops and hop products.

12. Hops
Hog casings.
Fresh, frozen, pickled, salted, smoked, canned, dehydrated meat (excluding fresh and frozen poultry, rabbits and venison).

Almonds, walnuts, pecans, filberts and Brazil nuts (Note: Peanuts are under international allocation General Heading No. 8 above).

14. Nuts, edible

- 3 -

General Commodity Heading	List I	List II
15. Pulses	Dry beans, peas, lentils (natural or processed form).	
16. Seeds	Alfalfa, red clover, white clover, alsike clover, Kentucky bluegrass and seed potatoes.	All field and vegetable seeds, except alfalfa, red clover, white clover, alsike clover, Kentucky bluegrass and seed potatoes.
17. Soap	Soap (Note: covered in General Heading No. 8 above)	
18. Spices	Cinnamon quills, mace, Nutmeg, Pepper.	Cinnamon chips and bark, Pimento.
19. Sugar	Sugar (raw & refined)	Molasses, syrup, honey, manufactured food containing more than 10% sugar by weight.
20. Tea	Tea	
21. Vitamins	"A" oil.	

3252

HEADQUARTERS ALLIED COMMISSION

APO 394

COMMERCE SUBCOMMISSION

Foreign Trade Division

Tel: 478192

SKIS/VM/lg

30 October 1945

Ref. AC/5203/RCL/Imp/Commerce

NOV 2 1945

SUBJECT : Reserved Commodity List

TO : See distribution list attached

1. Reference is made to this Sub-Commission's letter AC/5203/RCL/Imp/Commerce of 18 October 1945 regarding revision of Reserved Commodity List.

2. Attached is revised list issued by the Combined Production and Resources Board, effective immediately and superseding all previous issues.

3. Please cancel Appendix A (3) of the set of lists enclosed in our a/q letter and replace it by the revised list attached.

H.A.GENT,
Major,
Director
Commerce Subcommission

1 Encl: as para 2.

3251

(CAPT WHITE)

Distribution :

Office of the Chief Commissioner

~~Office of the Executive Commissioner~~

Office of Representative of the Chief Commissioner, Milan (4)

Economic Section

Industry & Commerce Div.

Supply Division (3)

Industry S/C (3)

Public Works S/C

Transportation S/C

Agriculture S/C (3)

Food S/C (3)

Finance S/C

Regional Commissioner, Lombardia Region (3)

" " Piemonte Region (3)

" " Liguria Region (3)

" " Venezie Region (3)

AMG 13 Corps (3)

AMG Naples Commune (3)

Allied Commission, Liaison Officer, Palermo

Allied Forces Local Resources Section (3)

AMG Livorno Zone

AMG Ancona Commune

AC, Liaison Officer, Bari

AC, Liaison Officer, Catania

French Embassy

French Representative to AC

Ministero Industria e Commercio,

Dir. Gen. Commercio Estero

" dell'Alimentazione

" degli Affari Esteri

" dell'Agricoltura

" della Ricostruzione

" dei Trasporti

" delle Finanze

" del Tesoro

Istituto Commercio Estero

Spares (6)

Effective as from 27 Sept. 1945

APPENDIX A (3)

CPRB RESERVED COMMODITY LIST

1. Coal and Coke (excluding Petroleum Coke)
2. Coal Mining Machinery (underground)
 - a. Cutting Machines (machines - Shortwall and Longwall).
 - b. Cutting Machines - Universal and Arowall
 - c. Loaders - Crawler
 - d. Loaders - Track
 - e. Conveyors - Chain and Elevating
 - f. Conveyors - Belt
 - g. Conveyors - Shaker
 - h. Mine Locomotives
 - i. Cars - Mine
 - j. Cars - Shuttle
 - k. Drills - Electric
 - l. Mine Crawler Trucks
 - m. Hoists - Coal Mine Type
3. Textiles
 - a. Cotton Broad Woven Goods
 - b. Cotton Yarn
 - c. Cotton Seine Twine
 - d. Cotton Fish Nets
 - e. Cotton Knit Goods
 - f. Cotton Sewing Thread
4. Footwear containing any leather.

Translation

The President of the Council of Ministers

Rome, 27 October 1945

My dear Admiral,

I am most happy to acknowledge the content of your letter dated October 9th.

I can assure you that the Italian Government greatly wishes to go back before long to a full freedom for international trade.

Undersecretary Storoni informed me that as soon as he knew about the above mentioned letter, he contacted the offices concerned of the Allied Commission, as well as the commercial Attaches of the United States and United Kingdom to study with them the problems connected with the resumption of private trade.

At the meeting which took place on the 15th, Undersecretary Storoni handed over to the officials who attended it the enclosed memoranda about which we are waiting for the opinion of the American and British Governments.

I am most grateful for all that the Allied Government are doing for my country, and remain, my dear Admiral,

truly yours,

A. Ferruccio Parri

enclosures : 3

Admiral Ellery S. Stone
Chief Commissioner
Allied Commission
Rome

trans. 8/8

Spoke Econ. Sec. Ec Dist - 1 Nov. 1945
A - till answer ACTION - Economic Secs
comes INFO - Chief Commr
- ec commr

Copy reply
sent.
6/10/45
12/11/45
10/11/45

(CAPT WHITE)

17101
3248

Translation

Interstate Commerce. It is a completely exceptional and contingent form of foreign trade. It is carried out only in relation with the supplies from the Allied Governments to the Italian Government and with the purchase of Italian products on account of the said Allied Governments.

Import wares are delivered in consignments to the Foreign Trade Institute on account of the Italian State, which makes use for this aim of such organizations as are best equipped from the technical point of view.

Export wares are purchased by the said Institute and delivered to the Allied Authorities.

Commerce between private persons. In past times, Italian legislation never favored interstate commerce; it always considered commerce between private persons as being the normal form of foreign exchanges, and regulated it to economic and value purposes. To go back to commerce between private persons means therefore going back to a normal state of things and to the enforcing of the already existing legislation.

Commerce between private persons is carried out in the following way:
a) Imports. - The organizations of the Government concerned draft a plan on general lines of the wares to be imported and their relative amount, graduating it according to their importance in relation with the supplying of the requirements of national economy.

The private person who wants to import from abroad a ware, foreseen by the plan, contacts the purveyor and settles the terms of the purchase. Then he contacts the Undersecretary for Foreign Trade - either directly or through the channel of the Chamber of Commerce - to obtain the import licence.

When he has the licence, he shows it to the Customs Office mentioned by himself, to import the purchased wares.

The customs control the quality, quantity and value of the wares and issue an import bill.

To make the payment of the price that has been agreed to, the importer, if a payment in free value has been foreseen, sends a request to one of the banks empowered for Commercial Exchange, to whom he shows the custom bill and the invoice; if the payment takes place by means of a clearing, the importer pays to one of the said banks the counterpart in lire of the price agreed upon, this when the custom operation has been carried out, and when the customs have stamped the declaration.

b) Exports. - The Organizations of the Government concerned fix the quantity of national wares which can be exported. Export licences can be released within the limits of such amounts.

The person concerned, after making a selling contract with a foreign

...to go back to commerce between private persons
...therefore going back to a normal state of things and to the enforcing
of the already existing legislation.

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according to their importance in relation with the supplying of the requirements
of national economy.

The private person who wants to import from abroad a ware, foreseen by
the plan, contacts the purveyor and settles the terms of the purchase. Then
he contacts the Undersecretary for Foreign Trade - either directly or through
the channel of the Chamber of Commerce - to obtain the import license.

When he has the license, he shows it to the Customs office mentioned by
himself, to import the purchased wares.

The customs control the quality, quantity and value of the wares and
issue an 'import bill'.

To make the payment of the price that has been agreed to, the importer,
if a payment in free value has been foreseen, sends a request to one of the
banks empowered for Commercial Exchange, to whom he shows the custom bill
and the invoice; if the payment takes place by means of a clearing, the
importer pays to one of the said banks the counterpart in lire of the price
agreed upon, this when the custom operation has been carried out, and when
the customs have stamped the declaration.

b) Exports. - The organisms of the Government concerned fix the quantity of
national wares which can be exported. Export licenses can be released within
the limits of such amounts.

The person concerned, after making a selling contract with a foreign
buyer, asks the Undersecretary for Foreign Trade for the necessary license.
Once he has obtained the license, he takes the wares to the Customs.

If the export takes place with a payment in value, the person concerned
must produce to the Customs an approval released by one of the banks authorized
to carry out Commercial Exchange, after the exporter pledged himself to hand over
the value.

If the export takes place with a payment in clearing, the exporter presents
to the Customs a 'declaration' on a special form, on the counterpart in lire of
the wares he is exporting.

c) Other operations. - The Undersecretary for Foreign Trade will have to
authorize - after previously ascertaining the usefulness and advisability of
the operations proposed, - the import of wares free of value: private compen-
sations; imports of raw materials as credit for working on order, etc..

- 2 -

In the system of exchanges between private persons, the Foreign Trade Institute is no longer the compulsory channel. The persons concerned are therefore not obliged to contact I.C.E. for their import and export operations.

I.C.E. resumes its normal and institutional auxiliary and assistance functions towards the persons concerned, and its control of the quality of some fruit and vegetable exports, to safeguard the good fame of Italian products on foreign markets.

Main assistance functions can chiefly be carried out, at the present time, to overcome the transport difficulties with which private persons are faced.

From what is said above, it can be seen that the reorganization of the normal commerce system between private persons, greatly wished by the Italian side, implies the following fundamental conditions:

1. the complete re-establishment of customs services on the whole sea- and land border of the Italian State;
2. the settling of payment agreements to assure the crediting in value for exports, outside state credits, and therefore the possibility of purchasing wares charged to such credits;
3. the attenuating and progressive elimination of limitations to Italian foreign trade, caused by the regulations relative to the 'reserved commodity list' and the obligation for Italy to obtain for them estimates from the allied Authorities for the exports which are to take place.

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1. the complete re-establishment of customs services on the whole sea- and land border of the Italian state;
2. the settling of payment agreements to ensure the crediting in value for exports, outside state credits, and therefore the possibility of purchasing means charged to such credits;
3. the attenuating and progressive elimination of limitations to Italian foreign trade, caused by the regulations relative to the 'reserved commodity list' and the obligation for Italy to obtain for them estimates from the Allied authorities for the exports which are to take place.

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TranslationAGREEMENTS ON PAYMENTS

In the memorandum handed over on October 16th, 1948, on the resumption of foreign trade among private persons, it was pointed out that one of the necessary conditions for such a resumption to be possible from the practical point of view, was the reaching of an agreement between the Italian Government and the American and British ones, to guarantee that value coming from war exports can be used without difficulties for the payment of war to be imported.

In explaining such a condition, we didn't intend necessarily to refer to a clearing agreement, but we only intended to point out the necessity of assuring the carrying out of payments, necessity which can be met or cleared up by the following remarks:

1) At present, in the interstate commerce system existing between Italy on one side and the United States and United Kingdom on the other, the proceeds of Italian exports is credited by the British Government in an export account for account of the Italian Treasury, while we do not yet know how the crediting is done by the American Government. The Italian Treasury is not informed daily of the crediting relative to each operation, but after some time, it is informed of the total amount of the credits and of the curtailing they undergo because of the purchases made by the Italian Government.

2) To re-establish commerce between private persons, the resumption of the following system is necessary: the Italian exporter who sold his wares in the United States or in Great Britain, receives from the buyer the value (dollars or pounds) representing the price of the said wares. Such a value, transferred to the exporter by means of a draft, is passed over by him to the Italian Foreign Exchange Office which pays the counterpart in lire and becomes the owner of the value.

On his side, the importer who purchases wares from the United States or Great Britain, contacts the Italian Foreign Exchange Office to purchase the value (dollars or pounds) required to pay his purveyor and transfers the said value to him after paying the counterpart in lire to the Foreign Exchange Office.

The accounts in dollars or pounds, of the Italian Foreign Exchange Office to be kept with its correspondents in the United States or in the United Kingdom, should be free accounts to all purposes.

Should the Government of the United States or that of the United Kingdom prefer a different system, such as for instance, that of a compensation account, this wouldn't give rise to any difficulty on the Italian side. In any case, it is essential to assure that the export proceeds are available for the payment of import wares.

3) We are waiting for the governments of the United States and United Kingdom to let us know their decision on this matter.

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The accounts in dollars or pounds, of the Italian Foreign Exchange Office to be kept with its correspondents in the United States or in the United Kingdom, should be free accounts to all persons.

Should the Government of the United States or that of the United Kingdom prefer a different system, such as for instance, that of a compensation account, this wouldn't give rise to any difficulty on the Italian side. In any case, it is essential to assure that the exports proceeds are available for the payment of import wares.

3) We are waiting for the Government of the United States and United Kingdom to let us know their decision on this matter.

Yours, 20/10/55

Trans. 5/5

3245

TranslationCUSTOMS SERVICES

The Italian memorandum presented on October 16th pointed out that the re-establishment of foreign trade among private persons implies among other indispensable conditions, the resumption of customs services along the entire sea and land frontier of the Italian State.

To prove this requirement, we point out what follows:

- 1) To carry out a discipline of imports and exports, for economic as well as monetary purposes, it is necessary that none of the waves that leave or enter Italian territory should escape the control of the customs. To issue licenses would be useless if there was no way of controlling the movement of merchandise it is enough for this control to fall in one or two points of the frontier to make all kind of fraudulent operations possible, when foreign trade is left to private initiative.

At present, it happens that in many points of the Italian frontier, and particularly in the Naples, Bari, Olivetechia, Fiumino and Livorno harbours, where foreign exchange activity is greater, the Customs are not allowed to fulfill their functions, and therefore don't know either the kind or the amount of waves that come from or are to be sent abroad. Such inconveniences are not very noticeable at present for the system of trade between Governments is still in force, but they would be enormous in a system of trade between private persons.

- 2) The customs services of Northern Italy still depend from the Allied Military Government. The general management of the Customs in Rome is allowed to issue instructions to the customs of the North, but such instructions interfere with those that are issued by the A.M.G. of the various Northern regions and this is very prejudicial to the unity of instructions which is indispensable in such a matter.

Besides, the General Management of the Customs has no control over the customs services of the Italo-Austrian and Italo-Yugoslav frontier, so that nothing can be known about the activity which is taking place in this zone, and no form of systematic discipline can be carried out.

- 3) The customs of the sea and land frontier of a state are like the untaxed openings of a net stretched along the border of the said state. The control of the opening implies that the whole net is carefully watched, so that the passage of the waves can only take place in the points where the Customs are, and can ascertain the lawfulness of the in-coming and out-going operations.

In Italy, the Guardia di Finanza is entrusted with watching the frontier; however, at present, many points of the Northern frontier are without them. This means that very often, private persons can carry out operations that are not allowed, to the great prejudice of the economic and monetary interests of the country.

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At present, it happens that in many points of the Italian frontier, and particularly in the Naples, Bari, Civitavecchia, Zimmino and Livorno harbours, where foreign exchange activity is greater, the Customs are not allowed to fulfill their functions, and therefore don't know either the kind or the amount of wares that come from or are to be sent abroad. Such inconveniences are not very noticeable at present for the system of trade between Governments is still in force, but they would be enormous in a system of trade between private persons.

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3) The customs of the sea and land frontier of a state are like the watched openings of a net stretched along the border of the said state. The control of the opening implies that the whole net is carefully watched, so that the passage of the wares can only take place in the points where the customs are, and can ascertain the lawfulness of the in-coming and out-going operations.

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trans. o/c

3244

HEADQUARTERS ALLIED COMMISSION

APO 394

COMMERCE SUBCOMMISSION

Foreign Trade Division

Tel: 478192

SKIS/lg

18 October 1945

Ref. AC/5203/RCL/Imp/General

SUBJECT: Reserved Commodity Lists

TO : See Distribution List attached

1. Reference is made to this Sub-Commission's letter AC/5203/RCL/Imp/Commerce, dated 6 October 1945, in which mention was made of the expected revision of the Reserved Commodity List of the Combined Boards, Washington.

2. A complete set of Lists of Reserved Commodities, effective immediately, is attached.

The set consists of :

APPENDIX A (1) - Reserved Commodity List of Combined Raw Materials Board

APPENDIX A (2) - Reserved Commodity List of Combined Food Board

APPENDIX A (3) - Reserved Commodity List of Combined Production and Resources Board

APPENDIX A (4) - Other commodities at present classified in Category A by agreement between U.S.

U.K. and Canada

3243

San Felix 107

NOV 22 1945

See 110

See 104

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(94)

15

4025

SUBJECT: Reserved Commodity Lists

TO : See Distribution List attached

1. Reference is made to this Sub-Commission's letter KC/5201/ACL/Imp/Commerce, dated 6 October 1945, in which mention was made of the expected revision of the Reserved Commodity List of the Combined Boards, Washington.

2. A complete set of Lists of Reserved Commodities, effective immediately, is attached.

The set consists of:

APPENDIX A (1) - Reserved Commodity List of Combined Raw Materials Board

APPENDIX A (2) - Reserved Commodity List of Combined Food Board

APPENDIX A (3) - Reserved Commodity List of Combined Production and Resources Board

APPENDIX A (4) - Other commodities at present classified in Category A by agreement between U.S., U.K. and Canada.

3. The Appendix A (1) is considerably shorter than the previous list. Appendices A (2), (3) and (4) remain unchanged for the present. They are in course of revision and new lists will be circulated as they become available.

H.A. GENT.

Major

Director

Commerce Subcommission

4-2 (10/11/45)

1A

Distribution :

Office of the Chief Commissioner
 Office of the Executive Commissioner
 Office of Representative of the Chief Commissioner, Milan (4)
 Economic Section
 Industry & Commerce Div.
 Supply Division (3)
 Industry S/C (3)
 Public Works S/C
 Transportation S/C
 Agriculture S/C (3)
 Food S/C (3)
 Finance S/C
 Regional Commissioner, Lombardy Region (3)
 " " Piemonte Region (3)
 " " Liguria Region (3)
 " " Venetia Region (3)
 AMG 13 Corps (3)
 AMG Naples Command (3)
 Allied Commission, Liaison Officer, Palermo
 Allied Forces Local Resources Section (3)
 AMG Livorno Zone
 AMG Ancona Command
 AO, Liaison Officer, Bari
 AO, Liaison Officer, Catania
 French Embassy
 French Representative to AC
 Ministero Industrie e Commercio,
 Dir. Gen. Commercio Estero
 dell'Alimentazione
 degli Affari Esteri
 dell'Agricoltura
 della Ricostruzione
 dei Trasporti
 Istituto Commercio Estero

Spares (6)

APPENDIX A (I)

COMBINED RAW MATERIALS BOARDRESERVED COMMODITY LIST

Revised - September 5, 1945

<u>Commodity</u>	<u>Reserved Forms</u>
1. Copal Gum	All forms.
2. Cordage fibers	Manila, sisal, henequen, hemp (cannabis sativa), and their manufactures.
3. Hides, skins and leather	Raw cattle hides and raw calf and kipskins; all cattle, calf and kip leather; raw goatskins; all goat skin leather; East Indian tanned kips; East Indian tanned goatskins; East Indian tanned sheepskins.
4. Hog Bristles	All lengths.
5. Jute (including Belgian Congo Jute)	Fiber and butts; yarn, cloth, bags and other jute goods.
6. Lead	Unrefined forms $1\frac{1}{4}$; refined lead metal and lead-base alloy basic forms and shapes $2\frac{1}{2}$, including solder and babbitt; and scrap.
7. Lumber	Lumber, logs and bolts, cross-ties (railroad, and miscellaneous), poles and piles, dimension stock, lath, shingles, millwork, hardwood flooring.

Manila, sisal, henequen, hemp (cannabis sativa), and their manufactures.

Raw cattle hides and raw calf and kipskins; all cattle, calf and kip leather; raw goatskins; all goatskin leather; East Indian tanned kips; East Indian tanned goatskins; East Indian tanned sheepskins.

All lengths.

Fiber and butts; yarn, cloth, bags and other jute goods.

Unrefined forms $1\frac{1}{2}$; refined lead metal and lead-base alloy basic forms and shapes $2\frac{1}{2}$, including solder and babbitt; and scrap.

Lumber, logs and bolts, cross-ties (railroad, and miscellaneous), poles and piles, dimension stock, lath, shingles, millwork, hardwood flooring.

Muscovite bookform splittings, grades 54 and larger. (To be deleted November 30, 1945).

2. Cordage fibers

3. Hides, skins and leather

4. Hog Bristles

5. Jute (including Belgian Congo Jute)

6. Lead

7. Lumber

8. Misc

9. Newspaper

3242

- 2 -

10. Pine Resin

11. Katerche

Gum and garris roots; powders and extracts.

12. Rubber

Natural and synthetic, including latex; and reclaimed.

13. Tin

Unrefined forms 1/; refined tin and tin-base alloy basic shapes and forms 2/; (including tin-bearing bronzes); and scrap.

1/ The term "unrefined forms" is used to designate mine, concentrating mill, and smelter products, residues or waste materials, and products of other primary reduction processes. Examples are ores, concentrates, matte, speiss, tailings, blister, anodes, bullion, precipitates, fine dust, drosses, slags, skimmings.

2/ Metal and alloy "basic shapes and forms" include refinery, intermediate, and semi-fabricated shapes. Refinery and intermediate shapes of the various metals might include cathode sheets, ingots, pigs, slabs, sticks, rondels, pellets, shot, cakes, blooms, billets, wire bars and rods, et cetera. Semifabricated shapes include rolled, drawn and extruded forms, such as plate, sheet, strip, angles, sections, rods, bars, bare wire, pipe, tubing, structural shapes, discs, powder, foil.

(92)

APPENDIX A(2)

COMBINED FOOD BOARD RESERVED COMMODITY LIST

General Commodity Heading

- | | |
|-----------------------------|---|
| 1. Animal Feeding Stuff | Fish meal; whale tankage (or guano); Tankage; Bone meal; Blood meal; Grease cakes; Oil cakes and meals (all types); Mixed food. |
| 2. Cereals | Wheat and Wheat Flour; Rice; whole and broken. |
| 3. Citric and Tartaric Acid | Citric and tartaric acids, inclusive of argols, wine lees, etc. |
| 4. Cocoa | Cocoa beans all products. |
| 5. Coffee | |
| 6. Dairy Products | Butter; Cheese, natural and processed; Milk, evaporated dried whole, sweetened condensed, roller skim and spray skim. |
| 7. Essential Oils | All kinds used in food flavoring (i.e. lemon oil, bitter orange oil, sweet orange oil, tangerine oil). |
| 8. Fats and Oils | All fats and oils (edible and non-edible); All oil-bearing seeds; Soap. |
| 9. Fertilizers | Nitrogenous, phosphatic (including rock) and potassic. |

2. Cereals

Wheat and wheat products, whole and broken.

3. Citric and Tartaric Acid

Citric and tartaric acids, inclusive of argols, wine lees, etc.

4. Cocoa

Cocoa beans all products.

5. Coffee

Butter; Cheese, natural and processed; Milk, evaporated dried whole, sweetened condensed, roller skim and spray skim.

6. Dairy Products

All kinds used in food flavoring (i.e. lemon oil, bitter orange oil, sweet orange oil, tangerine oil).

7. Essential Oils

All fats and oils (edible and non-edible); All oil-bearing seeds; Soap.

8. Fats and Oils

Nitrogenous, phosphatic (including rock) and potassic.

9. Fertilisers

Salted cod, haddock, mackerel, herring, salmon, ling, eel, pollock, saithe and ling, Canned fish.

10. Fish

Dried fruit (i.e. dates, figs, apples, apricots, raisins and currants, peaches, pears and prunes).

11. Fruits

12. Hops

Fresh or frozen, cured; canned and dehydrated meat (excluding poultry).

13. Meat

- 2 -

- | | |
|------------------|---|
| 14. Nuts, edible | |
| 15. Pulses | Beans, peas, lentils. |
| 16. Seeds | All field and vegetable seeds. |
| 17. Soap | Soap (Note: covered in General Heading No. 8 above). |
| 18. Spices | Cinnamon quills, Mace, Nutmeg, Pepper. |
| 19. Sugar | Sugar (raw and refined). |
| 20. Tea | |
| 21. Vitamins | Synthetic vitamins, i.e. ascorbic, niacin, riboflavin and thiamine. |

Revised as of August 1, 1945

APPENDIX A(3)

CPRB RESERVED COMMODITY LIST

1. Public Utilities Equipment
 - a. Power Equipment
 1. Turbo generators, steam and hydro of 500 KW and over with boilers
 2. Boilers of 20,000 pounds per hour and over
 3. Diesel or gasoline engine-driven generators 150 KW and over
 4. Transmission and distribution equipment programs of 2500,000 and over
 - b. Wire Communications Equipment
 1. Telephone and telegraph equipment programs of \$100,000 and over
2. Locomotives and Rolling Stock
 - a. Steam locomotives, 2'6" gauge over
 - b. Diesel, electric, and Diesel-electric locomotives, 600 H.P. and over
 - c. Railroad cars (wagons) and coaches, 2'6" gauge and over
3. Trucks, and truck components for assembly, but not including repair or replacement parts or batteries.
4. Tires and Tubes (except for motorcycles and bicycles)
5. Medical Supplies
 - a. Drugs:
 1. Ipecac, emetine and other ipecac derivatives
 2. Narcotics
 - b. Dental burrs
 - c. X-ray film
6. Footwear containing any leather
(Hides, skins and leather on CRRB list. Sewing thread and textile linings included below under Textiles).
7. Coal and Coke
8. Coal Mining Machinery (Underground):
 - a. Cutting machines - Shortwall and longwall
 - b. Cutting machines - Universal and Artwall
 - c. Loaders - Crawler
 - d. Loaders - Track
 - e. Conveyors - Chain and Elevating
 - f. Conveyors - Belt

2. Locomotives and Rolling Stock
 - a. Steam locomotives, 2'6" gauge over
 - b. Diesel, electric, and Diesel-electric locomotives, 600 H.P. and over
 - c. Railroad cars (wagons) and coaches, 2'6" gauge and over
3. Trucks, and truck components for assembly, but not including repair or replacement parts or batteries.
4. Tires and Tubes (except for motorcycles and bicycles)
5. Medical Supplies
 - a. Drugs:
 1. Ipecac, emetine and other ipecac derivatives
 2. Narcotics
 - b. Dental burrs
 - c. X-ray film
6. Footwear containing any leather
(Hides, skins and leather on GRMB list. Sewing thread and textile linings included below under Textiles).
7. Coal and Coke
8. Coal Mining Machinery (Underground):
 - a. Cutting machines - Shortwall and Longwall
 - b. Cutting machines - Universal and Arcwall
 - c. Loaders - Crawler
 - d. Loaders - Track
 - e. Conveyors - Chain and Elevating
 - f. Conveyors - Belt
 - g. Conveyors - Shaker
 - h. Mine Locomotives
 - i. Cars - Mine
 - j. Cars - Shuttle
 - k. Drills - Electric
 - l. Mine Crawler Trucks
 - m. Hoists - Coal Mine Type
9. Textiles
Yarns and fabrics of cotton, wool and rayon, and articles made therefrom, including the following:
 - a. All fabrics for clothing, household or other uses made from cotton, wool or rayon whether woven or knitted.
 - b. All clothing, household textiles and other fabricated

- 2 -

articles made of cotton, wool or rayon, whether woven or knitted.

c. All yarns of cotton, wool or rayon.

d. All fabricated articles from yarn of cotton, wool or rayon including fishnets and fishnet twine, sewing thread, yarn for mending and darning.

e. Tyre Cord.

(90)
APPENDIX A(4)

OTHER COMMODITIES AT PRESENT CLASSIFIED IN CATEGORY A
BY AGREEMENT BETWEEN U.S., U.K. AND CANADA AS NECESSARY
FOR THE WAR EFFORT

1. Citrus Juices (unconcentrated and concentrated)
2. Fresh Citrus Fruit
3. Tomato Paste and Canned Tomatoes

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

785017

1. Citrus Juices (unconcentrated and concentrated)
2. Fresh Citrus Fruit
3. Tomato Paste and Canned Tomatoes

3209

Originator's Reference 14408
Date/Time of Origin OCT 1922353

Message Centre No 14512
Date Time Rec'd OCT 2003418
Precedence ROUTINE

FROM: WAR FROM COS HQZ CMC

OCT 20 1945

TO: ALLIED CO-OPERATION FOR CMC HQZ INFO HQZ HQZ
AND OF BASE SECTION OF CMC HQZ SECRETARIAT.

UNCLASSIFIED.

This is COM 253. Refer HQZ 326.

Supervision of all of export activities of Italian Government.

1. HQZ 640, paragraph 1 (A) reserved to the AG the right to screen Italian exports so that Allied military and civilian supplies programs for ITALY would not be impaired by conflicting export activities. It is generally believed here that the general supervising functions of the AG should not be limited to items on HCL but should be of a wider scope and cover items which are not on the HCL as per HQZ 640. Items on HCL will have to be cleared with the combined boards as heretofore, through the S.M.I.C. series.

2. Your statement in paragraph 2 (A) of HQZ 253 that the limitations provided by the HQZ are a serious hindrance to the free negotiating power of ITALY on exports is realized, but since commodity restrictions are still necessary because of world shortages there is no reason why this should be abolished or amended only because they affect the negotiating power of the Italian Government.

3. Regarding your interpretation of the HQZ (refer paragraph 2) (A), HQZ 249) and of that is consequently in Category A of Italian exports, you are advised that (A) only certain potential oils and the HCL, (B) HQZ 253 have been delisted, (C) HQZ, which, have not been on the HQZ since March 17, 1945, as per HQZ (S) 8/4 for HQZ 253.

1. TAE 540, paragraph 1 (2) referred to the fact that the Italian Government has decided to suspend its military and civil aid supply programs for Italy and to suspend by consequence its military and civil aid supply programs for Italy. It is generally believed here that the reported suspension of activities of the 40th Army is not to be limited to Italy on RCL but should be of a wider scope and cover Italy which are not on the RCL as per TAE 540. Item on RCL will have to be cleared with the combined boards as heretofore, through the COMSEC series.

2. Your statement in paragraph 2 (4) of 10-209 that the list of items provided to the RCL are a serious hindrance to the free movement of goods and services is not realized, but since commodity restrictions are still necessary because of world shortages there is no reason why this should be abolished or amended only because they affect the negotiating power of the Italian Government.

3. Regarding your interpretation of the RCL (refer paragraph 2) (2). TAE 540 and of what is consequently in Category A of Italian exports, you are advised that (a) only certain essential items are on the RCL, (b) TAE 540 have been deleted, (c) items, have not been in the RCL since March 17, 1947, as per TAE 540 (3) 1/3/47, and (d) TAE 540 have been deleted. You are further advised that current RCL items are on the RCL of the combined board of 1000 items of 1000 items and 1000 items on the RCL of the combined board are in preparation which will result in additional deletions. RCL has already revised its RCL which was sent to you with TAE 540, paragraph 53.

4. Your request that the RCL be granted authority to suspend exports without reference to COMSEC of RCL in cases manufactured from raw materials which are in Category A and are acquired under temporary export system is contrary to the very principle which has prompted the creation of the RCL and cannot be granted. However, the question of exemption from RCL the products manufactured from raw materials which are in Category A will under circumstances be considered.

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10/2/47

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FILE IS COM 240. PART VI.

5. To help reach a quick solution Italian Government should present an overall view of the magnitude of those transactions only insofar as they 20% items still on their list. See COM signed with this list attached. The list submitted should contain all pertinent information regarding current and past position of each one of those commodities so that Italian needs can be properly integrated with the needs of other countries and other countries requirements for those as submitted to the combined boards, can be properly integrated with their current requisitions from sources other than ITALY.

6. You may advise the Italian Government that it is known that a great interest has been shown by the ENI GROUP and UNITED KINGDOM commercial firms in exports to ITALY on a consignment basis but as far as action has been possible because of lack of proper government machinery in ITALY to provide surmountable portinent to such transactions. Moreover, it is only too obvious that transactions of this kind should be integrated with the overall Italian import program so that no unnecessary expenditures are incurred which involves Allied relief funds. All possible assistance should be given to the Italian Government in coordinating its export import procedures and increasing the volume of its foreign trade.

FILE

ADDITION COM DIV 5 3227
INFO COMINT COMINTS/COMINT

785017

THE UNIVERSITY OF CHICAGO

6. You may advise the Italian Government that it is known that a great interest has been shown by FIAT, SAATCHI and GRIFFIN VINCE & CO. in regard to Italy on a contingent basis but so far no action has been possible because of lack of proper government machinery in Italy to provide guarantees pertinent to such transactions. Moreover, it is only too obvious that transactions of this kind should be integrated with the overall Italian import program so that no unnecessary expenditures are incurred which involve Allied relief funds. All possible assistance should be given to the Italian Government in coordinating its export import procedures and increasing the volume of its foreign trade.

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PLANNING

Fig. 2

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HEADQUARTERS ALLIED COMMISSION
APC 194
COMMERCE SUBCOMMISSION

Tel. Ext. 245

SRC/or

Ref. LC/5127/A/Commerce

13 October 1945

SUBJECT: Termination of Export activities
of the Allied Commission

OCT 16 1945

TO : See Distribution List

1. Reference is made to the letter sent by the Chief Commissioner to the President of the Council of Ministers, dated 31 July 1945, on the above-mentioned subject, copy of which was circulated to all addressees.

2. Attached in a copy of a further letter sent to Prof. Ferruccio Parri, in clarification of certain points of the original directive.

H. A. SENT
Major

Director
Commerce Subcommission

1 Incl. - Letter to Prof. Parri
dated 3 Oct. 45

3226

TO : See Distribution List

1. Reference is made to the letter sent by the Chief Commissioner to the President of the Council of Ministers, dated 31 July 1945, on the abovementioned subject, copy of which was circulated to all addressees.

24

2. Attached is a copy of a further letter sent to Prof. Ferruccio Parri, in clarification of certain points of the original directive.

H. A. GENT
Major
Director
Commerce Subcommission

H. A. GENT
10/10/45

1 Incl. - Letter to Prof. Parri
dated 9 Oct. 45

3226

11/10/45
10/10/45

11/10/45

see (see list)

dated 31 July 1945, on the abovementioned subject, copy of which was circulated to all addressees.

84

2. Attached is a copy of a further letter sent to Prof. Ferruccio Parri, in clarification of certain points of the original directive.

P. A. GENT

Major

Director

Comando Supremo

W. J. Parri

1 Incl. - Letter to Prof. Parri dated 9 Oct. 45

3226

10/10/45

10/10/45

Sta (CMT Write)

DISTRIBUTION:

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 Office of the Executive Commissioner
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 Labor S/C
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 Public Relations
 Public Safety S/C
 Regional Commissioner, Lombardy Region
 " " Piemonte Region
 " " Liguria Region
 " " Venetia Region
 " " Venetia Giulia Region
 " " Emilia Region
 AMG Naples Commune
 Allied Commission, Liaison Officer, Palermo
 Allied Forces Legal Resources Section (5)
 UNHRA HQ AFHQ (5)
 AMG Livorno Zone
 AMG Ancona Commune
 AC Liaison Officer Bari
 AC Liaison Officer Catania
 Political Adviser (A) AC
 Political Adviser (B) AC

Commerce S/C
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 Food S/C (3)
 Industry (3)
 Labor S/C
 Public Works & Utilities S/C
 Transportation S/C (3)
 Civil Affairs Section
 Communications S/C
 Legal S/C
 Public Relations
 Public Safety S/C
 Regional Commissioner, Lombardy Region
 " " Piemonte Region
 " " Liguria Region
 " " Toscana Region
 " " Venezia Giulia Region
 " " Emilia Region
 AMB Naples Comune
 Allied Commission, Liaison Officer, Palermo
 Allied Forces Legal Resources Section (5)
 UNRRA HQ AFHQ (5)
 AMB Livorno Zone
 AMG Ancona Comune
 AC Liaison Officer Bari
 AC Liaison Officer Catania
 Political Adviser (A) AC
 Political Adviser (2) AC
 US POLAD, AFHQ
 UK POLAD, AFHQ
 AFHQ G-5 Section (3)
 U.S. Embassy
 U.K. Embassy
 Soviet Representative to AC
 French Representative to AC
 Spares (25)

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

APC 394

HAC/ed/tea

Ref. AC/5127/A/Commerce

9 October 1945

My dear Mr. Prime Minister:

I wish to refer once again to my letter of 14 July concerning the termination of the export activities of Allied Commission.

As a result of discussions held between Mr. Storoni, Undersecretary for Commerce, and Maj. Gen. Director of Commerce Sub-Commission, it appears that there has been some misunderstanding on the part of your Government as to the intentions of the Allied authorities on the subject of re-introduction of private trading between Italy and the Allies.

I wish to clarify, therefore, that the procedure outlined in paragraph 8 of my letter of the 11st of July specifies merely the manner in which it was intended that trade should be conducted between Italy and the US and Italy and the UK from the time (i.e., 31 July) that Allied Commission ceased to act as an intermediary and until such a time as your Government makes an arrangement with either or both countries to conduct trade on a different basis.

The full authority for your Government to make arrangements with all countries, including US and UK, is given in paragraph 5 of my above quoted letter, which states that, subject to the controls and regulations which your Government has agreed to create and operate, all countries are now free to deal directly with your Government.

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concerning the termination of the export activities of Allied Commission.

As a result of discussions held between Mr. Storoni, Undersecretary for Commerce, and Maj. Gent, Director of Commerce Sub-Commission, it appears that there has been some misunderstanding on the part of your Government as to the intentions of the Allied authorities on the subject of re-introduction of private trading between Italy and the Allies.

I wish to clarify, therefore, that the procedure outlined in paragraph 8 of my letter of the 11st of July specifies merely the manner in which it was intended that trade should be conducted between Italy and the US and Italy and the UK from the time (i.e., 31 July) that Allied Commission ceased to act as an intermediary and until such a time as your Government makes an arrangement with either or both countries to conduct trade on a different basis.

The full authority for your Government to make arrangements with all countries, including UE and UK, is given in paragraph 5 of my above quoted letter, which states that, subject to the controls and regulations which your Government has agreed to create and operate, all countries are now free to deal directly with your Government on a Government basis or with Italian private trade on a private basis as you consider best. Although the implementation of this authority, in respect of countries other than U.S. and the British Commonwealth, is, as you know, temporarily in abeyance until your Government publishes the necessary decree to require observance of the Statutory and Proclaimed Lists, there is, in the case of U.S. of America and the British Commonwealth, nothing to prevent direct trade being commenced forthwith. I understand, in fact, that Sir Richard Neworthy has already written to Minister Gronchi stating that British authorities have no objection to operating import and export trade with Italy through private trading channels if your Government so desire.

Approved
16/10/45
Sgt. L. H. 25

- 2 -

I trust that the above clarification will serve to eliminate any misunderstanding which may have existed as to the intentions of the Allied authorities and that it will assist your Government in making more rapid progress towards a return to normal trading.

Yours very truly,

/s/ Eilery W. Stone
EILERY W. STONE,
Rear Admiral, USNR,
Chief Commissioner.

Prof. Ferruccio PARRI
President of the Council of Ministers
Italian Government

H O M E

SECRET

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40254

HAG/ds

Ref : AC/5127/A/Commerce

7 October 1945

OCT 10 1945

My dear Mr. Prime Minister :

23
I wish to refer once again to my letter of 31 July concerning the termination of the export activities of Allied Commission.

As a result of discussions held between Mr. Storani, Undersecretary for Commerce, and Major Gent, Director of Commerce Sub-Commission, it appears that there has been some misunderstanding on the part of your Government as to the intentions of the Allied authorities on the subject of re-introduction of private trading between Italy and the Allies.

I wish to clarify, therefore, that the procedure outlined in paragraph 3 of my letter of the 31st of July specifies merely the manner in which it was intended that trade should be conducted between Italy and the US and Italy and the UK from the time (i.e., 31 July) that Allied Commission ceased to act as an intermediary and until such a time as your Government makes an arrangement with either or both countries to conduct trade on a different basis.

The full authority for your Government to make arrangements with all countries, including US and UK, is given in paragraph 3 of my above quoted letter, which states that, subject to the controls and regulations which your Government has agreed to create and operate, all countries are now free to deal directly with your Government on a Government basis or with Italian private traders on a private basis as you consider best. Although the implementation of this authority, in respect of countries other than U.S. and the British Commonwealth, is, as you know, temporarily in abeyance until your Government publishes the necessary decrees to require observance of the Statutory and Proclaimed Lists, there is, in the case of U.S.

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(2)

of America and the British Commonwealth, nothing to prevent direct trade being commenced forthwith. I understand, in fact, that Sir Richard Sowerby has already written to Minister Gronchi stating that the British authorities have no objection to operating import and export trade with Italy through private trading channels if your Government so desires.

I trust that the above clarification will serve to eliminate any misunderstanding which may have existed as to the intentions of the Allied authorities and that it will assist your Government in making more rapid progress towards a return to normal trading.

Yours very truly,

/s/ Ellery W. Stone

ELLEMY W. STONE
Rear Admiral, USNR,
Chief Commissioner.

Prof. Ferruccio PARRI
President of the Council of Ministers
Italian Government
R O M E
Enclosure

3223

SUBJECT: Reserved Commodity List

TO : See Distribution List below

It is notified that the following items have been removed from the Reserved Commodity List of the Commodity Board, Washington.

EXHIBITS
PRIORS

A further revision of the List may be expected in the course of a few days.

See p. 1
H.A. GERT,
Major
Director
Commerce Subcommission

Distribution:

Office of the Chief Commissioner
Office of the Executive Commissioner
Economic Section
Industry S/C (5)
Regional Commissioner, Lombardy Region
" " " Piemonte Region
" " " Liguria Region
" " " Veneto Region

AMG 13 Corps
AMG Naples Corps
Allied Commission, Liaison Officer, Palermo
Allied Forces Local Resources Section (5)
AMG Livorno Zone
AMG Arcore Corps
AC Liaison Officer, Bari
AC Liaison Officer, Catania
French Embassy
French Representative to AG
Ministero Industriale Commerciale,
Dir. Dir. Commerciale Estero
Ministero dell'Alimentazione
Ministero degli Affari Esteri
Ministero dell'Agricoltura
Ministero della Ricostruzione
Istituto Commerciale Estero

Spares (6)

{ Our letters 22/5/47/4/Comarco
of 18 April 1945 to Ministro
Geronzi and 22/5/43/Com/Int/
Comarco of 11 September 1945
to Ministero Industria e
Comarco R.F.C. }

PH

emus

4/10

See p. 1
18/4/10

402576

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SEP

7/9036

SEP 261050A

ROUTINE

FROM: GOVERNOR MALTA

TO: HQ ALGER CITE AGOCE INFO AFHQ BRITISH AMBASSADOR ROSE

SEP 27 1945

UNCLASSIFIED.

Prices of all local produce in MALTA are extremely high and still tending to rise. It is doubtful whether ordinary price control measures will be fully successful and only real solution lies in increased supplies of cheap imported commodities. I am accordingly most anxious to increase supplies of eggs fresh fish fresh fruit and fresh vegetables and while I fully recognise supply and exchange difficulties I should be grateful if permission could be granted for a small trade delegation to visit SICILY in order to inform local opinion regarding the availability and prices of the above items of fresh produce in SICILY in accordance with general policy decentral government is anxious that normal commercial relations with SICILY should be resumed as soon as possible but does not intend to alter any of COMSEC programmes. It must be emphasized that this would be purely in the nature of an exploratory visit and further developments would depend on the nature of their report.

BRIEF

ACTION: Commerce SC
INFO: Chief Commissioner
Room Sec 2
File 2
Fleet

3229

29/9
11/79

(CAPT. WHITE)

E. COMED

4025
HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

18 September 1945

Ref: 21/21.08

SEP 22 1945

My dear Mr. Minister,

I am replying to your letter of 4 September which was addressed to Admiral Ellery W. Stone.

Because of the urgent need for certain Swiss products and especially fuelwood in Milan Province and in view of existing large surpluses of fruit and vegetables which were likely to perish if urgent action was not taken, Commerce Sub-Commission got in contact with the Ministry of Industry and Commerce who agreed to the export to Switzerland of fresh fruit and vegetables against import of fuel wood, cattlestock, tools, agricultural machines and medicinal products.

Subsequently, it developed that the Swiss farmers were extremely anxious to resume normal purchases of hay in Northern Italy, and the inclusion of a small amount of hay in the items to be exported from Italy was reported to be essential to the conclusion of the transaction which would make available some 18,000 tons of firewood for the city of Milan.

As it was foreseen that in the course of negotiations, problems might arise which would require advice or approval from an Italian Government official, two such officials were authorized by Istituto Commercio Estero to proceed north to act as liaison with the AEC officers.

If you will consult the Ministry of Industry and Commerce and the Ministry of Agriculture, I think you will find that every precaution was taken to avoid the export of any materials, without previous agreement with the Italian Government.

CC: Economic Section (2)
Chief Commissioner
Executive Commissioner
Agriculture S/O

Very truly yours,

(sgd) E. B. McKinley

E. B. MCKINLEY
Brigadier General, USA
Acting Vice-President
Economic Section

Hon. ALDORE DE GASPERI
Minister of Foreign Affairs
Italian Government
Rome

(CAR WHITE)

PA
Encl

PA
22/9

HEADQUARTERS ALLIED COMMISSION

APO 394

COMMERCE SUBCOMMISSION

ZRG/lg

Ref. AC/5127/A/Commarco

15 September 1945

SUBJECT: Allied Commission Export Activities

SEP 20 1945

TO : See Distribution List Attached

1. Attached is copy of letter from the President of the Council of Ministers in reply to the Chief Commissioner's letter, dated 31 July 1945, which dealt with the termination of Export Activities of Allied Commission, transmitted to you with our AC/5127/A/Commarco dated 31 July 1945.

2. The Chief Commissioner's reply to the questions raised by Prime Minister Perri is also attached, for your information and guidance. Please note that since writing this reply the procedure for submitting bids for sea transportation has undergone a change and is now as follows:

All Applications for sea transportation for goods to be exported from Italy should be submitted through the Istituto Nazionale per il Commercio Estero, Rome, Via Torino 107, in triplicate, direct to United Maritime Authority, Zone 3 Committee, Navy House, Naples.

Applications for shipping of goods to be imported into Italy from countries other than U.S. and U.K. are to be addressed in triplicate to U.M.A. as above but submitted to Allied Commission, Commerce Sub-Commission, Foreign Trade Division, for onward transmission.

U.M.A. requests certain essential details and in order to ensure uniformity it is requested that the attached

1. Attached is copy of letter from the President of the Council of Ministers in reply to the Chief Commissioner's letter, dated 31 July 1945, which dealt with the termination of Export Activities of Allied Commission, transmitted to you with our AC/5127/A/Commerce dated 31 July 1945.

2. The Chief Commissioner's reply to the questions raised by Prime Minister Ferri is also attached, for your information and guidance. Please note that since writing this reply the procedure for submitting bids for sea transportation has undergone a change and is now as follows:

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Applications for shipping of goods to be imported into Italy from countries other than U.S. and U.K. are to be addressed in triplicate to U.M.A. as above but submitted to Allied Commission, Commerce Sub-Commission, Foreign Trade Division, for onward transmission.

U.M.A. requests certain essential details and in order to ensure uniformity it is requested that the attached proforma be used when making bids for export or import shipments.

3218

H.A. GENT,
Major,
Director
Commerce Subcommission

3 Encls.

Q. and 1/2

(Enc. W. 1/2)

Office of the Chief Commissioner

Office of the Executive Commissioner

Economic Section

Supply Division

Production Division

Regulation Branch

Price Control Branch

Agriculture S/C

Commerce S/C

Finance S/C (3)

Food S/C (3)

Industry S/C (3)

Labor S/C

Public Works & Utilities S/C

Transportation S/C (3)

Civil Affairs Section

Communications S/C

Legal S/C

Public Relations

Public Safety S/C

Regional Commissioner

" "

" "

" "

" "

" "

AMJ Naples Commune

Allied Commission, Liaison Officer, Palermo

Allied Forces Local Resources Section (5)

UNRA HQ AFHQ (5)

AMJ Livorno Zone

AMJ Ancona Commune

AC Liaison Officer Bari

AC Liaison Officer Catania

Political Adviser (A) AC

Political Adviser (B) AC

US POLAD, AFHQ

UK POLAD, AFHQ

AFHQ G-5 Section (3)

U.S. Embassy

U.K. Embassy

Lombardia Region

Piemonte Region

Liguria Region

Venetia Region

Venezia Giulia Region

Emilia Region

AMG Naples S/C (3)	
Food S/C (3)	
Industry S/C (3)	
Labor S/C	
Public Works & Utilities S/C	
Transportation S/C (3)	
Civil Affairs Section	
Communications S/C	
Legal S/C	
Public Relations	
Public Safety S/C	
Regional Commissioner, Lombardy Region	
" " " " " "	Piemonte Region
" " " " " "	Liguria Region
" " " " " "	Venezia Region
" " " " " "	Venezia Giulia Region
" " " " " "	Emilia Region
AMG Naples Commune	
Allied Commission, Liaison Officer, Palermo	
Allied Forces Local Resources Section (5)	
UNRRA HQ AFHQ (5)	
AMG Livorno Zone	
AMG Ancona Commune	
AC Liaison Officer Bari	
AC Liaison Officer Catania	
Political Adviser (A) AC	
Political Adviser (E) AC	
US POLAD, AFHQ	
UX POLAD, AFHQ	
AFHQ G-5 Section (3)	
U.S. Embassy	
U.K. Embassy	
Soviet Representative to AC	
French Representative to AC	
Spares (25)	

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(72)

FOR ACTION AGWAR FOR CCS FOR CCAC RPTD FOR INFO UK BASE SECTION (LONDON)
FOR CABINET SECRETARIAT APHQ FOR FHGEG

5534

17 SEPT. 45

ROUTINE

CONFIDENTIAL

SEP 20 1945

THIS IS MOC 299

SUBJECT IS TERMINATION OF EXPORT ACTIVITIES OF ALLIED COMMISSION.

1. IN ORDER TO FACILITATE SCREENING OF EXPORTABLE SURPLUSES AS REFERRED TO UNDER PARA I (A) OF TAM #640 THE ITALIAN GOVERNMENT IS PREPARING AN AGREEMENT WITH ALLIED COMMISSION LIST OF EXPORTABLE SURPLUSES WHICH MAY BE EXPORTED WITHOUT SUBSEQUENT ALLIED COMMISSION SCRUTINY.

2. REQUESTS FOR ALLOCATION OF R C L COMMODITIES WILL CONTINUE TO BE MADE BY THIS HEADQUARTERS IN COM/MOC SERIES.

3. IN ORDER FURTHER TO EXPEDITE REACTIVATION OF ITALY'S EXPORT TRADE THE FOLLOWING SUGGESTION IS PUT FORWARD.

4. RESTRICTIONS IMPOSED BY R C L ARE SERIOUSLY HAMPERING ITALY'S POWER TO NEGOTIATE WITH FOREIGN GOVERNMENTS AS MANY OF HER MOST IMPORTANT EXPORTABLE ASSETS ARE LISTED ON R C L, SUCH AS CIN TARTARIC ACID, ESSENTIAL OILS, EDIBLE NUTS, CITRUS FRUITS, CITRUS JUICES, HEMP, PYRITES, DRIED FRUITS, VEGETABLE SEEDS. IT IS SUGGESTED THAT CONSIDERATION BE GIVEN TO POSSIBLE REVISION OF THE R C L.

5. AUTHORITY IS REQUESTED FOR ALLIED COMMISSION TO APPROVE, WITHOUT REFERENCE TO YOU, THE EXPORT OF R C L COMMODITIES MANUFACTURED FROM CATEGORY B RAW MATERIALS IMPORTED, WITHOUT PAYMENT, ON A TEMPORARY BASIS. EXAMPLE, COTTON (CATEGORY B MATERIAL) BOUGHT BY SWISS FROM BRAZIL TO BE IMPORTED INTO ITALY, MANUFACTURED INTO COTTON YARN (R C L COMMODITY) AND EXPORTED TO SWITZERLAND.

(COT YARN)

71

(PAGE 2)

SIMILAR EXAMPLE WOULD BE THE TEMPORARY IMPORT OF WOOL. SUCH TEMPORARY IMPORTS HAVE THREE PRINCIPAL ADVANTAGES: (A) THE PROVISION OF EMPLOYMENT (B) CREDITS IN FOREIGN CURRENCY FOR THE VALUE OF ITALIAN WORKMANSHIP INVOLVED OR (C) AVAILABILITY OF PORTION OF RAW MATERIAL REPRESENTING PAYMENT OF COST OF MANUFACTURE. ITALIAN GOVERNMENT SUPPORTS THE TEMPORARY IMPORT SYSTEM.

6. REPLY TO PARA 5 IS URGENTLY REQUESTED IN VIEW OF MANY REQUESTS RECEIVED FOR SUCH TRANSACTIONS AND THE GREAT BENEFITS TO BE DERIVED THEREFROM BY THE ITALIAN ECONOMY.

Cleared with Finance S/C
" " Industry S/C

CC: Econ. Section
USCC

UK Embassy
US Embassy

COMMERCE SUB-COMMISSION

NICHOLAS PICCIBINO
CWO, U.S.A.
Asst. Adjutant

Major E. R. Green

4025 46
EX. COM. (69)
HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Tels: 267

LBD/cc

Ref: ES/2108

13 Sept. 1945

1-20.07

SEP 14 1945

SUBJECT: Barter Trade Switzerland/Italy.

TO : Supply Division

1. You have received, for action, letter from Il Ministro degli Affari Esteri to Admiral Stone, dated 6 September 1943, relative to ASD Officers from Northern Italy who recently went to Switzerland and proposed to the Swiss Government the matter of barter between Switzerland and Italy.

2. In addition to having sent the original letter to this section for preparation of answer for signature of the Chief Commissioner, we are now in receipt of a note from Admiral Stone attached to a copy of the letter, such note stating: "Is this true? E.W.S."

3. Will you please expedite final action of the original letter through my office in order that I may be able to answer the Admiral?

(sgd) E. B. McKinley

E. B. MCKINLEY
Brigadier General, USA
Acting Vice President

cc: Chief Commissioner

h PTH

(Copy forwarded to cc files) 213 (68)

(BU noted in 1A 15/9)

(Encs. Attached) [Signature]

Ref: 4025/68/EC

11 September 1945

MEMORANDUM:

TO : Economic Section

1. Reference is made to a letter received from the Italian Minister of Foreign Affairs dated 6 September addressed to Chief Commissioner regarding certain Allied officers belonging to Northern Italy AMO who had recently gone to Switzerland and proposed barter agreements between Switzerland and Italy.

2. It would be appreciated if this matter were investigated and this office informed as soon as possible who the Allied officers were, what barter agreements they proposed to the Swiss Government and under what authority such proposals were made.

✓ A. B. ARNOLDY.
Chief Staff Officer
To Executive Commissioner

B/V
SEP 16 1945
3212

4025⁴⁸
COPY

Il Ministro degli Affari Esteri

Roma, 6 settembre 1945

Dear Admiral,

SEP 10 1945

I beg to draw your attention on the following:

I have been informed that some allied officers belonging to Northern Italy AMG went recently to Switzerland and proposed to the Swiss Government agree on some barter between Switzerland and Italy.

Among the Italian commodities which were offered to Switzerland, some, e.g., hay, are absolutely necessary for home consumption.

You will no doubt realize that, if such negotiations take place without any previous agreement with the Italian Government offices our national economy might be seriously affected both from the point of view of our essential supplies and of the proper working of the economic agreements which have been recently concluded at Bern, and should shortly come into operation.

In fact these barter, if they take place, would imply the export of Italian commodities which are absolutely necessary to our domestic needs or, at least, would allow the export of commodities which could be used as a mean of exchange in order to obtain from Switzerland those goods which are necessary to our reconstruction.

I beg to draw your attention on the above mentioned facts trusting that in view of their importance you will take the necessary steps so that in future all commercial dealings of this nature might be avoided.

Yours sincerely,

Admiral Ellery W. STONE
Head Commissioner AC
ROME

EC List - 10 SEP 45

Action: ECON SEC (4)

INFO: CHIEF C3211K
EXEC COMMR

(CAPT ARNOLD)

SEE F TO 11.
BO 14/9

785017

583/7
HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref. 21.08/23

10 September 1945

SUBJECT: Agreement Between Italy and Switzerland SEP 10 1945

TO : Sir Richard Mosworthy
British Embassy, Rome

Reference your 708/23/45 CD of 16 August 1945
to Brigadier Grafftey-Smith.

Thank you very much for transmitting to this
Headquarters the text of the Bern cablegram on the current
Swiss-Italian trade agreement.

Your attention is invited to the fifth paragraph
of the quoted text which gives the impression that the
Allied Commission is responsible for delay in the approval
of certain items of Italian exports.

This is contrary to the actual situation since
Allied Commission is not causing delays as stated. Releases
of such items as those mentioned for export are dependent
upon Washington authority. When authority is received to
release a restricted item, Allied Commission acts immediately.
The cause for delay, in these instances, can be attributed
to the failure of the Italian Government agency, Istituto
Commercio Estero, to inform Allied Commission fully enough
to warrant consideration or reconsideration of these items
in Washington.

Thank you again for having made this cablegram
available.

(Signed)

S. B. CHARLES W. WALTON
Brigadier General, USA
Acting Vice-President

Copy to:
Chief Commissioner
Executive Commissioner
Finance S/C
Transportation S/C

REFERENCE 583/12/EC-1 (SEP 45)

CHW:lrw

(COPY PASSED FOR CC FILES)

785017

4025

(62)

8 September 1945

Ref. : AG/5127/Am/Commerce

SEP - 8 1945

SUBJECT: Italian Exports to Austria.

TO : AFHQ, G-5 Section.

H/R
E G

1. Reference is made to your letter E-6 dated 15 August.
2. A meeting was held on 31 August with the Dir. Gen. del Commercio Estero in order to discuss the manner in which Italo-Austrian trade might be conducted. The Italian Government recommends, and it is also the opinion of this Headquarters that import and export trade between Italy and Austria should be negotiated by the Italian Government with the Military Government of the U. S. and U. K. Zones at least in the early stages. It must be stated that the Italian Government would prefer to deal with the Military Government Austria through this Headquarters but it is considered that no real obstacle exists to prevent direct communication between the Italians and the Allied authorities in Austria. In order to overcome delay which might arise in actual physical communication, it is suggested that U. S. and U. K. liaison officers, from the Austrian teams, could be left in Rome. This Headquarters would prefer not to intervene, at this late stage, in view of the policy inferred in TAM #640 and because it is considered that such intervention might cause unnecessary delays.
3. There remains always the question of obtaining allocations of Category "A" commodities. It is suggested that exports from Italy should be cleared by this Headquarters, and exports from Austria cleared by the Allied authorities in that country.
4. The question of this Headquarters screening available export surpluses would be dealt with by the Italian Government and Allied Commission in the same way as for any other country.
5. For your guidance it should be said that the impression gained from our discussion with the Dir. Gen. del Commercio Estero is that the Italian authorities are nervous about receiving counter-value or credit for their exports to Austria, that they prefer to negotiate by barter rather than payment and that for both these reasons they wish to have the support of Military Government in Austria until such time as normal conditions prevail.

CC: Executive Commissioner
Economic Section
EWLAD (A) & (B)
Finance S/C
COMMERCE S/C (Sub Civil)

ELLERY W. STONE
ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

3209

(Capt Arnold)

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SECRET

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SEP 071138B

(61)
F/6852
SEP 071940B
ROUTINE

FREEDOM SIGNED SACRED CITS FIDESQ
ACTION ALCON ROME

SEP - 8 1945

(57)
SECRET

1. Look at NAF 1065 now answered in TAM 679 of which paraphrase beings. No authority can be given to open Italian/Swiss frontier until Italians accept either existing or revised statutory and proclaimed lists. Approval is given to recommendations NAF1065; para rear (four). You will be advised when sufficient progress has been made in representations now being made on diplomatic level. Paraphrase ends.
2. You will realise that this veto applies in similar cases and is the bottleneck in all attempts to restore normal commercial activity. The Italian Govt should be so informed.

List

Action - Econ Sec 2
Info - Chief Commissioner
Exco Commr 2
CA Sect
Communications
File

3208

SECRET

(ACTION copy 6510/EC)

451

4025

ABA/01

(6)

Ref: 5831/13/20

1 September 1945

SUBJECT: Amplification of Para's 4 and 5 of Attached Agreement between Italy and Switzerland

TO : Economic Section (Attention: Colonel Charles W. Walton)

1. Reference is made to your memorandum of 25 August addressed to the Chief Commissioner, subject as above.
2. The Chief Commissioner has examined the letter from the British Embassy (addressed to Brigadier Graffter-Smith) in which Sir Nosworthy quotes a telegram from the British Embassy at Bern. The Chief Commissioner directs that "Nosworthy," using his own words, "should be straightened out as per para 3 of your letter."
3. It would be appreciated if you would take the necessary action in this matter.

A. B. ARNOLDY

Chief Staff Officer
To Executive Commissioner

SEE FILE
64

B/V

Noted

3207

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

LDD/sc

28 August 1945

Tel: 267

Ref: 21.08/ES

AUG 28 1945

SUBJECT: Italian/Switzerland Trade Agreement

TO : Executive Commissioner

1. For information.

2. Attached are:

- a) Copy of letter dated 16 Aug 45 ref. 708/23/45 CD British Embassy Rome (Nosworthy) to Finance Sub-Commission.
- b) Comments of Supply Division, Economic Section, dated 25 Aug 45 with respect to telegram received from the British Embassy at Berne.

3. Copy of reference 2(a) above was sent to G-5 Section (Financial Adviser) AFHQ for information 18 Aug 45.

FOR THE ACTING VICE PRESIDENT:

L. D. Densmore

L. D. DENSMORE
Colonel, PA
Chief Staff Officer

2 Incls:

a) and b) above

cc: British Embassy (Nosworthy)
American Embassy (Livingood)

See F.60

3406/59

(CAPT BRADLEY)

(Copy passed for ca files)

4025
HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

MEMORANDUM:

25 August 1945

SUBJECT : Amplification of Para's 4 and 5 of Attached Agreement
between Italy and Switzerland

TO : Chief Commissioner

1. Attention is invited to the attached letter from the British Embassy, Rome, to Brigadier Grafftey-Smith, AC, in which Sir Newcomer quotes a telegram Bern.
2. The Transportation S/C amplifies quoted para 4 to state that its files are current on this development, that the total volume of freight shipments contemplated by the agreement have not yet been ascertained; that potential port facilities are now under study; that rolling stock furnished by the Swiss Government will be necessary to effectuate the proposed transfer of goods.

3. The AC is not causing delays as stated in the 5th para. Releases of such items as those mentioned for export are dependent upon Washington authority. When authority is received to release a restricted item, the Commerce S/C acts immediately. The cause for delay, in these instances can be attributed to the failure of the Italian government agency, Istituto Commercio Estero, to inform AC fully enough to warrant consideration or reconsideration of these items in Washington.

Charles W. Walton
CHARLES W. WALTON
Colonel, USA
Chief, Supply Division

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Charles W. Walton
CHARLES W. WALTON
Colonel, USA
Chief, Supply Division

3205
See F-58

Extract of page 2 filed on 5831/EC.

British Embassy,
ROME

16 August 1945

703/23/45 CD

TO : Brigadier A. P. Grafftey-Smith,
Director, Finance Sub-Commission,
Allied Commission, Rome.

FROM : Sir Richard L. Nosworthy,
British Embassy, Rome

SUBJECT : Agreement between Italy and Switzerland

You will be interested to see the following text of a telegram received from the British Embassy at Bern:

WDi Nola has concluded his negotiations and agreement with the Swiss will be signed August 10th of 11th.

Swiss Government will make loan to Italy of Swiss francs 80 million to be used exclusively for purchases in Switzerland. Interest will be at the rate of 1 1/2 % for the first 3 years and 3 1/2 % thereafter. Amortization will be spread over 7 years, beginning after the first 3 year period, i.e. over 10 years in all. Di Nola considers this arrangement satisfactory and has advised that no such advantageous terms could be obtained from Swiss private banks.

Outstanding debt of 60 million and debts on clearing and railway accounts as well as debt of 130 million in respect of military supplies (making total of 370 million) have been consolidated and interest payable will be also at 1 1/2 %. Capital will be paid off by earmarking 15% of the value of Italian exports to Switzerland.

Swiss, however, are expected to make prompt and practical application of agreement dependent on their securing transport facilities for their own trade. (Allocation of space (even only one or two quays) at Genoa or Savona for Swiss ships and goods and early repair of North Italian railway network would be of great service in evaluating application of agreement.

Another cause of delay is that Allied Control Commission has not yet approved certain items of Italian exports such as hemp, citric acid and tartaric acid (details of which will be reported later). Swiss have also pointed out that they cannot accept Italian exports of products on reserved commodities list, e.g., pyrites, where they have already taken up their quota from other sources unless Italian exports can be allowed as additional to R.C.L. quotas arranged under Currie agreement of March 8th.

In requesting me to recommend sympathetic treatment of matters raised in paras 4 and 5 above, Di Nola has stressed the importance to Italy of

"Di Nola has concluded his negotiations and agreement with the Swiss will be signed August 10th of 11th.

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In requesting me to recommend sympathetic treatment of matters raised in paras 4 and 5 above, Di Nola has stressed the importance to Italy of smooth and early operation of this agreement, which opens a badly needed and conveniently situated market. Di Nola has maintained a frank and friendly contact with the Commercial Counsellor and I earnestly hope that it may be possible to meet the Italians on these points especially as the agreement is in many respects more generous than one might have expected from the Swiss."

I called on the 14th at the Ministry of Foreign Affairs but Di Nola is not yet back from Switzerland and, in his absence, Grazi, who is carrying on his work, was unable to give me any further particulars.

A paragraph from "Il Globo" on the 5th August on the subject of these negotiations, said:

"It appears that the problem of valuing our imports and exports has been met, while taking account of the severe controls imposed on prices in the

Extract of para 5 filed on 5/31/EC.

See F68-62

28 Agreement between Italy and Switzerland

Swiss Republic. Instead of fixing an official rate of exchange with the Swiss franc, consideration has been given to the creation of a compensation organization which would be responsible both for the determination of the sale price to Italy of products imported from Switzerland and for fixing the sale price to Switzerland of merchandise of Italian origin".

All that Grazzi could tell me about this was that the Swiss had wished to see the office administering the Compensation Funds established in a Swiss city and that the Italians had refused and had carried their point. It is clearly a subject of very high interest to all of us.

(sgd) R. L. Nosworthy

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

3203

(sgd) E. L. Noemurday

31 August 1945

SEP - 3 1945

My dear Mr. Prime Minister:

I thank you for your letter dated 1 August 1945, replying to my communication of 31 July, and am taking this opportunity of replying to the various points which you raise.

With regard to paragraph 2 of your letter, I agree that, in the existing circumstances, it is not necessary to prepare a special procedure to govern exports in the territory at present under Allied military control.

Further, I am in agreement with the suggestion made in your paragraph 3 that a list of items, of which an exportable surplus exists, should be prepared. Therefore, I suggest that your Government submit such a list to this Headquarters, so that it may be reviewed and, if possible, an overall clearance given.

While you will be the first to appreciate, my dear Prime Minister, the necessity for maintaining control over the movement of those commodities which are in world short supply, I have every hope and reason to believe that, with the final cessation of hostilities, the list of such commodities will gradually be reduced.

As regards your paragraph 4, the Combined Chiefs of Staff have advised us that the United States Proclaimed and British Statutory Lists should be adopted by your Government as a prerequisite to direct trade between Italy and those countries to which such lists have been applied.

I am gratified by the establishment of the new exchange control agency, the Ufficio Italiano dei Cambi, and I hope it will proceed to an effective control of Italian external assets as soon as possible.

As regards paragraph 5 (a), I may say that we are in full agreement concerning the effective functioning of the Italian customs service. As far as we are aware, the customs service is operating at all ports and on all frontiers, except at those ports or portions of ports which are being used for Allied military or naval traffic. On the initiative of the Allied authorities the customs services in Allied Military Government territory have been reestablished and are functioning under normal Italian laws.

and regulations. The customs organizations now functioning in Allied Military Government territory (except Venezia-Giulia) will revert to full Italian Government control when such territory is returned to your Government.

With reference to the question of transport raised in your paragraph 5 (b), a control has now been set up to deal with the very involved question of world transport facilities, in order that all nations may receive their fair share of the availability. This controlling body is known as the United Maritime Authority (U. M. A.).

All applications for shipping should be submitted by the appropriate Italian authority to the Shipping Employment Policy Committee, Bankley Square, London, with copy to United Maritime Authority Zone 3 Committee, Navy House, Naples. It is essential however, that all applications for shipping made on United Maritime Authority through Shipping Employment Policy Committee, London, should be coordinated by one Central Italian Organization.

I am very gratified to learn of the plans which are being prepared by your Government for the furtherance and control of Italy's foreign trade and I shall be very interested to see these when they are completed.

In my letter of 31 July, I presumed that the Italian Government authority which would be responsible for carrying on export activities would be your Istituto Nazionale per il Commercio Estero. Your letter to which I am now replying leads me to believe that perhaps this assumption was not entirely correct. In any case, I feel it my duty to draw your attention to the fact that the Istituto Commercio Estero has not been, in the past, as fully effective as might have been desired, due perhaps to the very heavy burden which was placed upon it. I am sure your Government will bear this in mind when considering its reorganization plans.

Rest assured, my dear Mr. Prime Minister, that any assistance or advice which the Allied Commission can render toward a happy solution of the foreign trade problems will be readily given.

CC: Finance S/C
Transportation S/C
Economic Section
Exec. Commissioner
Political Adviser (A) to AG
(B) AG
Commerce S/C

Very truly yours,

[Signature]

ELDERY W. STONE
Rear Admiral, USNR
Chief Commissioner

3201

Professor Ferruccio Parri
President of the Council of Ministers
Italian Government
Rome

⁴⁰²⁵
SECRETPK 38782
AUGUST 27/16393H/5509
AUGUST 28/09002

PRIORITY

AMR: GEORGE ALEXANDER GUY JONES

ACTION: AMR: FOR OLC AMR: FOR BRITISH CHIEFS OF STAFF INFO: USFET, ALGE

AUG 28 1945

SECRET.

This is MAY 1965. reopening of the Italian/Greek frontier.

It is most desirable that normal trade relationships between ITALY and SWITZERLAND should be re-established, the frontier opened and restrictions on communications removed.

The primary obstacle as seen here is the non-acceptance by the Italian government of the US proclaimed and UK statutory lists. In this connection the ALLIED COMMISSION has informed AMR that the Italian government on 12 July instructed its ambassadors in WASHINGTON and LONDON to press for the removal of most Italian and certain neutral firms from the lists after which the Italian government will effect the necessary legislation to recognize the new lists. Meantime no progress is likely here in persuading the Italian government to take action.

Existing external censorship controls of outgoing mail and telecommunications are being maintained. Such controls are no longer of material interest as regards military security and their continuation is therefore primarily to enforce the economic and financial policy laid down by you.

It is therefore recommended that:

- A. AMR be informed of the progress of the diplomatic negotiations referred to above.
- B. Continued representation to the Italian government respecting the adoption

SEE FILE 61

SECRET

(ACTION COPY 6510/EC)

SECRET

CONTINUED PAGE 2

1/55/7

of the black lists should be handled through US and UK diplomatic channels in view of para 2.

Meanwhile ARHQ will maintain contacts as in para 3.

It is requested that every influence including wide publicity be used to demonstrate to the Italian government the advantage to itself of prompt action in recognizing the black lists.

END

INFO-ACTION : RECH HES (2)

INFO : CHIEF COMMISSIONER
IN COMMISSION (2)
CA SEC
COORDINATION SEC
FILE

SECRET

3199

4025
R

(48)

HEADQUARTERS ALLIED COMMISSION
Economic Section
INTER-OFFICE MEMORANDUM

IDD/sc

Tel: 267

25 August 1945

Ref: 20.02/ES

AUG 27 1945

SUBJECT: Italian Export Trade

TO : Supply Division E/S
Commerce S/C
Transportation S/C
Finance S/C
Executive Commissioner
Political Advisers

37

1. This is in reference to letter n. 589 addressed to the Chief Commissioner dated 1 Aug. 45 (received by ALCOM 23 Aug. 45) from the President of the Council of Ministers relative to above subject. A copy of such letter is attached.

2. It will be noted that a number of questions are raised by the Italian Government, among which are foreign exchange, shipping, control relative to exportable surplus, suggestion that a list of products that may be exported be made, black list, custom controls, etc.

3. With respect to above letter, the Chief Commissioner has directed the following note to the Executive Commissioner:

"E.C. Personal

This is an important letter. Suggest you call conference with Densmore, Commerce and Finance Sub-Commissions to discuss the approach before drafting reply. Polads may be helpful.

E.W.S. cc 24/8-45"

4. A conference will be held at 1600 hours (4 p.m.) Monday 27 Aug. 45 at the office of the Executive Commissioner to discuss the matter.

5. It is requested that all addressees of this letter be represented.

FOR THE ACTING VICE PRESIDENT:

L. D. Densmore
L. D. DENSMORE
Colonel, FA
Chief Staff Officer

1 Incl:
Ltr. m/a

3198

SEE FILE 49-58

B
(Capt. Arnoldy)

4025
9
24 August 1945.

AUG 25 1945

Dear Dr. Smolaka:

With reference to the request made
by you at the last meeting of the Advisory Council
for Italy, I am enclosing herewith a copy of the
Reserved Commodity List, revised as of 30 July
1945, for your information.

Very truly yours,

1st Ellery W. Stone
ELDERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Dr. Sloven Smolaka,
Yugoslav Representative to the
Advisory Council for Italy,
Via Minto Sella, 56,
Rome.

cc: *Exec Comm*
Econ Action

3197

Pa
(Capt Arnold)

HEADQUARTERS ALLIED COMMISSION
APO 394
Economic Section

AUG 24 1945

WHH/VB/lc

Ref. AC/5127/A/Commerce

August 1945

SUBJECT: Termination of Export Activities of A.O.

TO : Chief Commissioner.

We refer to your memorandum of 18 August 1945.

Attached please find Reserved Commodity List revised
30 July 1945.

(Signed)

CHARLES W. WALTON.

E. B. MURPHY.

Brigadier General Supply Division
Acting Vice President

Encl: Reserved Commodity List.

Copy to: Executive Commissioner.

3196

See 17 116

(ORIGINAL RECEIVED BY C.C.)

(Copy Admin.)

RESERVED COMMODITY LIST

Revised - July 30, 1945

<u>Commodity</u>	<u>Reserved Forms</u>
1. Animal Oils and Gelatin Materials (a) Skin Gluestock (b) Bones	Skin Gluestock and gelatin stock Green and dry bones (glue, gelatin, or char, including hard, manufacturing bones), extracted bone stock and bone grist. Unrefined forms 1/; antimony oxide, refined antimony metal and antimony alloy basic shapes and forms 2/; and scrap. Canadian spinning grades only.
2. Antimony	Unrefined forms 1/; refined bismuth metal and bismuth alloy basic shapes and forms 2/; and scrap.
3. Asbestos	Unrefined forms 1/; refined cadmium metal and cadmium alloy basic shapes and forms 2/; cadmium oxide; and scrap.
4. Bismuth	Lactic and rennet.
5. Cadmium	97/98 percent carbon large lump only.
6. Casein	Chromium ores and concentrates, and ferrochromium.
6a. Ceylon Graphite	Columbite; refined columbium, columbium alloys and compound.
7. Chromium	All forms.
8. Columbium	Unrefined forms 1/; refined copper and copper-base alloy basic shapes and forms 2/ containing 40% or more copper by weight; and scrap.
9. Coral Gum	All forms.
10. Copper	Unrefined forms 1/; refined copper and copper-base alloy basic shapes and forms 2/ containing 40% or more copper by weight; and scrap.
11. Copper Sulphate	All forms.
12. Cane Sugar	Vanilla, aical, kanequon, kemp (Cannabla

Canadian spinning grades only.

4. Bismuth
Unrefined forms 1/; refined bismuth metal and bismuth alloy basic shapes and forms 2/; and scrap.
5. Cadmium
Unrefined forms 1/; refined cadmium metal and cadmium alloy basic shapes and forms 2/; cadmium oxide; and scrap.
Lactic and rennet.
6. Casein
97/98 percent carbon large lump only.
- 6a. Ceylon Graphite
Chromium ores and concentrates, and ferrochromium.
7. Chromium
Caluminate; refined columbium, columbium alloys and compounds.
8. Columbium
All forms.
9. Copal Gum
Unrefined forms 1/; refined copper and copper-base alloy basic shapes and forms 2/ containing 40% or more copper by weight; and scrap.
10. Copper
All forms.
11. Copper Sulphate
3195
Vanilla, sical, banyan, hemp (Cannabla nativa), and their manufactures; coir yarn and its manufactures.
12. Cordage fibres
Ores (except gem grades) and concentrates; grain, flour and other forms.
13. Corundum (natural)
Chemical grades.
14. Cotton Linters
All types of hides and leather except the following: fur skins, reptile skins, game skins, and woolled sheepskins and woolled lambskins for dressing with the wool on, or for felt-making or wool pulling. All types of tanning materials.
15. Hides, Skins, Leather and Tanning Materials
3 inches and more in length, under 3 inches in length and riflings.
16. Hog Bristles
Fibre and butts; yarn, cloth, bags and other jute goods.
17. Jute including Urena Lobata
Fibre.
18. Kapok

CommodityMarket Form

19. Lead
Unrefined forms 1/; refined lead metal and lead-base alloy basic forms and shapes 2/; including colder and babbitt; and scrap.
20. Lumber, Lumber Products, and Timbers (Hardwoods and Softwoods)
Logs (round and rough squared); railroad ties (barn and sanded); poles, logs and baulks for piling and bridging; mine timber (including pitprops); sawmill products; veneer and plywood.
21. Manganese
Ores and concentrates containing 35% or more manganese; ferro-manganese, silico-manganese, and spiegel-eisen.
22. Mica
Ruby Muscovite block, good stained and better qualities, grades 5 $\frac{1}{2}$ and larger.
23. Nickel
Ruby Muscovite first and second quality condenser film, grades 5 $\frac{1}{2}$ and larger.
24. Nylon
Muscovite bookform, splittings, grades 5 $\frac{1}{2}$ and larger.
25. Platinum
Unrefined forms 1/; refined nickel metal, nickel base alloy basic shapes and forms 2/ (excluding nickel-iron and nickel-steel).
26. Pulpwood, Pulp, Paper and Paperboard
All forms.
27. Pyrethrum
Unrefined forms 1/; refined platinum metal, (including sponge), and platinum alloy basic shapes and forms; scrap.
28. Pyrites
Pulpwood; wood pulp and other fibrous materials for paper and cellulose products; newspaper, other paper, and paperboard.
29. Pine Resin
Flowers, extracts, powders; (DEF is not included).
30. Rotenone
All forms.
31. Rubber and carbon black
Gums and derris roots; powders and extracts. Natural and Synthetic rubber including latex channel and finished carbon black;

23. Nickel
Muscovite bookform, splittings, grades 5 $\frac{1}{2}$ and larger.
Unrefined forms 1/; refined nickel metal, nickel base alloy basic shapes and forms 2/ (excluding nickel-iron and nickel-steel).
24. Nylon
All forms.
25. Platinum
Unrefined forms 1/; refined platinum metal, (including sponge), and platinum alloy basic shapes and forms; scrap.
Pulwood; wood pulp and other fibrous materials for paper and cellulose products; newspaper, other paper, and paperboard.
26. Pulwood, Pulp, Paper and Paperboard
Flowers, extracts, powders; (DWT is not included).
All forms.
27. Pyrites
Cube and derrick roots; powders and extracts.
Natural and Synthetic rubber including latex channel and fused carbon black; reclaimed rubber.
28. Pyrites
Unrefined forms 1/; refined tin and tin-base alloy basic shapes and forms 2/; and scrap.
29. Pine Rosin
The term "unrefined forms" is used to designate mine, concentrating mill, and smelter products, residues or waste materials, and products of other primary reduction processes. Examples are ores, concentrates, matte, speiss, tellings, blister, anodes, bullion, precipitates, flux dust, drosses, slags, skimmings.
30. Rotenone
Metal and alloy "basic shapes and forms" include refinery, intermediate, and semi-fabricated shapes. Refinery and intermediate shapes of the various metals might include cathode sheets, ingots, pigs, slabs, rods, pellets, shot, cakes, blooms, billets, wire bars and rods, et cetera. Semi-fabricated shapes include rolled, drawn and extruded forms, such as plate, sheet, strip, angles, sections, rods, bars, bare wire, pipe, tubing, structural shapes, discs; powder; foil.
31. Rubber and carbon black
The term "unrefined forms" is used to designate mine, concentrating mill, and smelter products, residues or waste materials, and products of other primary reduction processes. Examples are ores, concentrates, matte, speiss, tellings, blister, anodes, bullion, precipitates, flux dust, drosses, slags, skimmings.
32. Tin
Metal and alloy "basic shapes and forms" include refinery, intermediate, and semi-fabricated shapes. Refinery and intermediate shapes of the various metals might include cathode sheets, ingots, pigs, slabs, rods, pellets, shot, cakes, blooms, billets, wire bars and rods, et cetera. Semi-fabricated shapes include rolled, drawn and extruded forms, such as plate, sheet, strip, angles, sections, rods, bars, bare wire, pipe, tubing, structural shapes, discs; powder; foil.

COMBINED RAW MATERIALS BOARD

AFRIDI A(2)

COMBINED FOOD BOARD RESERVE COMMODITY LISTGeneral Commodity Heading

1. Animal Feeding Stuff
Fish meal; whale tarrage (or guano);
Tarrage; Bone meal; Blood meal; Glycerine
cakes; Oil cakes and meals (all types);
Mixed feed.
2. Cereals
Wheat and Wheat Flour; Rice; whole and
broken.
3. Citric and Tartaric Acid
Citric and tartaric acids, inclusive of
argols, wine lees, etc.
Cocoa beans and all products.
4. Cocoa
5. Coffee
6. Dairy Products
Butter; Cheese, natural and processed;
Milk, evaporated dried whole, sweetened
condensed; roller skin and spray skin.
All kinds used in food flavoring (i.e.
lemon oil, bitter orange oil, sweet
orange oil, tangerine oil).
7. Essential Oils
All fats and oils (edible and non-edible);
All oil-bearing seeds; Soap.
8. Fats and Oils
Nitrogenous, phosphatic (including rock)
and potassic.
9. Fertilizers
Salted cod, haddock, hake, cod pollock,
saitho and ling, Canned fish.
10. Fish
Dried fruit (i.e. dates, figs, apples,
apricots, raisins and currants, peaches,
pears and prunes).
11. Fruits
12. Hops
13. Meat
Fresh or frozen, cured; canned and
dehydrated meat (excluding poultry).

5. Coffee

6. Dairy Products

7. Recombinant Oils

8. Fats and Oils

9. Fertilizers

10. Fish

11. Fruits

12. Eggs

13. Meat

14. Nuts, edibles

15. Pulses

16. Seeds

17. Soap

18. Spices

19. Sugar

20. Tea

21. Vitamins

Butter; Cheese, natural and processed; Milk, evaporated dried whole, sweetened condensed, roller skin and spray skin.

All kinds used in food flavoring (i.e. lemon oil, bitter orange oil, sweet orange oil, tangerine oil).

All fats and oils (edible and non-edible); All oil-bearing seeds; Soap.

Nitrogenous, phosphatic (including rock) and potassic.

Salted cod, haddock, hake, cusk pollock, saithe and ling, Canned fish.

Dried fruit (i.e. dates, figs, apples, apricots, raisins and currants, peaches, pears and prunes).

Fresh or frozen, cured; canned and dehydrated meat (excluding poultry).

Beans, peas, lentils.

All field and vegetable seeds.

Soap (Note: covered in General Heading No. 8 above).

Cinnamon quills, Mace, Nutmeg, Pepper.

Sugar (raw and refined).

Synthetic vitamins, i.e. ascorbic, nicotin, riboflavin and thiamine.

APPENDIX A(1)

COMMERCE, TRANSPORTATION AND REVENUES BOARD

PRESERVED COMMODITY LIST

1. Public Utilities Equipment

a. Power Equipment

- (1) Turbo generators, steam and hydro of 500 KW and over with boilers.
- (2) Boilers of 20,000 pounds per hour and over.
- (3) Diesel or gasoline engine driven generators 150 KW and over.
- (4) Transmission and distribution equipment programs of \$500,000 and over.

b. Wire Communications Equipment

Telephones and telegraph equipment programs of \$100,000 and over.

2. Transportation Equipment

a. Locomotives and Rolling Stock

Steam, 2 1/2" gauge and over
Diesel, Electric, and Diesel-Electric, 600 H.P. and over.
Railroad cars (wagons) and coaches, 2 1/2" gauge and over.

b. Trucks

Replacement parts for trucks, including batteries.
Tires and Tubes (except for motorcycles and bicycles).

3. Agricultural Machinery and Equipment (excluding hand tools)

4. Medical Supplies

a. Drugs

Cinchona bark and derivatives
Ipecac and derivatives
Narcotics

b. Dental Equipment

Dental chairs
Dental hand pieces

c. Laboratory Equipment

Analytical balances (sensitivity 1/20 mg. or more sensitive)
Centrifuges (having a value of more than \$20.00)
Microscopes, medical
Vacuum Pumps (1 micron or higher vacuum)

d. X-Ray Film

2. Transportation Equipment

- a. Locomotives and Rolling Stock
Steam, 2 1/2" gauge and over
Diesel, Electric, and Diesel-Electric, 600 H.P. and over.
Railroad cars (wagons) and coaches, 2 1/2" gauge and over.
- b. Trucks
Replacement parts for trucks, including batteries.
- c. Tires and Tubes (except for motorcycles and bicycles).

3. Agricultural Machinery and Equipment (excluding hand tools)4. Medical Supplies

- a. Drugs:
Chemical salts and derivatives
Ipecac and derivatives
Narcotics
- b. Dental Equipment:
Dental chairs
Dental Hand Pieces
- c. Laboratory Equipment:
Analytical balances (sensitivity 1/20 mg. or more sensitive)
Centrifuges (having a value of more than \$50.00)
Microscopes, medical
Vacuum Pumps (1 micron or higher vacuum)
- d. X-Ray Film

5. Footwear containing any leather

3192

(Hides, skins and leather on GUMM List, Sewing thread and textile linings) included below under Textiles.)

6. Coal and Coke7. Coal Mining Machinery (Underground)

- a. Cutting machines
- b. Cutting machines
- c. Loaders
- d. Loaders
- e. Conveyors
- f. Conveyors
- g. Conveyors
- Shortwall and Longwall
- Universal and Arsonall
- Crusher
- Truck
- Chain and Elevating
- Belt
- Shaker

It should be noted that this list does not include all items in short supply, but only those for which Combined planning is at present desirable.

- h. Mine Locomotives
- i. Cars
- j. Cars
- k. Drills
- l. Mine Crawler Trucks
- m. Hoists
- n. Coal Mine Type

8. Textiles

Yarns and fabrics of cotton, wool and rayon, and articles made therefrom, including the following:

- a. All fabrics for clothing, household or other uses made from cotton, wool or rayon whether woven or knitted.
- b. All clothing, household textiles and other fabricated articles made of cotton, wool or rayon, whether woven or knitted.
- c. All yarns of cotton, wool or rayon.
- d. All fabricated articles from yarn or cotton, wool or rayon including flannels and flannel trim, sewing thread, yarn for mending and darning.
- e. Tire Cord.

4. Textiles

Yarns and fabrics of cotton, wool and rayon, and articles made therefrom, including the following:

- a. All fabrics for clothing, household or other uses made from cotton, wool or rayon whether woven or knitted.
- b. All clothing, household textiles and other fabricated articles made of cotton, wool or rayon, whether woven or knitted.
- c. All yarns of cotton, wool or rayon.
- d. All fabricated articles from yarn of cotton, wool or rayon including flannels and flannel twines, sewing thread, yarn for sewing and darning.
- e. Ties Cord.

3191

(39)
APPENDIX A(4)

OTHER COMMODITIES AT PRESENT CLASSIFIED IN CATEGORY A
IN AGREEMENT BETWEEN U.S., U.K., AND CANADA AS NECESSARY
FOR THE WAR EFFORT

1. Citrus Juices (unconcentrated and concentrated)
2. Fresh Citrus Fruit
3. Tomato Paste and Canned Tomatoes

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

1. Citrus Juices (unconcentrated and concentrated)
2. Fresh Citrus Fruit
3. Tomato Paste and Canned Tomatoes

3190

Translation

The President of the Council of Ministers

n. 589

Rome, 1.8.1945

AUG 23 1945

Dear Admiral,

1) Referring to your letter of the 31st, in relation with the cessation of the activity of the Allied Commission for what concerns exports from Italy, I must express the satisfaction of the Italian Government for the progressive resumption of its economic and financial autonomy.

2) In my opinion, considering that the territory which is at present under the control of the Allied Military Government is shortly to be handed over to the Italian Government, it would be useless to study a particular procedure concerning the exports which might take place in the above mentioned territory, for the drafting and enforcement of a regulation necessarily require a certain period of time that might be longer than the lapse of time till the handing over of the Northern provinces to the Italian Government.

In any case, as the Allied Commission well knows, the liaison organisms between the above mentioned territory and that which has already been handed back to the jurisdiction of the Italian Government exist and can be made use of in case of need.

3) The Italian Government recognizes that the Allied Commission will go on keeping some control on export activities. A few observations are nevertheless necessary.

Regarding the control mentioned in a) of para 3) it must be taken in consideration that if the Allied Commission goes on examining statements about exportable supplies, even not included on list a), this will cease, as in the past, complications and delays prejudicial to the development of a normal trade.

It would be a good thing, at least for a certain list of products to be agreed upon, for us to be free to negotiate the exports without needing previous periodical authorizations based on declarations difficult to make.

One of the most serious problems for my Government is unemployment: the problem might be partly solved by importing raw materials to be transformed in finished products to be exported, but to reach this result, a certain liberty of action is necessary.

For what concerns control mentioned in latter b) of para 3) the Italian Government

4025

uq. u. 86

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23 AUG 1945

EC

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2) In my opinion, considering that the territory which is at present under the control of the Allied Military Government is shortly to be handed over to the Italian Government, it would be useless to study a particular procedure concerning the exports which might take place in the above mentioned territory, for the drafting and enforcement of a regulation necessarily require a certain period of time that might be longer than the lapse of time till the handing over of the Northern provinces to the Italian Government.

In any case, as the Allied Commission well knows, the liaison organizations between the above mentioned territory and that which has already been handed back to the jurisdiction of the Italian Government exist and can be made use of in case of need.

3) The Italian Government recognizes that the Allied Commission will go on keeping some control on export activities. A few observations are nevertheless necessary.

Regarding the control mentioned in a) of para 3) it must be taken in consideration that if the Allied Commission goes on examining statements about exportable surplus, even not included on list a), this will cease, as in the past, complications and delays prejudicial to the development of a normal trade.

It would be a good thing, at least for a certain list of products to be agreed upon, for us to be free to negotiate the exports without needing previous periodical authorizations based on declarations difficult to make.

One of the most serious problems for my Government is unemployment; the problem might be partly solved by importing raw materials to be transformed in finished products to be exported, but to reach this result, a certain liberty of action is necessary.

For what concerns control mentioned in letter b) of para 3) the ^{Italian} Government hopes that it may in time be lessened, so as to be able to use for foreign exchanges some important items of its commercial balance.

4) According to the wish expressed by the Allied Commission, my Government has already taken action to establish by decree n. 331 of May 17th, 1945, the 'Ufficio Italiano Cambi', which will have to enforce the effective control on foreign exchanges requested from us in letter n. 13/32/7 of the 18/7/1945.

While waiting for the particulars of the programs of the economic war which will have to be forwarded by the British and American Embassies, I hope that the question concerning the black list at present dealt with by the Minister of Foreign Affairs will soon be solved.

5) While expressing my great satisfaction at acknowledging what you expressed in point 2) of your letter, i.e. that all Nations are now free to negotiate directly with the Italian Government, and assuring you that we shall do our best to comply with what is expressed in point 6) of the said letter, and

Admiral Gallery M. Stone

Chief Commissioner of the Allied Commission

R O M E

(Case Attorney)

See File 38
L. M. 38
See File 38

- 2 -

therefore find the informations contained in n. 7 most useful. I take the liberty, my dear Admiral, of expressing a few wishes, on the granting of which depends the possibility of effectively carrying out an international trade.

a) as State control of private commercial initiatives must be established, it is obvious that the Government requires the effective functioning of the customs: without their collaboration, there could be no economic, financial and exchange activity of international trade.

The Government therefore deems it its duty to point out to the Allied Commission that its action in this sector would be frustrated if the resumption of the functioning of customs services and under the orders of the competent Italian central organisms is not allowed on all the frontiers of the State.

b) the Italian Government also deems it its duty to point out to the Allied Commission that though it will probably be possible to resume foreign commercial correspondence, because the question of the black lists is shortly to be solved, the same thing cannot be said of foreign exchanges, which remains materially impossible till adequate means of transport, especially shipping, are available.

If freedom for international trade is to have a practical meaning, after being allowed to negotiate possible commercial agreements, Italy must have the material possibility of transporting wares with her own means, without depending for a hundred per cent from the other contractors who could make their privileged situation weigh heavily.

6) For what concerns the request which you expressed in point 9) of your letter, i.e. for my Government to take immediate action to organize its liaison offices and develop the necessary organization to carry out its new and indispensable requirements, I must tell you that I am doing everything to be ready as soon as possible to carry out these new tasks.

All the Administrations concerned are at present studying the question. The criterion which inspires them is to leave to private persons the task of managing, according to their own initiative, their relations with their foreign purveyors and clients, submitting nevertheless these relations to a strict control by the State. It will be necessary to draft a list which will include the greatest possible amount of exportable goods, and study at the same time a definite priority criterion for importable goods. All matters concerning foreign trade ought perhaps to be centralized in one State administration, the Industry and Commerce Department, which, with its Undersecretary for Foreign Trade, within the boundaries of the plan for imports and exports and according to the regulations fixed as exchange policy, will have a great possibility of action, and use as executive organ the 'Istituto Commercio Estero', which has already had close contacts with the Allied Commission.

before
long

before
long

b) the Italian Government also deems it its duty to point out to the Allied Commission that though it will probably be possible to resume foreign commercial correspondence, because the question of the black lists is shortly to be solved, the same thing cannot be said of foreign exchanges, which remains materially impossible till adequate means of transport, especially shipping, are available.

If freedom for international trade is to have a practical meaning, after being allowed to negotiate possible commercial agreements, Italy must have the material possibility of transporting wares with her own means, without depending for a hundred per cent from the other contractors who could make their privileged situation weigh heavily.

6) For what concerns the request which you expressed in point 9) of your letter, i.e. for my Government to take immediate action to organize its liaison offices and develop the necessary organization to carry out its new and indispensable requirements, I must tell you that I am doing everything to be ready as soon as possible to carry out these new tasks.

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I shall send you the final organization draft on this matter, as soon as the Administrations concerned will be through with it.

a. Vertuccio parvi
316

E.C. 3157-23 AUG 45

Action: E.C.M. Sec (2)

INFO: E.M.I.F. Corvelli

EX Corvelli

trans. e/o

HEADQUARTERS ALLIED COMMISSION

AFO 394

COMMERCE SUB-COMMISSION

Foreign Trade Division

EMG/rem

Tel. : 244
 Ref. : AC/5127/A/Commerce
 22 August 1945
 AUG 23 1945

SUBJECT: Termination of Export Activities of the Allied Commission

TO : The Ministry of Foreign Affairs -
 Italian Government

1. Reference is made to the letter addressed by the Chief Commissioner to the President of the Council of Ministers dated 31 July with regard to the above subject.

2. Particular reference is made to paragraph (1) in which it was stated that the activities of the Allied Commission with respect to Italy's exports would terminate as from 31 July 1945, both in territory which has already been returned to the jurisdiction of the Italian Government and in the territory which is at present under Allied Military Government.

3. In order that there may be no misunderstanding, we wish to point out that "disputed areas" such as Venezia-Giulia do not come within the terms of the above statement.

4. It is requested that the above clarification be communicated by you to the interested Ministries and Departments of the Italian Government.

Major
 Director
 Commerce Sub-Commission

Distribution

Office of the Chief Commissioner

Office of the Executive Commissioner

Economic Section

Supply Division

Regional Commissioners

Lombardy Region

Piedmont

Liguria

Venetia

2. Particular reference is made to paragraph (1) in which it was stated that the activities of the Allied Commission with respect to Italy's exports would terminate as from 31 July 1945, both in territory of the Italian Government and in the territory which is at present under Allied Military Government.

3. In order that there may be no misunderstanding, we wish to point out that "disputed areas" such as Venezia-Giulia do not come within the terms of the above statement.

4. It is requested that the above clarification be communicated by you to the interested Ministries and Departments of the Italian Government.

H. A. GENT
Major
Director
Commerce Sub-Commission

Distribution

Office of the Chief Commissioner
Office of the Executive Commissioner
Economic Section
Supply Division
Production Division
Requisition Branch
Price Control Branch
Agriculture S/C
Commerce S/C
Finance S/C (3)
Food S/C (3)
Industry S/C (3)
Labor S/C
Public Works & Utilities S/C
Transportation S/C (3)
Civil Affairs Section
Communications S/C
Legal S/C
Public Relations
Public Safety S/C

Regional Commissioners

Lombardia Region
Piemonte
Liguria
Venetia
Venezia Giulia
Emilia

3387
AMG Naples Commune

AC, Liaison Off. Palermo

AFLES (5)

UNERA HQ AFHQ (5)

AMI Livorno Zone

AME Ancona Commune

AC Liaison Officer Bari

AC Liaison Officer Catania

Political Adviser (A) AC

Political Adviser (B) AC

US POLAD, AFHQ

UK POLAD, AFHQ

AFHQ G-5 Section (3)

U. S. Embassy

U. K. Embassy

Soviet Rep. to AC

French Rep. to AC

Spares (25)

(Can follow)

785017

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

ER2/Tam

Tel. : 245

17 August 1945
AUG 21 1945

Ref. : AG/5127/A/Commerce

SUBJECT: Tam #640

TO : AFHQ G-5 Section

24

1. Reference is made to TAM #640 which was received by this Headquarters on 27 July. A letter to the Italian Prime Minister was prepared and signed by the Chief Commissioner on 31 July, copy of which has already been sent to you but a further ten copies are enclosed for your easy reference and for forwarding. Will you please inform CGS, therefore, that the directive contained in TAM #640 has been implemented as of 31 July 1945, and that no further messages on commercial export matters need be sent to us in the COM/MOC PAT/TAP cable series.

2. Our interpretation of Tam #640 will be understood from the attached letter but there still remain certain points on which we are not quite clear and on which we would like either direction from you or that clarification should be obtained by you from Washington.

(a) With regard to sub-paragraph (a) of paragraph 1 of the signal, we understand that all exportable surpluses, including those which the military may wish to export, must be screened by us in relation only to the Allied Military and Civilian Supply Program.

(b) In connection with the responsibility retained by ALCON for seeing that allocated goods are subsequently exported to the country which the Allied Authorities have recommended, it is understood that ALCON will retain the right to go direct to exporters of Category "A" materials if procurement cannot be obtained satisfactorily through the Italian Government and that, in such cases, AFA could be called upon to make payment according to FAN 583, paragraph 11 A.

3186

(Capt. Anthony)

See M 6 1/2
PA 2016

(c) With reference to paragraph 3 of the signal, it is made clear that AC will not be responsible or accountable for exports after 31 July 1945 even on contracts signed prior to that date. We are taking this literally, although it will perhaps cause hardship. For example, where payment on shipments made prior to 31 July would have been made by AFA, we are passing such requests to the Italian Government and considerable delay will naturally occur in settlement.

(d) With regard to paragraph 4 of the signal, we are taking literally the sentence which reads "all countries are free to deal directly with". By this we understand that every country which has an established government can deal direct with Italy. We, do, however, request clarification as to the correct channel for dealings with 1) Mediterranean Areas under British Administration, 2) countries under Allied Military Government or Allied Control Commissions (e.g., Austria). In such cases, is it intended that the Italian Government should deal direct with the Administration of the country concerned or is the channel to be through Allied Commission in Italy or through the Embassies in Rome?

(e) With reference to trade with the U. K. it is to be noted that we have interpreted TAM #640 as authorizing the immediate introduction as of 31 July of the procedure outlined in TAP #111 notwithstanding our paragraph 2 of Tap #111. It is to be noted also that paragraph 8 of the last sentence of the attached letter to the Italian Prime Minister excludes from the procedure paragraph (e) of our letter AC/5127/UK/Commerce 6 July. This paragraph stated that AC would act as a channel of communication if required.

(f) With regard to the limitation of scope of cable series COM-MOC and PAT-TAP, it is assumed that allocations of Category "A" commodities will be asked for and made in COM-MOC series seeing that we have already received an allocation from Washington dated 3 August in a COM signal.

(g) With reference to paragraph 5 of the signal, the wording is not quite clear as it reads 'Italian Government should agree to recognize Proclaimed and Statutory Lists in its export dealings'. The use of the word 'should' does not imply that recognition of these lists is a prerequisite of the implementation of the terms of the directive and no such requirement has, therefore, been asked of the Italian Government. Nevertheless, we do interpret this paragraph as implying that recognition of these lists is a necessary condition to be observed in setting up the trade controls required under TAM #640 and FAM #583.

3. With regard to imports, we would request that answers should be obtained, as soon as possible, to the following two questions:

(31)

- (a) Is Italy to be allowed, in the near future, to import from the U. K. and U. S. on a private or semi-private basis?
- (b) Similarly, is private or semi-private trading between Italy and neutral or additional countries seen to be authorized?

4. It will be clear to you that authorization for the above procedures would greatly facilitate the rehabilitation of Italy's foreign trade, and remove obstacles which hamper negotiations with other countries where foreign trade is not centralized in the government, and are also a stumbling block to private enterprise, which is ready to utilize any opportunities offered by "temporary importation" of raw materials, or assistance from associated or parent companies abroad, to quote only two examples.

For the Chief Commissioner:

L. D. DENDORE
Colonel, P.A.

S. B. MCKINLEY
Brigadier General, U.S.A.
Acting Vice-President
Economic Section

Enclosures

CC: Chief Commissioner's Office
Executive Commissioner's Office —
Economic Section
Finance S/C
U. S. Embassy
U. K. Embassy
Production Division - Economic Section
Supply Division - Economic Section

HEADQUARTERS ALLIED COMMISSION
APO 394

COMMERCE SUB-COMMISSION
Foreign Trade Division

AHB/mdv

Tel: 478900 - 478487

6 July 1945

Ref. : AG/5127/UK/Commerce

SUBJECT: Trade with the U. K.

TO : The Ministry of Industry, Commerce & Labor - Rome

1. We refer to your letter No. 20057 of 20 June 1945.
2. Regarding your para. 3, delivery FOB was considered as being preferable to delivery ex factory or to warehouse at port, etc. It is intended that the present system of selling FOB should be continued.
3. Regarding your para. 4, it will be necessary for shipping to continue for the time being to be allocated by Allied Authorities, and bids for shipping space will therefore have to be placed with the Ministry of War Transport Mediterranean Representative through the medium of AC, Transportation S/C (Movements Division). It will therefore be necessary for ICE to keep AC informed of the position of orders in order that steamers may be placed in due time at ICE's disposal for loading.
4. We have accordingly despatched the following cable to the UK.
 - (i) AC and the Italian Govt. are now in agreement to application of the general procedure outlined in "PAT 46" at such a date as will be agreed between London and Washington, and communicated to AC in the COM-MOC series.
 - (ii) The procedure will be adopted as an interim measure pending the reopening of direct transaction between private importers and exporters under license, and is outlined as follows:
 - (a) ICE are prepared to receive direct orders of specific category B commodities from UK importers. An initial list of such commodities should be communicated for agreement as soon as possible and additions proposed as the occasion arises.
 - (b) ICE would sell FOB Italian port to UK importers who would assume all risks beyond that point.

3185

34

(c) Contracts made between ICE and UK importers should provide adequate guarantees for payment of sterling to British Banks to the credit of the Bank of Italy for account of the Italian Treasury.

(d) Prices agreed between ICE and British importers are to be understood as firm selling prices, and the Italian Government is to be credited in sterling with the exact countervalue of the FOB prices so agreed.

(e) For the time being, and if you so desire, AC is prepared to act as a Post Office for the transmission of UK orders as long as AC maintains its present export trade functions. In such case, we recommend the use of a standard order form similar to the method now used by the USCC.

H. A. SENT
Major, I. C.
Director
Commerce Sub-Commission

COPY TO ICE

3184

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref. ES/1.06

20 August 1945

SUBJECT: Travel of Major H. A. GENT to London

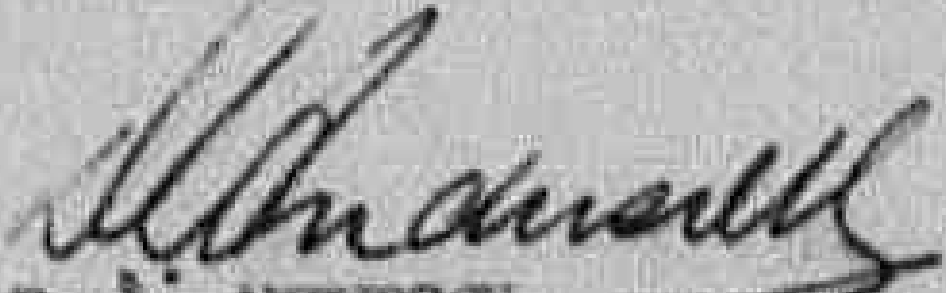
TO : Chief Commissioner, HQ AC

1. Reference is to signals 3436 and 3682 to AFHQ, and F34430 and F35855 from AFHQ.

2. The directive "Termination of Export Activities of Allied Commission" communicated from CCB in TAM 640 and forwarded to this HQ by AFHQ under reference E-6 of 24 July has been implemented by your letter of the 31 July to Prime Minister Parri. Nevertheless, there are certain questions of interpretation of this directive which remain to be clarified, and a letter on the subject has been sent from Economic Section to AFHQ.

3. It was considered most opportune that Major Gent, Director of Commerce Subcommittee, whose department has been responsible for all foreign trade activities of AC, should make a visit to London at this moment. The consent of AFHQ to this visit was therefore sought and has now been obtained.

4. Major Gent's visit will allow consultation to be held with the War Office and British Ministries on the matters in TAM 640, on which AC requires clarification, and will permit such questions to be referred rapidly from London to Washington in the normal channels, where this is necessary. The visit will also serve to elucidate the future operation of British purchasing in Italy, which has hitherto been done through Allied Commission, and which is particularly important in view of the U.K.'s interest in Italy's principal Category A commodities, such as citrus fruits and hemp.


D. L. ANDERSON

Brigadier

Deputy Vice President

Copy to Commerce S/C

3183

(CAP. ANNELEY)

RESTRICTED

P 35855
AUG 152100B

F/4009
AUG 160930B
ROUTINE

AFHQ SIGNED SACRED CITE PHASE
ALCOM

AUG 22 1945

RESTRICTED.

Reurad 3436 and urad 3682.

Travel of Major H. A. GENT TO UNITED KINGDOM and return authorized.
Charge cost British Government.

DIST

ACTION Exec Sec
Cl B 3
INFO Chief Counsel
Commerce
Est Sec
File 2
Fleet

RESTRICTED

3132 *de m*

785017

COPY

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FOR ACTION AFHQ

3682

14 AUGUST 1945

ROUTINE

26b AUG 29 1945

RESTRICTED PD

PARA ONE PD REFERENCE YOUR FOX THREE FOUR FOUR THREE ZERO CITE FOX
HOW GEORGE EASY GEORGE OF ONE ONE AUGUST PD

PAREN TO FOR ACTION AFHQ FROM ALCOM CITE ACBIB PAREN

PARA TWO PD IT IS REQUESTED THAT MAJOR HOW ABLE GENT PAREN ONE FIVE
TWO SIX SEVEN FIVE PAREN INTELLIGENCE CORPS CMA DIRECTOR COMMERCE SUB
COMMISSION CMA THIS HEADQUARTERS PROCEEDED IMMEDIATELY TO UNITED KINGDOM
FOR A PERIOD OF APPROXIMATELY TEN DAYS FOR THE REASONS STATED IN OUR THREE FOUR
THREE SIX CMA AND PARTICULARLY FOR CONSULTATION OF MATTERS ARISING OUT
OF THE DIRECTIVE COMMUNICATED UNDER COVER OF YOUR EASY SIX OF TWO FOUR
JULY PD

PARA THREE PD SUGGESTED MAJOR GENT TRAVELS VIA ABLE FOX HOW QUEEN FOR
CONSULTATION WITH YOU

INTERNAL DISTRIBUTION: Commerce Sub-Com.

G-1 (2)

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426e
P. 8
in 26

RESTRICTED

F 34430
AUG 111604B

F/3564
AUG 112030B
ROUTINE

AFTR SIGNED SACRED CITE PHGRG
ALCOM HOME FOR LT COL HODGSON

AUG 27 1945

RESTRICTED.

Reasons given too vague to justify air travel and no personal particulars. Ref ALCOM signal 3436 dated 10 August cite ADECO. Request you inquire and advise this Section. No action pending your reply.

Dist

Action - Econ Sec 2
Info - Chief Commissioner
File 2
Fleat

RESTRICTED

26A

G-5, AFHQ

3436

9 August 1945

AUG 22 1945

ROUTINE

RESTRICTED PD

REQUEST AUTHORITY FOR MAJOR HOW ABLE GENT TO PROCEED TO UK AT ONCE
FOR A PERIOD OF APPROXIMATELY TEN DAYS FOR CONSULTATION WITH BRITISH
WAR OFFICE AND MINISTRIES ON FOREIGN TRADE MATTERS AND PARTICULARLY
WITH REGARD TO THE CHANGED FUNCTIONS OF ALLIED COMMISSION PD
PAREN TO G-5, AFHQ FROM HQ ALOOM CITE ACECO PAREN

TRAVEL BY AIR REQUESTED PD ORDERS TO COVER RETURN TRIP

Economic Section

536

226

31 Jul 46

HEADQUARTERS ALLIED COMMISSION
APO 394
COMMERCE SUB-COMMISSION
Foreign Trade Division

ERG/ram

Tel. : 245

31 July 1945

Ref. : AC/5127/A/Commerce

AUG 2

SUBJECT: Termination of Export Activities of the
Allied Commission - Tam 640

TO : See Distribution List Attached

1. Attached is copy of a letter sent by the
Chief Commissioner to the President of the Council
of Ministers on 31 July 1945, for your guidance and
whatever action may be necessary.

H. A. GENT
H. A. GENT
Major
Director
Commerce Sub-Commission

Attachment

(Copy Attached) [Signature]

[Signature]
31 JUL 1945

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

31 July 1945

My dear Mr. Prime Minister:

1. I wish to inform you that after 31 July 1945, the activities of the Allied Commission with respect to Italy's exports, will terminate. This decision refers equally to the territory which has already been returned to the jurisdiction of the Italian Government and to the territory which is at present under Allied Military Government. This means that the Allied Commission will no longer act as a channel of communication for export orders or for matters referring to the procurement or implementation of such orders.

2. Insofar as concerns the application of the decision which I now communicate to you in respect to territory under the Allied Military Government the appropriate Italian authority (which I presume will be the Istituto Commercio Estero) will carry on all export activities as a unit but, though acting as principal, will be subject to Allied Military Government control. Details of procedure will be worked out with your appropriate Ministry.

3. There are certain controls which it will be necessary for the Allied Commission to continue to retain, over Italy's export activities:

(a) In order that the Allied military and civilian supply program may not be impaired by conflicting export activities, the Allied Commission will continue to screen all declarations of exportable surpluses, will require monthly statistics of exports effected after 31 July 1945, and will have access to all other relevant data.

(b) The Allied Commission will continue to be responsible for insuring that those commodities which have been declared exportable by your Government and which fall under Category "A" (as defined in a letter written under reference AC/5127/A/Commerce dated 18 April 1945 and addressed to your Minister of Industry & Commerce) are reported to the appropriate Allied authorities and are subsequently exported to the country which such authorities shall specify.

the Istituto Commercio Estero) will carry on all export activities as a unit but, though acting as principal, will be subject to Allied Military Government control. Details of procedure will be worked out with your appropriate Ministry.

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(a) In order that the Allied military and civilian supply program may not be impaired by conflicting export activities, the Allied Commission will continue to screen all declarations of exportable surpluses, will require monthly statistics of exports effected after 31 July 1945, and will have access to all other relevant data.

(b) The Allied Commission will continue to be responsible for insuring that those commodities which have been declared exportable by your Government and which fall under Category "A" (as defined in a letter written under reference AC/5127/A/Commerce dated 18 April 1945 and addressed to your Minister of Industry & Commerce) are reported to the appropriate Allied authorities and are subsequently exported to the country which such authorities shall specify.

Details of procedure to insure the implementation of sub-paragraphs (a) and (b) above will be worked out with your appropriate Ministry by Foreign Trade Division, Commerce Sub-Commission.

4. Export Operations

I refer to my letter to you No. 13432/F of 18 July, and particularly to paragraph 6 thereof. It is expected that your Government will institute an effective foreign exchange control and will adopt such trade controls as are necessary to support the economic warfare objectives of the Allied Governments. The details of such objectives are to be communicated to you in the near future by the British and American Embassies in Rome. I would mention here specifically the importance of the adoption by your Government of the U. S. Proclaimed and British Statutory Lists and the prohibition of trade communications or financial relations with persons named in either of these two lists. Action on this matter has been repeatedly requested by Finance Sub-Commission in correspondence with the Ministry of Treasury.

22

5. How Mr. [redacted], within the framework of the essential controls and regulations which your Government is expected to create and operate (controls which, I may remark in passing, are general controls imposed by all liberated countries) all countries are now free to deal directly with the appropriate Italian export authority, or with Italian private traders on a Government basis, or on a private basis, as you consider best, and through whatever channels your Government may decide.

6. Contracts and Proceeds

As from 31 July 1945, your Government will be responsible for all export contracts and further, will assume responsibility for and carry out any uncompleted contracts concluded prior to that date. This Commission will not be responsible or accountable for exports even relating to uncompleted contracts signed prior to 31 July 1945. Your Government will be responsible for making arrangements for payment of Italian exports and also for the collection of the proceeds of such exports.

7. Information regarding the accounting for export operations concluded prior to 31 July 1945, is being obtained from the recipient countries and agencies, by the Finance Sub-Commission of this Headquarters.

8. Communications and Negotiations

The U. S. Commercial Corporation, in accordance with the offer previously made to and accepted by your Government, is expected to act as your agent in the United States as from 1 August 1945, as an interim measure, pending full restoration of private trade and, for this purpose, it is expected that the U. S. Commercial Corporation will open a liaison office in Rome. From 1 August 1945, the United Kingdom Government will conduct its government buying through the British Embassy who will deal direct with the appropriate Italian authority. Other purchases will be made by private United Kingdom traders who will deal direct with that authority and contract as principals in accordance with the procedure outlined in paragraph 4, (ii) a), b), c), d) of letter AC/5127/A/Commerce dated 6 July 1945 to your Ministry of Industry & Commerce.

9. Copies of this memorandum are being issued to all Departments of the Allied Commission and to all outside interested Agencies, for compliance. You will, therefore, appreciate that immediate action by your Government is required to set up your own channels of communication and to develop the organization necessary to carry out its new and heavy responsibilities.

7. Information regarding the accounting for export operations concluded prior to 31 July 1945, is being obtained from the recipient countries and agencies, by the Finance Sub-Commission of this Headquarters.

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9. Copies of this memorandum are being issued to all Departments of the Allied Commission and to all outside interested Agencies, for compliance. You will, therefore, appreciate that immediate action by your Government is required to set up your own channels of communication and to develop the organization necessary to carry out its new and heavy responsibilities.

10. I shall appreciate, therefore, if you will inform me, as quickly as possible, of the action your Government has taken.

Sincerely,

31

(Signed) ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner
Professor Ferruccio Parri
President of the Council of Ministers
Italian Government
Rome

See Distribution attached

Office of the Chief Commissioner
Office of the Executive Commissioner

Economic Section

Supply Division
Production Division
Requisition Branch
Price Control Branch

Agriculture S/C

Commerce S/C

Finance S/C (3)

Food S/C (3)

Industry S/C (3)

Labor S/C

Public Works & Utilities S/C

Transportation S/C (3)

Civil Affairs Section

Communications S/C

Legal S/C

Public Relations

Public Safety S/C

Regional Commissioner

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Lombardia Region

Piemonte Region

Liguria Region

Venezia Region

Venezia Giulia Region

Emilia Region

AMG Naples Commune

Allied Commission, Liaison Officer, Palermo

Allied Forces Local Resources Section (5)

UNFRA HQ AFHQ (5)

AMG Livorno Zone

AMG Ancona Commune

AC Liaison Officer Bari

AC Liaison Officer Catania

Political Adviser (A) AC

Political Adviser (B) AC

US POLAD, AFHQ

UK POLAD, AFHQ

AFHQ G-5 Section (3)

U. S. Embassy

U. K. Embassy

Soviet Representative to AC

French Representative to AC

Spares (25)

Public Relations	
Public Safety S/C	
Regional Commissioner	Lombardia Region
"	Piemonte Region
"	Liguria Region
"	Venezia Region
"	Venezia Giulia Region
"	Emilia Region
AME Naples Commune	
Allied Commission, Liaison Officer, Palermo	
Allied Forces Local Resources Section (5)	
UNRRA HQ AFHQ (5)	
AMG Livorno Zone	
AMG Ancona Commune	
AC Liaison Officer Bari	
AC Liaison Officer Catania	
Political Adviser (A) AC	
Political Adviser (B) AC	
US POLAD, AFHQ	
UK POLAD, AFHQ	
AFHQ G-5 Section (3)	
U. S. Embassy	
U. K. Embassy	
Soviet Representative to AC	
French Representative to AC	
Spares (25)	

3173

4025
CSO
21.06
(18)
INTER OFFICE MEMO

Tel: 478487

AHB/mdv

Ref. AC/5127/23/Commerce

10 July 1945

JUL 14 1945

SUBJECT : Ministry of Food Italian Buying Office.

TO : ☒ Economic Section (Attn. Capt. Highland).

FROM : Commerce S/C, Foreign Trade Division

ECON SEC

1. We refer to your memo dated 6 July 1945.
2. The Ministry of Food Buying Office submits to Allied Commission all enquiries for foodstuffs received from the U.K.
3. These enquiries are submitted, by Foreign Trade Division of Commerce S/C, to Food S/C and AFLRS for clearance.
4. Orders are placed only after obtaining such clearance, and, in the case of Category A commodities, *only after* allocation of the agreed exportable surplus, by CC/S Washington.

H. A. GENT
H. A. GENT
Major, I.C.
Director
Commerce Sub-Commission

12/18
1945
3174

HEADQUARTERS ALLIED COMMISSION
APC 334
ECONOMIC SECTION

21.06

23 June 1945

JUN 24 1945

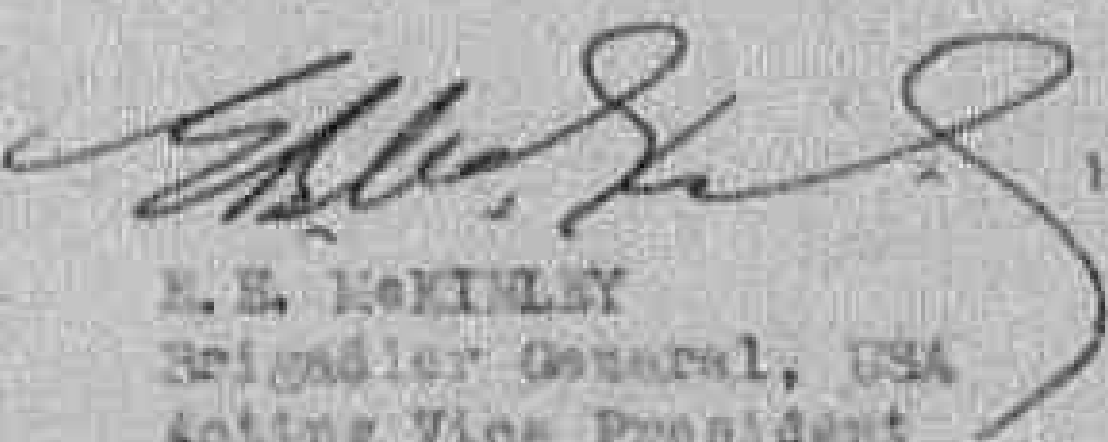
SUBJECT: Instructions to Temporary Head of the
Ministry of Food Italian Buying Office

TO : Chief Commissioner

(11 432)

1. Attached hereto are terms of reference of Mr.
C.J.B. Balder, temporary head of the Ministry of Food Italian
Buying Office.

2. I think you will be interested in the contents.


E.E. MCKINLEY
Brigadier General, USA
Acting Vice President
Economic Section

Enc. 1 Enc. - Ministry of Food

See MG 14-17
718
Bo after
Conference

Tel.
Colwyn Bay 3391
London.: Welbeck 5500

MINISTRY OF FOOD

at COLWYN AY HOTEL
COLWYN BAY DENBIGHSHIREat PORTMAN COURT
43 PORTMAN SQUARE
LONDON W.1.

Instructions to Mr. C.J.B. Walder on his duties as temporary head of
the Ministry of Food Italian Buying Office

The purposes for which Mr. Walder has been appointed as temporary head of the Ministry of Food Italian Buying Office are:-

1. To advise the Allied Commission, the Instituto Comercio per Export and other official organisations on the kinds, qualities, prices and quantities of the various foods and food products which the Ministry of Food wishes to buy for export from Italy and Sicily.
2. To place or confirm orders on behalf of the Ministry of Food in accordance with instructions given to him from time to time by the Ministry.
3. To ensure that the quality of each commodity exported to the U.K. conforms to Ministry of Food requirements and that the commodities are shipped in proper condition having regard to the nature of the shipping space available and the expected length of voyage time.
(N.B. I.C.E. standards of packing have already been agreed to by the Ministry of Food.)
4. To co-operate with technical experts who will be sent out by the Ministry from time to time as the need arises.
5. In general, to supervise on behalf of the Ministry of Food the flow of food and food products from Italy and Sicily to the U.K. and to other destinations as may be decided, to keep all necessary records and to report to the Ministry of Food all these matters.
6. To obtain, with the co-operation of the Agricultural Sub-Commission of the Allied Commission, information about plans for the collection and control of the Italian grain harvest in 1945 and the prospects of increasing production in 1945/46.

(signed) A.W. Harrison

19 June, 1945

Lee
317

MINISTRY OF FOOD

at Portman Court
43, Portman Square
London, W.1.

12th June, 1945

Dear Sir,

I am enclosing your instructions as temporary head of the Ministry of Food Italian Buying Office.

You are to proceed with the least possible delay to Rome where you will be attached to the British Embassy. You will report upon arrival to the Commercial Counsellor at the British Embassy and to the Allied Commission. You will open the Ministry of Food Buying Office in Rome and will advise the Italian Government, the Allied Commission and other official organizations that this has been done.

In the discharge of your duties you will work under the authority of His Majesty's Ambassador in Rome and in close consultation with the Allied Commission, so long as the Commission is in being. All your communications whether by telegram or by letter will be addressed direct to the Ministry of Food; but you should send copies to A.F.B.O. and to the Allied Commission while it is in being.

If the Allied Commission were to propose, in pursuance of the duties assigned to you under paragraph 6 of your instructions, that you should visit the grain growing areas in Northern Italy, you are hereby empowered to do so.

It is understood that your absence from this country will not be of longer duration than three months from the date of your departure and that arrangements are to be made for the appointment of your successor as soon as possible.

Yours sincerely,

A.R.W. HARRISON (sigd)
A.R.W. Harrison

C. J. S. Nalder, Esq.

See 12
3.71

AC25

B Ex Com.

(10)

AC/5127/2/Commarco

23 June 1945.

My dear Mr. Taylor:

I have read with interest the letter from M.E. Perlasco which you attached to yours of 29 May 1945.

The situation of the Island of Lipari has been thoroughly investigated and since June 1944 detailed reports were prepared by A.C. on the condition of the pumice quarries, their potential production, prices and export possibilities.

Negotiations have taken place with American pumice importers through CCAC since the beginning of 1944 with a view to restarting the export of this commodity. Rather than a question of shipping, as seems to be implied by Perlasco's letter, the first problem is to bring the local prices in line with the world market values. The enormous increase in the price of this commodity is said to be due to the high cost of labor and also the scarcity and high price of materials such as metal screens, belting, coal and timber.

A further difficulty lies in the fact that this commodity does not warrant higher freight rates than \$10.00 a metric ton, whereas War Shipping Administration quotes rates between \$15.00 and \$40.00 a metric ton.

A definite enquiry from U.E. was also submitted to the Istituto Nazionale Commercio Estero on 12 May 1945 and importers offered to supply the bags necessary for packing. However, up to date, no reply has been received from the exporters.

It can be said that in present circumstances the chances of reopening the pumice trade appear rather poor because of the disparity of prices and high cost of transportation. However, the situation is closely watched and every effort is made to bring

(Capt. Advisory)

PA 476
301

prices in line, so that this important industry may once again resume its exports to the benefit of the Island of Lipari.

Yours very truly,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USN
Chief Commissioner

The Hon. Byron C. Taylor,
Personal Representative of the President of the
United States of America to His Holiness the Pope,
2 Via Condottieri, Rome.

ALLIED [REDACTED] COMMISSION

INTER-OFFICE MEMORANDUM

Office of the Executive Commissioner

ABM/asm

SUBJECT: Shipping of Fusioe from the Island of
Guseto Lipari

FILE No. 3405/52/52

TO : Economic Section

5 June

194 5

1. Enclosed is a copy of a letter from A. E. Perlasco addressed to the Honorable Myron G. Taylor who in turn sent it to the Chief Commissioner with his letter of 29 May, a copy of which is also enclosed.

2. Paragraph 3 of Perlasco's letter deals with the possibility of shipping Fusioe from the Island of Guseto Lipari. The problem being, of course, lack of shipping.

3. The Chief Commissioner has informed Mr. Taylor that this matter is being investigated and it would be appreciated if your Section would take under consideration the questions brought up by Perlasco and prepare an appropriate reply to Mr. Taylor, containing your suggestions, for the Chief Commissioner's signature.

2 Encls. As per memo 1 above.

Chief Staff Officer
To Executive Commissioner

3405
10
1 June 1945

15 JUN 1945

Dear Mr. Taylor:

Thank you for your letter of 29 May enclosing a letter from A. E. Ferlazzo of Canneto which tells of the distressful condition of the population of the Island of Lipari. I am having this matter investigated at once and will write you further as soon as I have any information.

Sincerely,

Ellery W. Stone
ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Honorable Myron C. Taylor
Personal Representative of the
President of the United States
To His Holiness the Pope
2 Boncompagni
Rome

cc: Ex. C.

see 8710

JUN 1 RECD
CC 14266

THE PERSONAL REPRESENTATIVE OF THE
PRESIDENT OF THE UNITED STATES OF AMERICA
TO HIS HOLINESS THE POPE
2 Via Bencompagni

Rome, Italy, May 29, 1945.

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

Dear Admiral Stone:

I am sending you herewith a letter dated May 1,
1945, which I have received from A. E. Perlazzo of
Canneto, Island of Lipari, relative to the distress-
ful condition of the population of that island. since
their chief concern seems to be the inability to ship
their produce from the island, I am sending it to you
in the hope that you may find a solution.

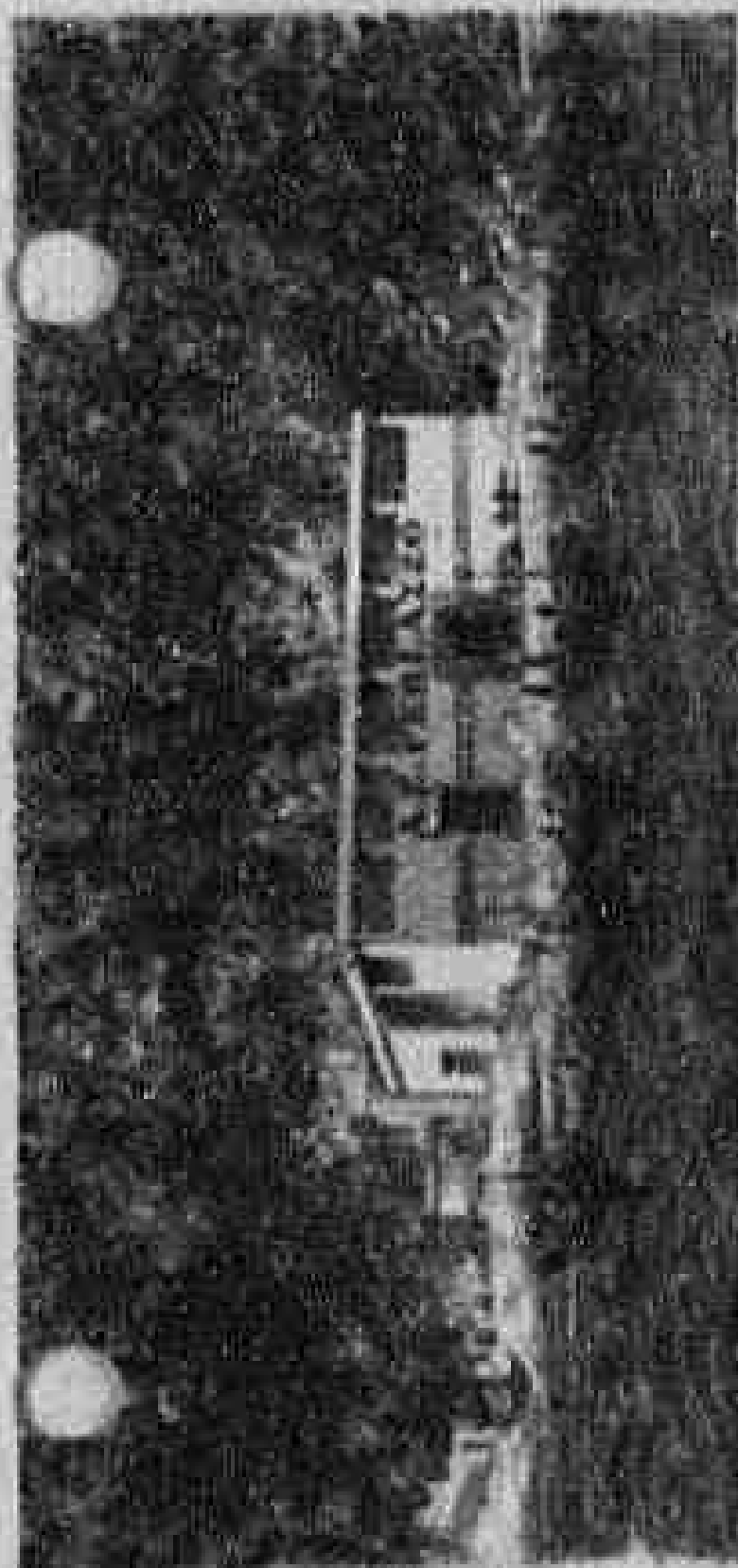
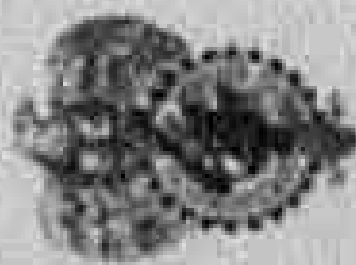
Sincerely yours,

Myron C. Taylor
Myron C. Taylor

Enclosure.

7-8
3166

C.P.E.C. MESSINA N° 785
CABLES & TELEGRAMS
FERLAZZO
CODE USED A.B.C. 5TH EDITION



MANUFACTURER AND EXPORTER OF
PUMICE STONE GROUND & LUMP
FOR INDUSTRIAL
AND CHEMICAL PURPOSES

A. E. FERLAZZO

CANNEIO-LIPARI

(ITALY)

MAY 1, 1945.

Hon. Mr. Myron C. Taylor,
President, American Relief for Italy,
Rome.

Dear Sir,

Private.

I wish to bring to your attention the miserable conditions in which most of the workers of this Island have been thrown into, as a consequence of the war.

The total lack of any kind of clothing, together with the very scant food rations that can be obtained daily, for themselves and their families, have made of the majority of our workers, an appalling sight, for those who knew them, as happy and contented, when our pumice industry flourished, before the war.

We cannot do a single thing here, to ease this situation, for obvious reasons, but you could Sir, immediately, if you could see your way to giving a little of your kind attention, to this Island. More than anything else, these people wish and want to work. We cannot give them work unless our goods are shipped. To do so we need bottoms which are unobtainable at present, and orders for pumice, mainly from the U.S.A. and the U.K., both countries having been, at all times, our main consumers of pumice. There is a number of firms in the U.S.A., which I could signal to you, who would be only too glad to send their orders to us, if we could ship our goods.

If at all possible, please see that some provisions be allotted to the poorer of this island. I have the pleasure to be in contact with Mr. Richard V. Bonomo, of Jersey City, who is the

May 1, 1945.

Hon. Mr. Myron C. Taylor,
President, American Relief for Italy,
Rome.

Private.

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The total lack of any kind of clothing, together with the very scant food rations that can be obtained daily, for themselves and their families, have made of the majority of our workers, an appalling sight, for those who knew them, as happy and contented, when our Rumice Industry flourished, before the war.

We cannot do a single thing here, to ease this situation, for obvious reasons, but you could Sir, immediately, if you could see your way to giving a little of your kind attention, to this island. More than anything else, these people wish and want to work. We cannot give them work unless our goods are shipped. To do so we need bottoms which are unobtainable at present, and orders for rumice mainly from the U.S.A. and the U.K., both countries having been at all times, our main consumers of rumice. There is a number of firms in the U.S.A., which I could signal to you, who would be only too glad to pass their orders to us, if we could ship our goods.

If at all possible, please see that some provisions be allotted to the poorer of this island. I have the pleasure to be in contact with Mr. Richard V. Bonomo, of Jersey City, who is the Vice President of the Aid to Italy Committee of the Columbian Union, and I owe to him the initiative I am taking herewith, on behalf of the many destitutes here.

I thank you in anticipation, for anything you may be able to do, and please accept the gratitude of the many despondents of the island.

Sincerely yours,
A. C. Taylor

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CONFIDENTIAL

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KWB/afe

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23 November 1944

30 NOV Recd

Subject: Italian Export Arrangements

To: Brigadier General Charles H. Spofford, U.S.A.
Assistant Chief of Staff, G-5, Allied Force Headquarters
APO 512

The attached communication has been received from Ambassador
Kirk and is forwarded herewith for your confidential information.

15/Elmer W. Stone

ELMER W. STONE
Commodore, USNR
Chief Commissioner

1 Incl.

cc: Mr. Antolini
Chief of Staff, AC

P/A

over 30/11

see Minute 4

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CONFIDENTIAL

UNITED STATES REPRESENTATIVE
ADVISORY COUNCIL FOR ITALY

Rome, November 26, 1944

PERSONAL AND
STRICTLY CONFIDENTIAL

Dear Commodore Stone,

There is enclosed for your information a paraphrase of a telegram received from the Department of State at Washington, dated November 23, 1944, transmitting the substance of a paper on the subject of Italian export arrangements, which is to be considered during the coming week by CLAC as a recommendation to CCAC. In connection with that document, the Department, as you will note, instructs me that as the matter is not yet settled officially it should be brought to the attention of only a few Allied officials here for their confidential information.

Sincerely yours,

/s/ A. Kirk

Enclosure.

Commodore Hilary W. Stone,
Chief Commissioner,
Allied Commission,
Rome.

PARAPHRASE OF TELEGRAM RECEIVEDFROM THE DEPARTMENT OF STATE, WASHINGTON,DATED NOVEMBER 23, 1944.*Combined Liberator
Areas Committee*

The substance of a paper which CLAC next week will consider, as a recommendation to CCAC in the matter of Italian export arrangements, is given below. On the American side this has been informally agreed upon and tentative acceptance has been given by the British representatives in Washington. However, it is subject to London's concurrence. Knowledge of it should be limited, in view of the fact that it has not been adopted officially, to Culbertson and the Mission headed by him and officials of the Allies who you consider would be most directly concerned.

The classification of Italian exports will be as follows: (a) Goods exported on the grounds of supply. (b) Goods exported on commercial grounds. Included in category (a) will be products on the reserve commodity list necessitating allocation on the part of combined boards, plus other products which U.K., U.S. and Canada agree upon in advance to be essential to the war effort of the country making the purchases and which, for reasons of shipping should be procured from Italy. All other products are included in category (b).

Merchandise comprised in category (a) will be sold in such markets and in such quantities as the appropriate combined Allied Agency may determine. The fixing of prices will be effected by negotiations between the purchaser and the Italians. Should the Allies fail to agree the merchandise will be exported and there will be paid to the Italians as a minimum the ceiling price in the country making the purchases, minus expenses. If such price should not be satisfactory, and if it is less than production cost, a request may be made by the Italians for a combined determination of the price by A.C., or, through appeal, by CCAC or CLAC.

The Italians may offer for sale products in category (b) in whatever market they may choose and prices will be determined by their negotiations with the prospective purchasers. A.C. would recommend to the Italian Government, however, that a policy be adopted by the latter whereby such products would not be offered for sale at a price less than the purchase price in Italy in Lire plus cost of transportation and other costs except as special circumstances derived from the conditions of war may justify.

There should be turned over as rapidly as possible to the Italians the responsibility for obtaining products for export or making such other arrangements as are required for the stimulation of export trade. Also there should be turned over to the Italians as rapidly as possible the responsibility for fixing prices of export goods. The activities of A.C. would be confined to the exercise of such supervision with regard to exports as is essential to

directly concerned.

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The Government of Italy would be informed that prompt restoration of private trade is the objective of our policy and that the problems involved should be examined by A.C. with the Italian Government and that A.C. should make such recommendations then for modifications in procedures now existing as will be most conducive to the accomplishment of this end. In the absence of other arrangements and pending the reestablishment of trade on a private basis UNCC and USCC would offer to the Italian Government their services in conducting on an agency basis the sale abroad of Italian goods. They would operate, in case the offer should be accepted, under the limitations above referred to and in harmony with arrangements worked out between the corporations and the Italian Government.

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