

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

ACC

10000/109/845

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

10000/109/845

OVERSEAS TRADE WITH ITALY
AUG. 1944 - JUNE 1945

Col.

9.

The original was signed by 3. for reprint 55 at 6 and has been used no more, but the letter did not call for an answer. I do not see how any further action is called for.

¹⁰ What has happened to Crisford? ^{17/10.} re/col.

11.

C.O.S.

Mr. Crisford is now living c/o Signora OLIVER,
Corso Trieste 140, Rome.
(Tel: 851972)

He can be contacted there any time of the day.

H. Mason 5/cor. ^{17/10.}

Chief of Staff Office
Tel: Ext. 451
17.10.44

19.

C.S.O.: To note meeting date, Feb 5, (folio 17) for information ^{3/2} SH.

1692

(20)

Ref: 4405/SC.

5 June 1946.

SUBJECT: Investigation of Documents in Rome Area.

TO : C-5 Section,
A.P.H.Q.

1. I enclose an application from Headquarters Detachment, 2677th Regiment, OSS (Prov).

2. This matter was first brought to my attention by the Italian Government, who asked that Lt. Bonavito should carry a written authority for his work. I shall be grateful if you will inform me whether such authority shall be given.

For the Chief Commissioner:

E. Talbot

Brigadier,
Executive Commissioner.

Copy to: 2/Lt. J. H. Bonavito,
HQ Detachment, 2677th Regt. OSS(Prov)
APO 512, U.S. Army.

BU
15
Noted
1691
15
1

4405

Ref: 267

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

COS
18 HC/bih

Ref: ES/13.03

1 February 1945

FEB 2 1945

SUBJECT: Trade between Italy and Neutral Countries.

TO : Joint Vice-Presidents, Political Section
Economic Counselor, American Embassy
Commercial Counselor, British Embassy
Joint Directors, Finance Sub-Commission
Director, Commerce Sub-Commission
Supply & Resources Division, Economic Section

1. At a meeting between representatives of the Allied Commission and members of the Italian Government's Interministerial Committee for Reconstruction, held on 25 January 1945, the reopening of trade between Italy and neutral countries (primarily Sweden, Switzerland, Spain, Portugal, Turkey and Argentina), was informally discussed, and some general lines of procedure were developed.

2. The attached draft paper, "Trade Between Italy and Neutral Countries", is proposed to be used as the basis for informing the Italian Government of the views of the Allied Commission, as informally expressed at the meeting referred to above.

3. A meeting will be held, with this memorandum as agenda, at 1500 hours on Monday, 5 February 1945, in Room 48, 8th Floor, Ministry of Corporations building. It is hoped that you can arrange to attend this meeting, and that general agreement can be reached on the points dealt with in the memorandum.

For the Chief Commissioner:

Harlan Cleveland
HARLAN CLEVELAND,
Executive Director,
Economic Section

cc: Chief of Staff

P 1620
M19
5/2

17
B. DEPARTMENTS ALLIED COMMISSION
APC 394
ECONOMIC SECTION

REPORT

TRADE BETWEEN ITALY AND NEUTRAL COUNTRIES

1. This memorandum summarizes the procedure through which trade will be reopened between Italy and neutral countries. It results from a meeting held 25 January 1945 between representatives of the AC, and the Italian Government's Inter-Ministerial Committee for Reconstruction.

2. It is considered that as long as the present emergency conditions prevail, trade between Italy and neutral countries can best be arranged by a series of special bi-lateral agreements on trade and finance, of limited duration -- six months to a year at the most. This is not to be construed as an acceptance of the principle of bi-lateral dealings in international trade -- on the contrary, the Allied Governments are committed to the promotion of multi-lateral arrangements in international trade. For the duration of the present emergency, however, it will be necessary to make certain special arrangements which need not continue in force when the war is over.

3. The Italian Government should first work up a tentative program of trade with respect to each of the neutral countries, covering:

- a) What Italy wants from the neutral country, 1689
- b) What Italy is prepared to supply to that country; and

What the Italian Government believes it has

trade will be reopened between Italy and neutral countries. It results from a meeting held 25 January 1945 between representatives of the AC, and the Italian Government's Inter-Ministerial Committee for Reconstruction.

2. It is considered that so long as the present emergency conditions prevail, trade between Italy and neutral countries can best be arranged by a series of special bi-lateral agreements on trade and finance, of limited duration -- six months to a year at the most. This is not to be construed as an acceptance of the principle of bi-lateral dealings in international trade -- on the contrary, the Allied Governments are committed to the promotion of multi-lateral arrangements in international trade. For the duration of the present emergency, however, it will be necessary to make certain special arrangements which need not continue in force when the war is over.

3. The Italian Government should first work up a tentative program of trade with respect to each of the neutral countries, covering:

- a) What Italy wants from the neutral country,
- b) What Italy is prepared to supply to that country; and
- c) What assets the Italian Government believes it has available in that country.

4. The Italian Government, through the Inter-Ministerial Committee for Reconstruction, will then discuss this outline plan in general terms with the AC. This will enable the Commission to:

- a) Advise the Government with respect to the practicality (in terms of supply, shipping, or finance) of the program drafted by the Italian Government; and

-2-

b) Refer to Washington and/or London, for immediate policy consideration, any points on which formal clearance will eventually be required from the US or UK Governments.

5. After this informal discussion, the Italian Government will proceed to negotiate with the neutral country concerned, using as a basis the program discussed with the AC. These discussions will generally take place between representatives of the Italian Government and the delegations or diplomatic representatives of the neutral countries stationed at Rome. These negotiations will not at this stage result in any formal agreement or arrangement between the neutral Government and the Italian Government.

6. After preliminary agreement with the neutral Government on the terms of a proposed short-term bi-lateral trade and financial agreement, developed through the procedure in paras 2, 4 and 5 above, the Italian Government will present such draft agreement to the AC for formal clearance. The AC, after whatever correspondence is necessary with Washington and/or London, will agree with the Italian Government on an acceptable draft of the short-term trade and financial agreement, and will indicate its approval in a letter to the Italian Government.

7. The following sub-paragraphs present in summary form a list of the considerations in which the Allied Commission, on behalf of the Allied Government will be particularly interested with respect to Italian trade with neutral countries:

will proceed to negotiate with the neutral country concerned, using as a basis the program discussed with the AC. These discussions will generally take place between representatives of the Italian Government and the delegations or diplomatic representatives of the neutral countries stationed at Rome. These negotiations will not at this stage result in any formal agreement or arrangement between the neutral Government and the Italian Government.

6. After preliminary agreement with the neutral Government on the terms of a proposed short-term bi-lateral trade and financial agreement, developed through the procedure in paras 3, 4 and 5 above, the Italian Government will present such draft agreement to the AC for formal clearance. The AC, after whatever correspondence is necessary with Washington and/or London, will agree with the Italian Government on an acceptable draft of the short-term trade and financial agreement, and will indicate its approval in a letter to the Italian Government.

7. The following sub-paragraphs present in summary form ¹⁶⁸⁸ of the considerations in which the Allied Commission, on behalf of the Allied Government will be particularly interested with respect to Italian trade with neutral countries:

- a) AC will need to certify that specified quantities of specified commodities are available in Italy to be exported to a neutral country.
- b) Where commodities available for export from Italy are required by several nations, AC may refer availabilities to the combined supply authorities for allocation as to destination.

-3-

c) AC will bid for acceptance of incoming and outgoing cargoes from and to neutral countries at military ports in Italy, and will also have an interest in acceptance at non-military ports.

d) AC will supervise the actual disbursements by the Italian Government of its foreign exchange resources in neutral countries.

e) AC will wish to ensure that the trade with neutral countries will be conducted on a Government-to-Government basis, prohibiting private trade for the time being.

f) AC will require from the Italian Government certain periodic reports of the status of trade and exchange relationships between Italy and the neutral countries. The above points are valid with respect to Italian trade with any country other than U.S. or the British Commonwealth of Nations.

The following point was referred to neutral countries only:

g) The Allied Government will wish to make sure that the trade between Italy and neutral countries does not interfere either with

(1) purchases by the Allies in such countries

(2) the Allied blockade (economic warfare) policy

toward such countries, designed to limit the aid

given by neutrals to the German war effort.

Control in both of these respects is exercised by the Allies

through control of the "navicert" system which limits the movement

1687

Italian Government of its foreign exchange resources in neutral countries.

- b) AC will wish to ensure that the trade with neutral countries will be conducted on a Government-to-Government basis, prohibiting private trade for the time being.
- c) AC will require from the Italian Government certain periodic reports of the status of trade and exchange relationships between Italy and the neutral countries. The above points are valid with respect to Italian trade with any country other than U.S. or the British Commonwealth of Nations. The following point has regard to neutral countries only:

d) The Allied Government will wish to make sure that the trade between Italy and neutral countries does not interfere either with

(1) purchases by the Allies in such countries

(2) the Allied blockade (economic warfare) policy toward such countries, designed to limit the aid given by neutrals to the German war effort.

Control in both of these respects is exercised by the Allies through control of the "navicert" system which limits the movement of neutral ships in waters controlled by the Allies.

1687

4405

File

ISA

Extract of Minutes of Chief of Staff's Meeting held on 30 January 1945.

Trade with Neutral Countries.

COS said that, in general terms it was AG's function to boost such trade and the Embassies' function to screen it, though Eoon Sec reminded the meeting that we had our armistice obligations and should sometimes have to refuse. Eoon Sec considered they should have a meeting with their Sub-Commissions, Pol Sec, and commercial representatives of the Embassies. COS agreed and said a paper should be prepared from this for discussion at, perhaps, Samed's Political Meeting.

1688

14

Office of Chief of Staff

4405/003.

26 Oct

4.

Communications Sub-Commission.

(12)

A copy of an extract from telegram addressed to RESMID, AFHQ, by H.M. Secretary of State for Foreign Affairs on 18 Oct 44, is forwarded for your information.

Chief Staff Officer,
To the Chief of Staff.

1685

1-2/4

Mr. (no) 26/100

4405. *JP*

October 1944

13

TO : Chief of Staff

FROM : Political Section

17

24 OCT Recd

You may be interested in the attached extract of a telegram from the Foreign Office explaining what is being done in the U.K. as regards the removal of trading with the enemy restrictions for Italy. I am sending copies to Economic Section, Finance Sub-Commission and Civil Affairs Section.

H. A. Caccia

H. A. Caccia

1684

JP

COPY

Extract from telegram addressed to Resmed, Caserta, by
H. M. Secretary of State for Foreign Affairs, on 18.10.44

The Board of Trade announce that by arrangement with Postmaster General they have made a general license (SR and 01944 no. 1179) authorising business correspondence with liberated Italy. This step towards resumption of normal business relations with Italy is in accordance with joint statement of the Prime Minister and President Roosevelt that application of Trading with the Enemy Acts should be modified so as to enable business contacts with Italy to be resumed to the benefit of the Italian people. Similar action has been taken in the United States.

2. Banks and other financial institutions may now reply to requests for information from their depositors in liberated Italy, documents such as birth, death, marriage certificates and wills may be transmitted and British and Italian firms may exchange business information with a view to future resumption of business relationships. The resumption of private trade is not yet permissible. The despatch of powers of attorney and proxies is subject to normal procedure under defence (finance) regulations. The postal service is available only to places in certain provinces of liberated Italy which can be ascertained by enquiry at any Post Office. Correspondence for Italy cannot be registered or insured.

3. Italian owned property in the United Kingdom will continue to be under the control of Trading with the Enemy Department and Custodians of Enemy Property. British subjects resident in Italy who desire to obtain a release of their property in the United Kingdom should apply to the nearest British Consul.

4. Arrangements have been made for release of British owned property in Italy (immovable and other property) to its original owner or his authorized agent. Applications and verbal communication by persons in Italy should be addressed to the nearest British Consul and by persons in the United Kingdom to Consular Department, Foreign Office. Some prima facie evidence of ownership should be supplied but original documents of title should not be forwarded unless specifically requested.

1683

HQ A.C.C. ECONOMIC SECTION

A/ce.

17-10-44
(Date)

Fr.	To
☐	ECONOMIC SECTION
☐	AGRICULTURE SUB-COMMISSION
☐	COMMERCE
☐	FINANCE
☐	FOOD
☐	INDUSTRY
☐	LABOR
☐	P.W. & U.
☐	REQUISITION DIVISION
☐	TRANSPORTATION SUB-COM.
☐	SHIPPING SUB-COMMISSION
☐	CHIEF COMMISSIONER
☐	CHIEF OF STAFF
☐	DEPUTY CHIEF OF STAFF
☐	CIVIL AFFAIRS SECTION
☐	ESTABLISHMENT SECTION
☐	For: ☐ Proprietary action
☐	☐ Remarks/Recommendation
☐	☐ Investigation & Report
☐	☐ Information
☐	☐ Noting and Return
☐	☐ Noting and Retention
☐	☐ Signature
☐	☐ Dispatch
☐	☐ File copy
☐	☐ Noting & circulation

Remarks:

16/10/44
10 dist of staff
Pls circ.
[Signature]

785017

BUCK SLIP

DATE: 24 Sept 1944

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION

From	To
☒ Col. A. P. Graftey-Smith	
Col. E. H. Foley, Jr.	
Col. H. G. Crawshaw	
Lt-Col. A. H. F. Stephan	
Lieut-Comdr. J. J. Lawler, USCGR	
Major J. H. Penick	
Major B. E. L. Timmons	
Major A. J. Baxter	
Major J. Osmon	
Major P. D. Banning	
Major W. E. Price	
Major J. R. H. Hall	
Capt. A. Kamarek	
Capt. A. B. Hecker	
Lieut. H. J. Tasca, USNR	
Lieut. R. B. Eichholz, USNR	
Lieut. (jg) J. E. Hicks, USCGR	
SSM Angibault	
Economic Section	☒
Pool of Interpreters	
Message Center	

FOR:

Recommendations & Remarks
Information & Retention
Approval or Disapproval
Investigation & Report

☒ Necessary Action
Perusal & Return
Filing
Despatch

REMARKS:

24 Sept 44

M/cc 648
17/10/44

Econ Sec.

as I know how
you replied, on
this matter.

as

9

Extract from letter addressed to Colonel Grafftey-Smith
from Charles Key, War Office, London dated 11th
September 1944.

"We are rather disturbed to see that three represent-
atives of Mitchell Cotts have succeeded in getting into
Italy. This does seem to be flatly contrary to the policy
referred to above, and I should be extremely interested if
you could let me know the circumstances in which they were
allowed in, and what exactly the purpose of their activities
is. We understand from the Ministry of War Transport here
that their visit was sponsored by the local M.W.T.
representatives".

23 September 1944.

See book slip 682
P/A
29/1

24 Sept
21

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
C. M. F.

Office of the Chief of Staff.

Ref: 4405/9/COS.

4th October 1944.

TO : Commercial Minister,
His Britannic Majesty's Embassy,
R O M E.

Sir,

I have the honour to enclose a communication from
Mr. G.N. Grisford on behalf of Mitchell Cotts and Co.Ltd. of which
firm he is Local Director.

Mr. Grisford states that he came to Bari last November
at the instance of M.F.S.C. to obtain spare parts for tractors in
Eritrea and that he has been at Bari since.

He also states that he is anxious to return to the
Dodecanese where he held the post of Honorary British Consul.

This Commission would not support the application to form
a subsidiary Company of Mitchell Cotts in this territory at this moment.

I have the honour to be, Sir,

Your obedient Servant,

(Sgd) M.S. Lushy

Brigadier,
Chief of Staff.

MSL/JG.

1681
P/A

785017

COPY.

MITCHELL COTTE & CO (MIDDLE EAST) LTD.,
32 SHARIA MAJIDA PASADA,
CAIRO. 7

Rome. v. March 6.4. 4th October, 1944.

From
Mr. G.N. CRISFORD, C.B.E.,
Local Director.

To: Allied Control Commission,
ROME.

Sir,

With the kind assistance and sponsorship of the Ministry of War Transport Middle East our representatives recently visited Italy - Naples and Rome - to investigate the position of our controlled Italian subsidiary Company which was established and operating in Italy in the years before hostilities broke out.

The name of this Company was "Societa Anonima Italiana per il Commercio con l'Africa Orientale ed il Sudan" (S.A.I.C.A.S.).

The result of these investigations was to ascertain, with regret, that the Company had been liquidated by our Italian nominees; further enquiries were made with a view to reconstituting the Company but our representatives were informed by reliable legal opinion that this, again with regret, was impracticable under existing Italian Law.

At the request of the Ministry of War Transport and the British Military Administration, Civil Affairs, G.M.C., M.E.E. we have lately opened up at Tripoli (Tripolitania) and in view of past trade connections between Italy and Tripoli it is considered in the interests of all concerned that we are represented in Italy. We were relying on the subsidiary Company S.A.I.C.A.S. furnishing us with the necessary representation in Italy. This, however, is not now possible, consequently further investigations were carried out and on the recommendations of our lawyers application has been made to the Italian Government through the Ministries of Commerce and Industry and Treasury for permission to be granted to continue our previous interests in Italy by a new Company in replacement of S.A.I.C.A.S.

It is our earnest desire and, in fact, we consider it our duty to appraise you fully of the position before proceeding further in the matter.

We shall be glad therefore if you will advise us whether there are regulations in existence which do not allow of the bringing of the proposed Company into being.

We shall be grateful of an early reply.

Yours faithfully,

(3g4) G.N. CRISFORD.

1683

785017

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394

Regional Control and Military Government Section.

Ref: 651/6/CA.

21 September 1944

SUBJECT: Civilian Trade Representatives.

TO : G-5 Section, A.F.H.Q.

1. I have received the attached telegram from TROOPERS.
2. I should be glad if you would reply as follows:-

"Messrs. Pope, Melling and Koleas of Mitchell Cotts arrived in Rome early September apparently from Mideast. No approval from here sought by Mideast, no permission given. Understand MWT authorised their journey. On arrival here they were refused interview by Executive Commissioner, and Deputy in Economic Section. They saw heads of Finance and Industries Sub-Commissions who said that nothing could be done. Shipping Sub-Commission replied similarly and refused help in air passage Cairo. They were generally told that arriving without references or notice nothing repeat nothing could be done. They have since left."

3. I would ask that Mideast be instructed to prevent unauthorised travel of such people without previous reference to and concurrence from me.

(Sgd) M. S. LUSH.

Brigadier,
Executive Commissioner,
for Acting Chief Commissioner.

MEL/JG.

1673

Ex. Com.

Mr. Telling said, during his conversation
with me, that they had come to
Italy under the auspices of
A. W. T.

PR

Ministero delle Corporazioni

DIREZIONE GENERALE DEL SEGRETARIATO
DEL CONSIGLIO NAZIONALE DELLE CORPORAZIONI
DEGLI AFFARI GENERALI E DEL PERSONALE

1 a. m. 10
Ring Gen. Alexs
proclama l'apoteosi
Vatnits

Please ring Col Hulls

576.

Fix appt. for CM Hulls to see
ex. cord

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION

C O N F I D E N T I A L

18 Sept. 1944

SUBJECT: Cable from Troopers

TO: Executive Commissioner

1. Ref Troopers Cable 75142 CA 2 dated 8 Sep. 44, about three weeks ago a note was sent to this section from your office introducing some representatives of a firm called Mitchell Cotts. A reply was sent stating that it was not permitted to see representatives of private firms.

2. I have since found that these representatives then visited certain of our Sub-Commissions. Their names were:

Mr. T.O.M. Pope
Mr. H. Melling
Mr. E.E. Koleas

They saw Col. Grafftey-Smith and produced a letter of introduction from the Chief Finance Officer M.E.F. They were told that there was nothing that could be done for them. They then saw Col. Evans and said they had come to Italy to revive an Italian subsidiary. He gave them the same answer, but as they said that they could arrange the import of some trucks from the Middle East they were referred to me. One of these gentlemen came to my office. When he explained who he was I told him that we could have no dealings with him and asked how he came to be here. He replied that obviously he wouldn't be here unless he came under good auspices. The interview then ended. The representatives then saw Mr. Bell of the Shipping Sub-Commission. This time they were accompanied by a civilian who left a visiting card showing "Capt. G. Northcote Grisford CBE c/o 6 Base CMP". They mentioned the Italian subsidiary and asked Mr. Bell if he could arrange air transport for them to the Middle East. This he said he was unable to do. They then left. They have not been seen in this section since.

3. Now the attached signal has been received from the War Office. As this section gave these representatives no information, and does not know under what circumstances they obtained entrance to Italy, it is difficult to make a report to the War Office.

4. The above information is therefore passed to you for such action as you may consider necessary.


G. Antolini,
Acting Head,
Economic Section

1678

SECRET

ALLIED COMMISSION

INCOMING MESSAGE

5154

TO: ACC MAIN
SIGNAL MESSAGE CENTER No: 20/13
CLASSIFICATION: SECRET
FROM: TROOPERS
PRECEDENCE: NONE
REFERENCE No: 75142 CA.2
DATE AND TIME OF ORIGIN: SEP 081130Z OFFICE OF ORIGIN:

ACTION

FOR HQS.

1. UNDERSTAND REPRESENTATIVE MITCHELL COTTS (1 corrupt word ?) TO EXPLORE POSSIBILITIES OF PRIVATE TRADE SHIPPING AND THEY HAVE CONTACTED GIBSON GRAHAM MMT LOCAL REPRESENTATIVE. THIS APPEARS TO BE CONTRARY TO ESTABLISHED POLICY ON WHICH WE HAVE BEEN REFUSED (?) APPLICATIONS (?) FOR COMMERCIAL UNDERTAKING TO SEND REPRESENTATIVES TO ITALY.

2. INVESTIGATE AND REPORT.

ACC DIST
ACTION: ECON SEC 3
INFO: A/CC 2
CA ER 2
FILE
FLOAT

ACTION

SECRET

CLASSIFICATION:

PRECEDENCE:

REFERENCE No: 75142 CA.2

DATE AND TIME OF ORIGIN: SEP 081130Z OFFICE OF ORIGIN:

ACTION

FOR ROADS.

1. UNDERSTAND REPRESENTATIVE MITCHELL COTTS (1 corrupt word ?) TO EXPLORE POSSIBILITIES OF PRIVATE TRADE SHIPPING AND THEY HAVE CONTACTED GIBSON GRAHAM MNT LOCAL REPRESENTATIVE. THIS APPEARS TO BE CONTRARY TO ESTABLISHED POLICY ON WHICH WE HAVE BEEN REFUSED (?) APPLICATIONS (?) FOR COMMERCIAL UNDERTAKING TO SEND REPRESENTATIVES TO ITALY.
2. INVESTIGATE AND REPORT.

ACC DLST

ACTION: ECON SEC 3
INFO: A/CC 2
CA ER 2
FILE
FLOAT

ACTION

1677

DATE and Time of RECEIPT SEP 121600Z

Distribution:

SECRET

13 Ref 49

Rome.

20th August 1944

Dear Brigadier Lush.

The attached letter of introduction to you from Fouracres cannot, unfortunately, be delivered to you in person, as I am booked to return to Cairo via Bari, on this afternoon's plane.

I am sorry not to have had this opportunity of meeting you, but with your being so occupied and my time so short it looks out of the question, at least this time.

However, my colleague Mr. Tom Pope, who is a local Director of our Company, and who will be in Rome yet for some little time, would very much like the opportunity of calling on you as soon as you can spare the time. He will be, better even than I, able to explain the mission on which we are engaged and the purpose of our visit to Rome.

He is staying at the Flora Hotel. (Room 307) and would welcome a call fixing a time for an interview. I feel sure that you will be kind enough to see him at your early convenience.

Yours sincerely,

H. Melling

(H. MELLING)

1673

Sudan Agency,
6, Midan Tewfik,
Cairo.

7th. August 1944.

Dear Maurice,

This letter is to introduce Mr Herbert
MELLING, representative of Messrs Mitchell, Cotts (MC) Ltd.,
who for the past fifteen years has been their Agent at
Port Sudan where you may have met him.

He is sponsored by the M.W.T., and being one
of the Sudan fraternity I am sure you will do anything
you can to assist him in his mission which he will explain
to you.

*I hope you are fit & have good news
of the family, Yours ever*

Brig. M.S. Lush, C.M.G., M.C.,

Ted Fowkes.

CEF/HM.

(SIGNED) G. S. FOWKES

1675

| 4 9 8 |