

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

ACC

10000/109/848

INTERNAL TRAD
OCT. 1944 - JAN.

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

10000/109/848

INTERNAL TRADE & THE RESPONSIBILITY OF THE ITAL GOV'T
OCT. 1944 - JAN. 1945

13

CSO.

You will wish to read 17 on its way to COS. Est Section should be shown para 3. Col. Marshall's letter to Economic Section at 16 - to which he has received no reply - is dated a month ago.

5 Jan 45.

E. Talbot
Major

14

COS

I will take up the points in paras 3 and 4 of the letter when you have read it. The point raised in para 4 is an extremely controversial one and has been raised at a SIMA Conference by Colonel Marshall before.

5 Jan 45.

G.W.I. SHIFF,
Lt. Col.

M.S.L.
5.1.45

Above minutes copied from file 179/45.

20.

Major Talbot: You may wish to see this (folio 16-19) before passing to CSO 9012/1

See 16.16.

13/1

1848

TO: Capt. Oden.

Mr. Antolini has matter in mind and will dictate statement as soon as he can. I hope to get it to you by Monday.

21 Oct 44.

C.W. Atkins,
Lt.

4
Major Talbot: Pls see folio as 3
folio as to refuse ~~encl.~~ 23/10

8.

S.O. to Alce

Please read this file and inform
Alce (if in confidence necessary)

Stallor Ruz
in LOS

3/11/44

A/c 836
NOV 5 - 1944

Major Talbot.

I see no point in putting this file before Alce
this is report referred to in (P) is ready.

J. A. Quayle
8 - xi - 44.

1843

Major Talbot: Pls see folio as 3
Folio as 6 refers

encl. 23/10

8.

S.O. to Alce

Pls send this file and inform
Alce (if in confidence necessary)

Robert Ruz
in cos

3/11/44

A/cc 836
NOV 5 - 1944

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Major Talbot.

I see no point in putting in file before Alce
till the report returned to in ⑦ is ready.

J.A. Quaghe
8 - xi - 44.

HK 11/11/44

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SECRET

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

CWA/ra

18/1

P/A

13.06/ES

9 January 1945

JAN 10 1945

SUBJECT: Free Trade for Piemonte Region.

TO : Chief Staff Officer,
Office of the Chief of Staff.

15

Ref. your 4408/15/COS dated 5 Jan 45, attached is
copy of the reply sent to Col. Marshall on the 3rd Jan 45.

c.w. Atkins for
L. D. DENSMORE
Colonel, F.A.
Acting Vice President
Economic Section

Encl: Copy 1.00/ES dated 3 Jan 45 to RC Piemonte Reg.

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see Minute 20

SECRET

PA 18/1

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HEADQUARTERS ALLIED COMMISSION

APC 394

ECONOMIC SECTION

14.00/ES

Spall

FWT:hcb

18

3 January 1945

SUBJECT: Restrictions to be Applied in PIEMONTE Region

TO: Regional Commissioner
Piemonte Region

1. Reference is your letter 3/Gen/24 dated 4 Dec 44.
2. The questions you have raised are both interesting and useful and have focused attention in this headquarters on a number of points.
3. It is regretted that there has been some delay in replying, but your questions have been the subject of interested study by various Sub-Commissions of Economic Section. In order to give you a clear picture of the reactions in this headquarters to the various points you have raised, we cannot do better than send you the attached paraphrase of the views of the various Sub-Commission directors. *16/17*
4. After consideration of the various factors involved it is, however, regretted that no general authority can be given to you to administer your Region as an exceptional area. While special problems are bound to arise in NW Italy, the economic policies of AC/AMG will apply fully in PIEMONTE Region. If circumstances arise in which, in your opinion, any general AC/AMG policy should be modified in its application to your Region, you should submit details of the case and your recommendations to this headquarters for decision.

By command of Rear Admiral Stone, USNR.

L. D. DENSMORE
Colonel, F.A.
Acting Vice President
Economic Section

1833

SECRET

A PARAPHRASE OF VIEWS BY THE DIRECTORS OF THE SUB-COMMISSIONS (17)

" *in letter from Regional Commissioner, Rome, dated 4 Dec 44*

1. Upon entry into Piemonte Region it is desired to apply as few restrictions in respect to trade and prices as may be compatible with operational security and assistance to Allied Forces. To this end it is suggested that no restrictions be imposed upon travel and circulation within the Region except:
 - (a) such as may be required for operational or security purposes
 - (b) such as automatically follow the control and issue of motor vehicle permits and allowances of P.O.L.
 - (c) such as are included in the regulations of any Italian Transport organization handling the distribution of food and other essential products.

The Director of the Industry S/C feels that trade in the Region and between Piemonte and other Regions ^{should} be kept as free from restrictions as possible. This keeps prices at a reasonable level and curtails black market operations. He thinks, however, that A.F.L.R.B. will exert considerable influence on free movement of goods and this factor should be considered.

The Director of the Transportation S/C proposes another restriction: the prohibition of the travel and circulation of persons in load-bearing vehicles which will be in extremely short supply for the hauling of food necessary to sustain the population of the region. This Sub-Commission will see to it that basic food commodities and other supplies necessary to sustain the population will receive priority over any other transport of goods.

- "
2. It is further suggested that no control be exercised in respect to trade or prices of any commodity except:

- (a) Cereals in all forms
- (b) Olive oil
- (c) Sugar
- (d) Salt
- (e) Imported articles
- (f) Commodities subject to Italian Government monopoly. "

The Director of the Commerce Sub-Commission says, that in addition, a very strict control ^{must} be exercised over all material controlled or restricted by A.F.L.R.B. and that these materials, in addition to silk and all tartarics, must be frozen and reported to them, the Commerce S/C. In addition to the above items to be controlled should be newsprint and printing paper which should not be permitted any freedom of trade. The Director also points out that steps should be taken by the Regional Commissioner to insure

- 2 -

controlling "Italian Controlled Materials" properly so that the Italian Government has the opportunity to use them for the country's economic re-habilitation.

The Director of the Food S/C recommends no advance commitment to permit distribution without control of locally produced food items due to the possible changing of ~~food~~ situation of these locally produced food items at the time of entry.

The Price Branch feels that the proposed policy in paragraph 2 should be made applicable to a larger geographical area than Piemonte to be consistent with the previous plan of pricing farm products on a national basis.

"

3. The foregoing is subject to:

- (a) Continuation of present rationing system or modification thereof that may be directed by higher authority.
- (b) Clear price marking of all items offered for retail sale. "

The Director of the Food S/C says that item (a) will be in effect. However assurance cannot be given to the Commissioner for the continuation of present ration scales because changes might become necessary in the future. Item (b) should be enforced by the *Regional* Commissioner himself.

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(15)

(12)

4408/15/008

Ref: ~~4408/15/008~~

TO: Economic Section.

5 January 1945.

(11)

I have heard from General Marshall that he has had no official reply to letter Pic/3/Gen/3 of 4 December 1944 on the subject of "Free Trade for Piemonte." This is an old document that has been raised at various conferences and meetings. Will you please let me know whether you have replied to this letter, and if you have let me see the copy of your letter.

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Chief Staff Officer,
To the Chief of Staff.

BU 19/1
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Declassified E.O. 12356 Section 3.3/NND No. 785017

(12)

EXTRACT FROM PIEMONTE REGION LETTER DATED 3 JAN 45

(11)

Under date of 4 Dec 1944 a letter from this Hq was addressed to Hq AC (Economic Section) in respect to restrictions and control of certain items upon entry into Piemonte. Copy of this communication is attached hereto. It would be helpful in our planning and approach if an answer, or at least tentative views of Economic Section, could be had at an early date. Anything you may be able to do to expedite action will be greatly appreciated.

see 13

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HEADQUARTERS
PIEMONTE REGION
ALLIED MILITARY GOVERNMENT

4th December, 1944

REF : Ple/3/Gen/24.

SUBJECT : Restrictions to be applied in Piemonte Region.

TO : HQ A.C. (Economic Section)

1. Upon entry into Piemonte Region it is desired to apply as few restrictions in respect to trade and price as may be compatible with operational security and assistance to Allied forces. To this end it is suggested that no restrictions be imposed upon travel and circulation within the Region except:

- (a) such as may be required for operational or security purposes
- (b) such as automatically follow the control and issue of motor vehicle permits and allowances of P.O.L.
- (c) such as are included in the regulations of any Italian Transport organization handling the distribution of food and other essential products.

2. It is further suggested that no control be exercised in respect to trade or prices of any commodity except :

- (a) Cereals in all forms
- (b) Olive oil
- (c) Sugar
- (d) Salt
- (e) Imported articles
- (f) Commodities subject to Italian Government monopoly.

3. The foregoing is subject to:

- (a) Continuance of present rationing system or modification thereof that may be directed by higher authority.
- (b) Clear price marking of all items offered for retail sale.

4. Permissive authority or direct orders of H.Q. A.C. to implement the policies outlined above are requested.

ROBERT P. MARSHALL
Col. F.A.
Regional Commissioner

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C.S

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TROOPERS, NIDEAST, NAMOV, INFO AG ROME

FOR INFORMATION ONLY 32/03

AFHQ SIGNED WILSON
PX 47510

NOV 030940A

ROUTINE
CITE FHGDM FHGEG
F4 NOV Recd

SECRET.

Arrangements are being made for Italian civilian organizations to undertake delivery checking and accounting of all stores for civil account. This will involve their perusal ships papers. In order to obviate any difficulties separating freight forms T which may contain services secret equipments request all civil affairs stores be entered on separate sheet of freight form T in same way as is usually now done for RAF and RN.

Dist

Info-Action - Econ Sec (3)
Info - A/CC
O o S
Finance SC
Shipping SC
File

7/A
encl
4/11

HEADQUARTERS
1 NOV 1944
A. C. C.

SECRET

NOV 031915A

Chaffins

7
1

Mr Antolini talked
to a/cc on 31/10-44
re this & explained that
the report is not ready.

Dennis

1/11-44

PA

over
1833

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



Ministero delle Corporazioni

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

IL DIRETTORE GENERALE

Major P

785017

HQ A.C.C. ECONOMIC SECTION 15

22 Oct 44

(Date)

Fr. A. G. ANTOLINI

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	X
DEPUTY CHIEF OF STAFF	
CIVIL AFFAIRS SECTION	
ESTABLISHMENT SECTION	
For: In response to action	
Remarks/Recommendation	
Investigation & Report	
Information	
Noting and Return	
Noting and Retention	
Signature	
Dispatch	
File copy	
Noting & circulation	

Remarks: CHIEF OF STAFF:

This is the letter which served as the agenda for our conference with the Minister. A working party has been set up for the Ministers and the S/C's to establish an action program which will be formally presented by the Italian Government. I shall forward this proposal to you for review.

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

Thursday 4:30

October 13, 1944

23 OCT Reed

My dear Sir:

You will, I am sure, agree that the time has come when we must face the facts of the present food distribution problem. I have no hesitance to indicate to you the situation is extremely grave. In light of the responsibility that rests with you, I feel it is imperative that we meet together to outline an action program.

To this end I respectfully request a meeting in my office on Tuesday, October 17 at 4:30 p.m. (1630 hrs.). So that you may be prepared for this meeting I submit for your consideration the following points on the agenda:

1. Rationing.
2. Barter.
3. Review of restrictions and controls in the distributive mechanism.
4. The movements of supply from surplus to deficit areas.
5. Review of the fishing industry restrictions.

In order that we may all point our discussion to the problem; perhaps it would be advisable to spell out, in brief, a few of the salient issues under each point of the agenda.

1. Rationing - The extremely short supply of both imported and domestic foods, coupled with transportation, makes it imperative that a realistic inventory of the present mechanism be reviewed. Questions that arise in this review are:

(a) Is the maximum effective use being obtained of the present available supply? If not, why not?

(b) Are the geographical features of this country recognized in the present rationing scheme? If not, why not?

(c) Are the rationed commodities equitably distributed in the proper relationship of the need? If not, why not?

(d) If bread is to be maintained on a universal basis, can we establish a selective rationing scheme for the products in the miscellaneous group of the ration diet?

2. Barter - Review and consideration might be given to the establishment immediately of certain practical and simple barter schemes to induce supply. The most outstanding example is the use of salt from Santa Margherita to induce the supply of potatoes from Avezzano. Will this approach foster the flow of supply? If not, why not? Are there sufficient significant items, such as salt, lacking in other areas which could be introduced? If not, why not? Will this mechanism offset the need of price increases? If not, why not?

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- 2 -

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3. Review of Restrictions and controls in the distributive mechanism -

This is an extremely controversial point but it must be faced and the criterion must be one to attain the most practical and effective result of food distribution. The theories of control are well understood. The practical aspects of free distribution are significantly required. If permit controls and all other restrictions on the movement of goods are to be eliminated would it be effective to limit this freedom to all commodities except Grain, Fats and Oils and Milk Products? If not, why not? How far can we eliminate controls without endangering transport control as envisaged by ENAC? What end must we reach in order to enforce as much unrationed supply and what effect will it have on the cities and of the poor in the cities? What advantage have we in blocking pulses?

4. The movements of supply from surplus to deficit areas -

Without reflection on the ENAC plan, and eliminating all pride of authorship, is this a practical plan for the emergency needs of transport facing us today? If it is determined that ENAC is administratively burdensome and operatively ineffective, serious consideration must be made to correct the situation and introduce some practical effective ad hoc program. There is no mystery to the transportation problem as such. There just isn't sufficient transport to cater to the urgent needs of liberated Italy. Hence, we must quickly and efficiently review and inventory what we have and operate it to its maximum use.

5. Review of the fishing industry restrictions - It is imperative that we have a clear understanding of the important role the fishing industry can play in supplementing the national food position. This Commission is prepared to present a clear operational program to the Naval Command based on recommendations of the Italian Government.

Any direct action taken by the Government, if it reflects expediency measures to face a serious national problem, would be warmly applauded by your constituents. I would sincerely request that you be prepared to come to this meeting with the single purpose of finding an immediate solution to effect this result.

As I anticipate that this meeting will last until 7:00, I would be very pleased to have you join me at dinner so that we may there review and formulate the action program considered at the meeting. I have requested the following Ministers to attend and to dine with me: His Excellency Minister Gullo, His Excellency Minister Gronchi and His Excellency Under Secretary of Agriculture Bergami.

Sincerely yours,

1831

A. G. ANTOLINI
Acting Deputy Chief of Staff
Economic Section

RE. Avv. Francesco Cerabona
Minister of Communications
Italian Government, Rome

785017

4402
HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

AGA/mrh

ES/ 42

Tel. 550

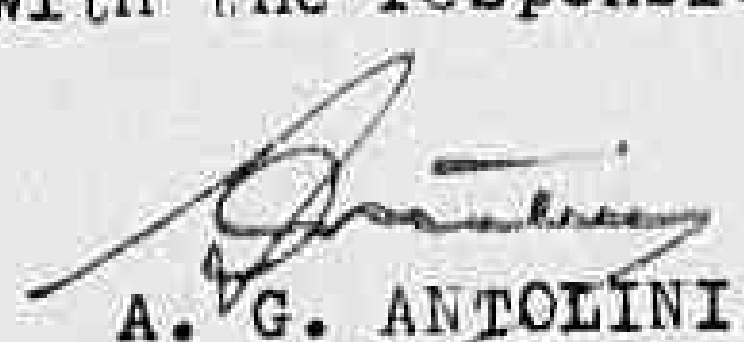
MEMORANDUM

21 October 1944

22 OCT Recd

TO/ Chief of Staff

1. Replying to your memorandum under date of 13 October 1944, please assure the Acting Chief Commissioner that following our conference 19 October with the Ministers of Industry-Agriculture-Transportation, a plan is being developed which will take the heat off us completely. Further, I feel that the plan which will be developed by a work party which has been established will greatly aid both our Food and Transport problems with the responsibility on the Italian Government. 1030


A. G. ANTOLINI
Acting Deputy Chief of Staff
Economic Section

23/10

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Acting Chief Commissioner
APO 394

EWS/afe

A/CC 091.3-1

13 October 1944

MEMORANDUM TO : Chief of Staff.

17 OCT Recd

1. The opinion is wide-spread by the Italian press and Allied diplomatic representatives that internal trade, particularly as regards the purchase and movement of food supplies, is greatly handicapped, if not almost completely blocked, by movement and trading restrictions -- some Italian and some Allied.

2. It would be helpful if a concise statement of the present situation could be made up for presentation to those who criticize our administration. At the same time, attention should be given to see what further restrictions may be removed.

ELLERY W. STONE
Commodore
Acting Chief Commissioner.

TO : Deputy Chief of Staff,
Economic Section.

Will you please prepare the concise statement which A/CC asks for in para 2 above.

(SAD) E. TALFORD
Major,
for C.S.O. Office of C.O.S.

B/V 20/10/44
Hated
17/10

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