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

ACC

10000/109/850
(VOL. I)

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

10000/109/850
(VOL. I)

ITAL-FRENCH TRADE
NOV. 1944 – APR. 1945

86

Maj Rively.

Please see folio 85. - Follow this subject up very closely.

7 Apr.

200

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Economic Section:

At Minute 76, there is a summary prepared by this section of action taken by the various Subcommissions of your section. It does not appear, however, that the French representative on the Allied Commission has been consulted. Folio 77 does not indicate that any very decisive action is contemplated by the French Embassy. Will you please summarize the situation presently existing, for transmission to the Acting President, in reply to folio 75.

3/4/45

N. E. F.
Act. Exec. Comm.

79.

Office of Executive Commissioner.

1) Representations have been made to the French Embassy, but so far no reply has been received.

2) It appears that previous demands for phosphate rock have been dealt with by AFHQ as requisitions & the Arabian Government ~~has~~ was not ~~been~~ consulted on the question of price. This matter has been referred back for clarification to G-5 AFHQ from whom a telephone call is at present awaited.

3) Foreign Trade Section is consulting the French representative to see whether action can be taken other than that taken by the French Embassy.

5 Apr 45.

J Bruce Thompson
LT-USNR

2003

81.

A./Ex. C.

1) See this date's summary of situation by Econ. Sect. above.

2) No reply has been received yet to French Embassy's telegram

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3/4/45

N. E. F.
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2003

5 Apr 45.

J Bruce Thompson
Lt Col AGD

81.

A./Ex. C.

1) See this date's summary of situation by Econ. Sect. above.

2) No reply has been rec'd. yet to French Embassy's telegram (folio 77 refers) but French representative is being consulted as to further possible action to take in this crisis.

3) To forestall any possibility of a "laissez-faire" attitude on the part of either the French or Italian governments in concluding negotiations and resumption of phosphate shipments, it is recommended that action be taken as is proposed in para. 7 of Minute 76

4) See side-lined para. of folio 80 for information, a bit relevant.

5 April 1945

J.C. Riely
major

A/Exec Commr. - Phosophates from North Africa: - Sfax.

1. Reference memorandum of 28 Mar to C.C. from A/President (folio 75). Copies of cables at folios 72,73 and 74.

2. The point was raised: could the steamer be held in port of Sfax pending settlement of price difficulty between French and Italians. Commerce S/C was requested to speed up this price negotiation so that this steamer (Cantakit) might be loaded if at all possible.

3. asked ~~ordered~~ Transportation S/C (Lt. Col. Balfour - Movements) states that Medbo was by the French Government to cease shipping phosphates until price settlement has been reached. They also state that though it would be well to have the shipping detained in the port of Sfax, they do not believe that shipping could be tied up for any length of time. Medbo under C in C has the final word on shipping.

4. Commerce S/C (Major Gent) states that G - 5 AFHQ (Major Grady) has been contacted and is conversant with the situation and they consider it impossible that any shipping will be held in a port for more than 48 hours without prospects Of being loaded.

5. Industry S/C (Mr. Dorkovich) states that although the phosphates stockpile situation in Italy is not alarmingly low it is serious enough to exert pressure to bring about an early settlement so that shipments can be resumed as early as possible. The plants most urgently in need of phosphates are :

	(Immediate maintenance)	Needs for 3 Mths.
Campo Franco (Sicily)	1200 tons	
Orbatello	5500 "	
Barletta	1000 "	

6. In addition, Lt. Col. Maskrey, Industry S/C has spoken informally to Minister Gronchi, who in turn has taken up the matter with the French Embassy, but with no apparent success. Lt. Col. Maskrey thinks the matter has reached an impasse but he is bringing it up again with the Ministry of Industry, Commerce and Labour. ~~this afternoon.~~

7. In view of the above, particularly in view of the state of impasse between Minister Gronchi and the French Embassy, the matter appears to be one for the Chief Commissioner to take up with Prime Minister Bonomi and/or the French Embassy. It is further suggested that French Embassy be contacted in Rome to signal Paris to recind their Government's order stopping these phosphate shipments, or have them signal Sfax directly to continue shipments.

8. French refusal to loading of Cantakit might be one of their "aces" among the "cards" on Italo-French price negotiations.

8 April 45.

J. F. Rively
Major.

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8 April 45.

J. F. Pively
Major.

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

TO: C.S.O.

For Exec. Commr. to see para 79 of folio 55 for information.
Refers to folios 6 and 8 herein.

JCR
Major

22 Feb 45

Sd 23/2.

64 (65)

CSO: Perhaps the Ex. Commr. may wish to see this file to date on correspondence from Ministry of Production. JCB 15/3

Thanks, but I don't think it necessary. Sd 16/3.

2003

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24.

C SO: to see folio 23. Does the COS desire to move to G.S? JCS 3/1

38 See 32 for reply to G.S.

JCS 3/2.

39.

C SO: folios 35-36: Minutes of Tri-Partite Econ. Comm. Meet of 15 Dec. '44.

43.

C SO: Folios 40-42 for COS to see for his info. JCS 13/2 Y/PA.

52. 2003

C SO: For Exec. Comm. to see para. 68 of Minutes of PTE Meeting (folio 50).

JCS 16/2

JCS 16/2

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7

COS

6 i D.O. from Shilley.
Presumably Sergent will be getting into touch with Comte de Hauville and we wait until the latter calls on us. Meanwhile ~~draft~~ D.O i reply to 6 i submitted for Gen Sykes signature.

Talbot Rice

12/1/48

I will send this file up to Economic Section and Finance S/c.

EG

9

Econ. Sect.
Finance S/c

1993

To see this file

Talbot Rice
13/1

10/

To Col. Densmore.

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

a m. Bermuda ~~Lufte~~ D.O
in reply 16 6 is submitted for
Com Signature.

Talbot Rice

12/1/45

I will send this file up to
Economic Section and Finance S/C.

9

Com. Sect.
Finance S/C

1999

To see this file

Talbot
13/1

10

To Col. Densmore.

A gross misstatement in para 2 of J. C. Godley letter. Para 3 is interesting in that it shews a further lack of knowledge of the facts here. One might add that he had been misinformed.

12 Jan 45 [illegible] Capt Econ Sec

10 a.

To Col. Densmore.

Additions to day. On page 1c is information on footwear which may not be generally known here. See 13/16.

[illegible] Capt Econ Sec.
17 Jan 45

2

TW 21/1

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

20 April 1945

Ref : AC/5127/F/Commerce

APR 21 REC'D

My dear Mr. Prime Minister

I thank you for your letter of the 27th March giving me your comments on my memorandum of the 9th February regarding trade between Italy and France.

Since sending you my letter the Allied Government have reached new decisions on Italian export policy which affect considerably the interpretation of many of the points contained in my memorandum and will, I think, clarify most of the matters on which you have expressed uncertainty. I therefore attach a further note which brings up to date the views of Allied Commission on the subject of Franco - Italian Trade.

As soon as you have had time to consider this note, I should be grateful if you would advise me which of your Ministers you would like to discuss this matter with the Vice President of the Economic Section.

Yours very truly,

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

1398

- His Excellency Ivanoe BONOMI
The President of the Council of Ministers
Italian Government - R O M E

- Encl. : Note on Franco - Italian Trade.

- Distribution :
M.M. Couve de Murville, French Delegate A.C.I.
General de Sevin, French Representative, Alcom
American Embassy, Mr. Livengood
British Embassy, Mr. Mosworthy
Minister of Industry, Commerce & Labour - Italian Gvt.
AFHQ, G-5 Section (Economics & Supply Division)
6 Commissioner
Br.

23/4 24/4

Declassified E.O. 12356 Section 3.3/NND 785017

18 April 1945

FRANCO - ITALIAN TRADE

1. The Allied Commission takes note of the Italian Government's reply on "Trade between Italy and France" and wishes to draw the Government's attention to a letter on "Export Policy" dated 18 April by the Vice President, Economic Section, to the Minister of Industry, Commerce and Labour. For easy reference copy of this letter is attached as Appendix I.

2. This letter informs the Italian Government that exports are now classified into two Categories, A and B, and establishes different procedure for each. A list of Category A commodities is included with the Vice President, Economic Section's letter.

3. The Italian Government in its note refers to the Allied Commission's desire to certify the availability for export of materials controlled or restricted by the Allied Forces Local Resources Board and states that it is not aware of the commodities that would be affected by this limitation. The materials concerned, however, are none other than those non-subsistence materials over which the Ministry of Industry, Commerce & Labour has been empowered to exercise control by Ministerial decree together with all foodstuffs over which the High Commission for Food has similar authority. An up-to-date list of non-subsistence Controlled and Restricted Materials is attached as Appendix II.

1997

4. The certification desired by Allied Commission in the case of such non-subsistence materials and foodstuffs is therefore merely the application to Franco-Italian trade of the principle adopted for Italian

1. The Allied Commission takes note of the Italian Government's reply on "Trade between Italy and France" and wishes to draw the Government's attention to a letter on "Export Policy" dated 13 April by the Vice President, Economic Section, to the Minister of Industry, Commerce and Labour. For easy reference copy of this letter is attached as Appendix I.

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4. The certification desired by Allied Commission in the case of such non-subsistence materials and foodstuffs is therefore merely the application to Franco-Italian trade of the principle adopted for Italian exports to all destinations, namely, that the exportable surplus of such materials is to be declared and agreed both by the Italian Government and the Allied Authorities before exportation can be effected.

5. All exports, comprised of surpluses declared as in paragraph 4 plus any other commodities over which there is no local restriction, would now fall into Category A

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

or Category B and be dealt with as described in Appendix I. Allied Commission would be concerned with exercising control over the destination of Category A commodities only. For all other commodities on the contrary, it would be the Italian Government's responsibility to make a ripartition if more than one country desires to purchase.

6. The Italian Government observes that the conduct of foreign trade on a Government to Government basis depends not only on the Italian Government but on the French Government. The French Government has in fact expressed its desire that all trade negotiations with Italy should be conducted through the French Delegation in Rome.

7. The Italian Government considers that a declaration by the French of maximum prices they would pay for goods to be exported from Italy would complicate negotiations and have no practical value. This proposal, which was generally in accordance with the procedure hitherto adopted by the U.S. and U.K. Governments, becomes automatically modified by the export policy set out in Appendix I. The Italian Government will be free to obtain the best price it can for Category B commodities. On the contrary the quantity of a Category A commodity which may be sold in any particular market will be determined by the Combined Boards in Washington regardless of differences in purchase price.

1998

8. As far as regards the financial aspect of the resumption of Franco-Italian trade, the Allied Commission confirms that the observations made in its memorandum of the 9th February do not necessarily exclude the establishment of a clearing, but wishes to point out that this is a matter that should be the subject of discussion between the Italian Government and the French Authorities.

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APPENDIX I (101)

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref : AC/5127/A/Commerce

EMC/da

18 April 1945

SUBJECT : Export Policy.

TO : S.E. G. GRIECO - Ministro per l'Industria, per il Commercio e per il Lavoro - Rome.

My dear Mr. Minister,

1. I wish to inform you that discussions between representatives of the civilian agencies of the United States and United Kingdom have resulted in the adoption of the following policies regarding exports from Italy :

2. Classification of Exports - The following classification is adopted for the purpose of marketing and pricing :

A. Commodities exported owing to the supply situation.

B. Commodities exported for commercial reasons.

The following will be included in Category A :

(1) All those products which are on the reserved commodity list of Combined Boards in Washington, which, owing to shortage of supply, require the source of supply to be determined by the Combined Board.

(2) Other commodities which the United States, United Kingdom and Canada agree in advance to be necessary for the war effort of the prospective purchasing nations and which should be obtained in Italy for shipping

1995

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

12 April 1945

SUBJECT : Export Policy.

TO : S.E. G. GRASSI - Ministro per l'Industria, per il Commercio e per il Lavoro - Roma.

My dear Mr. Minister,

1. I wish to inform you that discussions between representatives of the civilian agencies of the United States and United Kingdom have resulted in the adoption of the following policies regarding exports from Italy :

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(2) Other commodities which the United States, United Kingdom and Canada agree in advance to be necessary for the war effort of the prospective purchasing nations and which should be obtained in Italy for shipping reasons.

All other products will be included in Category B.

3. Category A products exported for supply reasons.

Marketing. Such commodities must be sold in those markets and quantities which the Combined Boards or other appropriate combined Allied agency may determine.

.....

1995

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

Pricing. Prices will be determined by negotiations between buyer and seller (the Italian Government or other supplier). If an agreement is not reached however, this will not prevent the goods from being exported. The Italian Government will receive not less than the ceiling price in the country effecting the purchase, or if there is no ceiling price, the normal selling price in the market where sold, plus any elements of subsidy minus expenses.

If the Italian Government is not satisfied with this price, and if the cost of production in Italy of the commodity is higher than the equivalent in foreign exchange proceeds of sale in the country of destination, the Italian Government may ask of the Allied Commission consideration of price adjustment by the purchaser.

4. Category D - Goods exported for commercial reasons.

Marketing and Pricing. The Italian seller may offer these products for sale in any market it may choose and will be free to obtain the best price it can. However, except where justified by special wartime conditions, the Allied Commission recommends as a general policy that such products should not be offered abroad when the price obtainable in a foreign market is less than the equivalent lire purchase price plus transportation and other charges.

5. Procurement in Italy of goods for export.

Responsibility for procuring all commodities for export, or for making other necessary arrangements for stimulating Italian exports, as well as responsibility for policing all export commodities will be transferred to the Italian Government as quickly as possible. We will withdraw from the procurement of goods in Italy for export and limit its activities to such supervision over exports as may be required to ensure the observation of policies laid down by the Combined Chiefs of Staff, and the carrying out of any procurement responsibilities placed upon the Italian Government. This will not prevent

1994

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

affecting the purchase, or if there is no selling price, the normal selling price in the market where sold, plus any elements of subsidy minus expenses.

If the Italian Government is not satisfied with this price, and if the cost of production in Italy of the commodity is higher than the equivalent in foreign exchange proceeds of sale in the country of destination, the Italian Government may ask of the Allied Commission consideration of price adjustment by the purchaser.

4. Category E - Goods exported for commercial reasons.

Marketing and Pricing. The Italian seller may offer these products for sale in any market it may choose and will be free to obtain the best price it can. However, except where justified by special wartime conditions, the Allied Commission recommends as a general policy that such products should not be offered abroad when the price obtainable in a foreign market is less than the equivalent lire purchase price plus transportation and other charges.

5. Procurement in Italy of goods for export. 1994

Responsibility for procuring all commodities for export, or for making other necessary arrangements for stimulating Italian exports, as well as responsibility for guiding all export commodities will be transferred to the Italian Government as quickly as possible. AC will withdraw from the procurement of goods in Italy for export and limit its activities to such supervision over exports as may be required to ensure the observation of policies laid down by the Combined Chiefs of Staff, and the carrying out of any procurement responsibilities placed upon the Italian Government. This will not prevent arrangements with the Italian Government, being made for representatives of buyers abroad to negotiate direct with individual producers.

6. Sale of exports from Italy. The objective of this policy is to restore private trade. To this end the Allied Commission desires to examine with the Italian Government

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any problems involved and then recommend to the Allied Governments such modifications of the present procedures as are at present justified in accomplishing the greatest possible restoration of private trading. In the absence of any other arrangements, until the re-establishment of private trading between Italy and other countries, the United States Commercial Company will, as an interim measure, offer its services to the Italian Government on an agency basis for handling the sale of Italian goods abroad. In so far as this offer is accepted, U.S.C.C. will operate in accordance with terms mutually agreed with the Italian Government, and subject to the limitations referred to in the preceding paragraphs.

The United Kingdom Commercial Corporation will be unable to operate in the same way as the U.S.C.C. but designated agencies of the British Government will gladly help the Italian Government to make arrangements for trade with other countries.

7. List of Category A commodities is given in Appendices A (1), A (2), A (3) and A (4).

99 91 92 94

A. G. ARMOUR
Acting Vice President
Economic Section

1893

4 Encl.

Copy to : Istituto Nazionale per il Commercio Estero, Rome
- AFHQ, G-5 Section (Economics & Supply Division)
- Mr. Di Nola, Ministero degli Affari Esteri
- Mr. Livingood, American Embassy
- Mr. Moseworthy, British Embassy

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APPENDIX "A" (1)

CERTAIN RAW MATERIALS BOARD RESERVED CONTROLLY LIST

1. Animal bristles
2. Asbestos (spinning grades only)
3. Bismuth
4. Cadmium
5. Casein
6. Chromite
7. Copal gum
8. Copper
9. Copper Sulphate
10. Cordage fibres (manila, sisal hemp, henequen, and cordage manufactures.
11. Corundum
12. Cotton (long staple only)
13. Gluestock and glue boncs
14. Hides, skins and leather, and tanning materials -
15. Jute and jute manufactures
16. Kapok
17. Lead
18. Lumber (including mining timber, railway sleepers, poles, plywood)
19. Manganese
20. Mica
21. Nickel
22. Nylon
23. Platinum
24. Pulpwood, pulp, paper, paperboard -
25. Pyrethrum
26. Pyrites
27. Rotenone
28. Rubber (crude and synthetic together with carbon black)
29. Silk
30. Tin

1992

NOTES

(a) Except in the case of manganese and chromite or as otherwise

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1. Animal bristles
2. Asbestos (spinning grades only)
3. Bismuth
4. Cadmium
5. Casein
6. Chromite
7. Copal gum
8. Copper
9. Copper Sulphate
10. Cordage fibres (manila, sisal hemp, henequen, and cordage manufactures.
11. Corundum
12. Cotton (long staple only)
13. Glue stock and glue bones
14. Hides, skins and leather, and tanning materials -
15. Jute and jute manufactures
16. Kapok
17. Lead
18. Lumber (including mining timber, railway sleepers, poles, plywood)
19. Manganese
20. Mica
21. Nickel
22. Nylon
23. Platinum
24. Pulpwood, pulp, paper, paperboard -
25. Pyrethrum
26. Pyrites
27. Rotenone
28. Rubber (crude and synthetic together with carbon black)
29. Silk
30. Tin

1992

NOTES

(a) Except in the case of manganese and chromite or as otherwise stated the metals listed should be read to include the metals themselves and their ores and concentrates, but not their semi-manufactures.

(b) In the case of mica and bristles it is not the intention of the Board to determine areas of supply in respect of certain types which are in surplus supply. It will be necessary, however, for the Board to examine requirements before this decision can be arrived at in each case, and requirements of mica and bristles should be presented in terms of types, grades and sizes.

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A P P E N D I X A (2)

COMBINED FOOD BOARD RESERVED COMMODITY LIST

1. Animal Feeding Stuffs : Fish meal; whole tankage;(or guano); Tankage; Bone Meal; Blood meal; Grease 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 acid, inclusive of argols, wine lees, etc.

4. Cocoa : Cocoa beans and all products.

5. Dairy Products : Butter; Cheese, natural & 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).

7. Fats and Oils : All fats and oils (edible and non-edible); All oil-bearing seeds; Soap.

8. Fertilisers : Nitrogenous, phosphatic (including rock) and potassic.

9. Fish : Salted cod, saithe and ling; Canned fish, hake, cusk pollock.

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

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

12. Pulses : Beans, peas, lentils.

13. Seeds : All field and vegetable seeds.

1951

[illegible] : Wheat and Wheat Flour; Rice, whole and broken.

3. Citric and Tartaric Acid : Citric and tartaric acid, inclusive of argols, wine lees, etc.

4. Cocoa : Cocoa beans and all products.

5. Dairy Products : Butter; Cheese, natural & 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).

7. Fats and Oils : All fats and oils (edible and non-edible); All oil-bearing seeds; Soap.

8. Fertilizers : Nitrogenous, phosphatic (including rock) and potassic.

9. Fish : Salted cod, saithe and ling; Canned fish, haddock, hake, cusk pollock.

10. Fruits : Dried fruit (i.e. dates, figs, apples, apricots, raisins and currents, peaches, pears and prunes).

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

12. Pulses : Beans, peas, lentils.

13. Seeds : All field and vegetable seeds.

14. Soap : Soap (Note : covered in General Heading No. 7 above).

15. Spices : Cinnamon quills, Mace, Nutmeg, pepper.

16. Sugar : Raw and refined.

17. Tea

18. Vitamins : Synthetic vitamins, i.e., ascorbic, niacin, riboflavin and thiamine.

1953

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APPENDIX A (3)

CRITICAL PRODUCTION AND RESOURCES BOARD

RESERVE COMMODITY LIST

1. Public Utilities Equipment :

   a. Power Equipment
   b. Manufactured Gas Equipment
   c. Water Supply and Sewage Equipment
   d. Communications Equipment
   e. Point-to-point Radio Equipment
   f. Spare Parts for the above equipment

2. Transportation Equipment :

   a. Locomotives
      Rolling Stock

   b. Trucks
      Replacement Parts including Batteries

   c. Tires and Tubes

1990

3. Agricultural Machinery and Equipment (excluding hand tools) :

4. Medical Supplies :

   a. Drugs :

      Cinchona Bark and Derivatives
      Ipecac and Derivatives
      Penicillin
      Narcotics

   b. Dental Equipment :

      Dental Burrs
      Dental Angle Hand Pieces

1. Public Utilities Equipment :

a. Power Equipment
b. Manufactured Gas Equipment
c. Water Supply and sewage Equipment
d. Communications Equipment
e. Point-to-point Radio Equipment
f. Spare Parts for the above equipment

2. Transportation Equipment :

a. Locomotives
Rolling Stock

b. Trucks
Replacement Parts including Batteries

c. Tires and Tubes

3. Agricultural Machinery and Equipment (excluding hand tools) :

4. Medical Supplies :

a. Drugs :

Cinchona Bark and Derivatives
Ipecac and Derivatives
Penicillin
Narcotics

b. Dental Equipment :

Dental Burrs
Dental Angle 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 (2 micron or higher vacuum)
X-Ray Film

d. D.D.T.

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1990

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5. Leather Products :

a. Footwear
b. Other leather products
c. Non-leather material for the production and repair of footwear.

Note : Hides, skins and leather included on CIND list.

6. Coal and Coke

7. 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
n.	Repair Parts for the above	-

8. Textile

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

1989

a. All fabrics for clothing, household or other uses made from cotton, wool or rayon whether woven or knitted.

b. All clothing, household textile and other fabricated articles made of cotton, wool or rayon, whether woven or knitted.

c. All yarns of cotton, wool or rayon.

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Note : Hides, skins and leather included on CIEC list.

6. Coal and Coke

7. Coal Mining Machinery (Underground) :

a.	Cutting Machines	-	Shortwall and longwall
b.	Cutting Machines	-	Universal and Crosswall
c.	Loaders	-	Crawler
d.	Loaders	-	Track
e.	Conveyors	-	Chain and Elevating
f.	Conveyors	-	Belt
g.	Conveyors	-	Shaker
h.	Mine Locomotives	-	Mine
i.	Cars	-	Shuttle
j.	Cars	-	Electric
k.	Drills	-	
l.	Mine Crawler Trucks	-	Coal Mine Type
m.	Hoists	-	
n.	Repair Parts for the above	-	

8. Textile

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 textile 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 fishnets and fishnet twine, sewing thread, yarn for mending and darning.

e. Tire cord.

1989

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APPENDIX A(4)

CITRUS CONCENTRATES 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.

1988

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1. Citrus Juices (unconcentrated and concentrated)

2. Fresh Citrus Fruit

3. Tomato Paste and Canned Tomatoes.

1938

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APPENDIX II

HEADQUARTERS ALLIED COMMISSION
APO 394
COMMERCE SUBCOMMISSION
Availability Section

Ref. AC/5199/Commerce

CAN/lp
16 March 1945

LIST OF CONTROLLED MATERIALS

A. 1st CATEGORY - LIST OF MATERIALS CONTROLLED BY AFLR(I)B

a. Controlled by Engineering Materials Committee.

I. Metals - Ferrous.

1. Cable & Wire
2. Machine & Tool steel
3. Structural Steel, sectional dimension exceeding mm.150
4. Foundry Pig.

II. Metals - Non ferrous.

5. Brass, unfabricated
6. Copper, unfabricated and scrap
7. Chromium
8. Lead in all forms
9. Nickel
10. Solder
11. Tin
12. White metal for bearings

1987

III. Timber.

13. Standing timber in the two areas reserved for British and American services in Calabria.
14. Plywood

IV. Other Building Materials.

15. Paint
16. Pigments for paint
17. Varnish
18. Linseed & Linseed Oil
18.A. Cement all qualities.

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LIST OF CONTROLLED MATERIALS

4. 1st CATEGORY - LIST OF MATERIALS CONTROLLED BY AFLR(I)B

a. Controlled by Engineering Materials Committee.

I. Metals - Ferrous.

1. Cable & Wire
2. Machine & Tool steel
3. Structural Steel, sectional dimension exceeding mm.150
4. Foundry Pig.

II. Metals - Non ferrous.

5. Brass, unfabricated
6. Copper, unfabricated and scrap
7. Chromium
8. Lead in all forms
9. Nickel
10. Solder
11. Tin
12. White metal for bearings

1987

III. Timber.

13. Standing timber in the two areas reserved for British and American services in Calabria.
14. Plywood

IV. Other Building Materials.

15. Paint
16. Pigments for paint
17. Varnish
18. Linseed & Linseed Oil
18.A. Cement all qualities.

V. Electrical Materials.

19. Accumulators & Batteries
20. Copper and Aluminium conductors
21. Electric Light bulbs
22. Electric Light fittings
23. Motors
24. Portable generators
25. Switch gear
26. Transformers
27. Welding rods.
28. Wires & Cables

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VI. Industrial Gases & Chemicals.

29. Gas bottles and containers
30. Ammonia
31. Caustic Soda
32. Calcium Carbide
32A. Soda Ash

b. Controlled by Miscellaneous Purposes Committee

VII.33. Hemp: raw, tow and manufactured (excluding binder twine & 3rd, 4th and 5th quality rope).
34. Leather and all leather articles.

B. 2nd CATEGORY - RESTRICTED MATERIALS (MATERIALS CONTROLLED WITH PRIORITY FOR CIVILIAN NEEDS).

1. Matches
2. Phosphate Rock
3. Tanning Materials
4. Cellulose for paper-making
5. Carbon Bisulphide
6. Soap

C. 3rd CATEGORY - MATERIALS CONTROLLED BY THE MINISTRY OF INDUSTRY COMMERCE AND LABOUR

I. Metals.

1. Iron bars, iron plates, tin plates
2. Steel - in blooms, ingots, billets and slabs - other than special machine and tool steel.
3. Structural steel, sectional dimension of 150 mm. or less.
4. Aluminium in pig, ingots, plates or semifinished materials (rolled, drawing, powders, grains, etc.).
5. Scrap metals other than copper and lead already mentioned in category 1, para II.
6. Aluminium scraps.

II. Building Materials.

7. Trunks only of: fir, larch, pine and chestnut tree, average sectional dimension not less than 15 cms.
8. Sawn timber of the above mentioned trees (small boards, planks, big planks, cants etc.) with a thickness of 20 mm. or more.
9. Beams of the above mentioned trees regardless of manufacture (axed or sawn), sectional dimension not less

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[illegible] and 5th quality rope).
[illegible]. leather and all leather articles.

B. 2nd CATEGORY - RESTRICTED MATERIALS (MATERIALS CONTROLLED WITH PRIORITY FOR CIVILIAN NEEDS).

1. Matches
2. Phosphate Rock
3. Tanning Materials
4. Cellulose for paper-making
5. Carbon Bisulphide
6. Soap

C. 3rd CATEGORY - MATERIALS CONTROLLED BY THE MINISTRY OF INDUSTRY COMMERCE AND LABOUR

I. Metals.

1. Iron bars, iron plates, tin plates
2. Steel - in blooms, ingots, billets and slabs - other than special machine and tool steel.
3. Structural steel, sectional dimension of 150 mm. or less.
4. Aluminium in pig, ingots, plates or semifinished materials (rolled, drawing, powders, grains, etc.).
5. Scrap metals other than copper and lead already mentioned in category 1, para II.
6. Aluminium scraps.

II. Building Materials.

7. Trunks only of: fir, larch, pine and chestnut tree, average sectional dimension not less than 15 cms.
8. Sawn timber of the above mentioned trees (small boards, planks, big planks, cants etc.) with a thickness of 20 mm. or more.
9. Beams of the above mentioned trees regardless of manufacture (axed or sawn), sectional dimension not less than 15 x 15 cms.
10. Small beams of the above mentioned trees regardless of manufacture (axed or sawn), sectional dimension not less than 7 x 7 cms.
11. Slats of the above mentioned trees regardless to their sectional dimension and length.
12. Glass (sheet).

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III . Greases and solvents

15. Greases for industrial purposes, excluding petroleum products (I).
14. Solvents; (carbon tetrachloride, trioline, excluding petroleum products). (I)

IV . Textile fibres.

15. Artificial textile fibres
16. Cotton, cloth and other textile products.
17. Binder twine and 3rd, 4th and 5th quality rope.
17 A Raw silk, yarn waste.

V Miscellaneous

18. Sulphuric acid (pure, to be employed for electrical accumulators).
19. Sulphur rock and processed sulphur.

D. 4th CATEGORY - MATERIALS UNDER SPECIAL CONTROL.

1. Solid fuel.
2. P.O.L. (Petroleum products, oils and lubricants), methane gas.
3. Newsprint and printing paper (for the Provinces given back to the Administration of the Italian Government and for Naples).

(I) Petroleum greases for industrial purposes, petroleum lubricants and solvents must be considered as P.O.L. products.

1988

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Miscellaneous

I8. Sulphuric acid (pure, to be employed for electrical accumulators).
I9. Sulphur rock and processed sulphur.

D. 4th CATEGORY - MATERIALS UNDER SPECIAL CONTROL.

I. Solid fuel.
2. P.O.L. (Petroleum products, oils and lubricants), methane gas.
3. Newsprint and printing paper (for the Provinces given back to the Administration of the Italian Government and for Naples).

(I) Petroleum greases for industrial purposes, petroleum lubricants and solvents must be considered as P.O.L. products.

1986

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BRITISH EMBASSY,

PARIS

4th April, 1945.

APR 15 REC'D

With Mr. G.A. Crossley's compliments.

The poor condition of the minutes is due to the duplicator being out of order.

Declassified E.O. 12356 Section 3.3/NND 785017

(90)

PARIS TRIPARTITE ECONOMIC COMMITTEE

Minutes of Meeting No. 9 held on 16th March, 1945, at 11 a.m.

PRESENT:

French Representatives	American Representatives	British Representatives
Messieurs Alphand	Messrs. Blenk (part-time)	Messrs. Cadbury
Baraduc	Little	Crossley
Esquissaud	Huber	Godfrey
Felix	Somarindyck	Gridley
Frecaut		
de Fouchier		
Igonet		
Joffet		
Koechlin		
Labouret		
Millardet		
Peter		
de la Taille		
Toussaint		
Viau		
Wallon		

(68)

102. MINUTES OF MEETING OF 16TH FEBRUARY

The Minutes of the meeting of 16th February were approved without amendment.

103. PORTUGAL

(Reference Minutes 100, 84, 64, 56 and 50)

(a) Exchanges of [redacted] against coal and co-ordination of Allied Purchases generally

Reference was made to a letter of the 10th March, addressed by M. Alphand to Mr. Labouisse, on the subject of discussions which Brigadier General Wayne Allen, the G.P.A. of the U.S. Army in N.W. Europe was understood to have had in Lisbon with the Portuguese authorities on the subject of proposed exchanges of French coal against Portuguese pitprops. This discussion had been conducted without consultation with the Tripartite Economic Committee in Lisbon.

M. Alphand had referred in his letter to the discussions which had already taken place in Paris and which had reached the general agreement that Allied purchases in Portugal should be co-ordinated by the Tripartite Committee in Lisbon in the first place, and referred to the Paris Tripartite Economic Committee or to London and/or Washington in cases where it had proved impossible to find a solution on the subject. (See Minutes 50, 56, 64 and 84.) These views had been expressed to Brigadier General Wayne Allen when he attended the Paris Tripartite meeting of the 19th January, and had subsequently been reaffirmed in a discussion between the General and M. Alphand

Igonet
Joffet
Koechlin
Labouret
Millaqdet
Peter
de la Taille
Toussaint
Viau
Wallon

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The American representatives stated that after discussion with Brigadier General Wayne Allen, Mr. Labouisse had already answered M. Alphand's letter. General Allen had stated to Mr. Labouisse that he had never discussed the proposal that French coal should be exchanged against Portuguese pitprops. A similar proposal had been under discussion for some time, but the coal which the Portuguese had requested for delivery in exchange for pitprops would have to come from the USA and not from France. About a month ago the French representatives in Lisbon had announced that coal would be available at Calais for this purpose. No action had been taken by the U.S. representatives in this connection. It was to be assumed that the G.P.A. would reserve the

/right

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

right to deliver any pitprops which he might procure under such an arrangement with Portugal to any liberated area.

The French representatives stated that they were very actively interested in the Portuguese pitprop availability for French mines. It was thus essential that the procedure envisaged in the Minutes under reference should not be departed from.

The American representatives stated that Brigadier General Wayne Allen had been accompanied in all of his discussions by a representative of the U.S. Embassy in Lisbon in order to ensure proper co-ordination. The French and British representatives stated, however, that according to the reports received from their respective Embassies in Lisbon, this co-ordination did not in fact appear to have been effected.

It was noted that at the meeting of the Lisbon Tripartite Economic Committee held on the 22nd February, it had been agreed that future discussions with the Portuguese regarding timber should be conducted jointly by representatives of the three missions. Accordingly, it appeared that the general desire to have such purchases co-ordinated was secured.

(b) Control of Private Purchases in Portugal

Reference was made to a letter dated 5th March, addressed by M. Alphand to Mr. Gridley and Mr. Labouisse giving the text of an agreed telegram from the Lisbon Tripartite Economic Committee on the subject of the suggestion that navicerts and certificates of origin should not be granted for Portuguese products which were subject of private purchases which were in conflict with the Allied Governments' purchases. The telegram had pointed out that such a measure would provoke a protest from the Portuguese and enquired whether the American, French and British Governments would agree to such a procedure.

The French representatives stated that they would have no objection to certain French purchases being made through privatechannels, provided this was done in consultation with the French Embassy. In any event, through the import licensingsystem the French Government would retain control of such purchases. Although in general they would for the present time desire the bulk of trade to be through governmental channels, there were some cases, such as pyrites, when they would in fact wish to delegate certain purchases to private channels.

The American and British representatives stated that they hadnot yet been informed of the views of their respective governments.

(c) Anglo-American-Portuguese Supply-Purchase Agreement

In connection with statements which had been made from time to time by the French representatives of their desire to be kept as fully informed as possible concerning Allied purchases and economic policy in Portugal, the Committee noted Item No. 11 of the Minutes of the 5th meeting of the Lisbon Tripartite Economic Committee held on 8th February 1945, stating that the text of the Anglo-American-Portuguese Supply-Purchase

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appear to have been effected.

It was noted that at the meeting of the Lisbon Tripartite Economic Committee held on the 22nd February, it had been agreed that future discussions with the Portuguese regarding timber should be conducted jointly by representatives of the three missions. Accordingly, it appeared that the general desire to have such purchases co-ordinated was secured.

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The American and British representatives stated that they hadnot yet been informed of the views of their respective governments.

(c) Anglo-American-Portuguese Supply-Purchase Agreement

In connection with statements which had been made from time to time by the French representatives of their desire to be kept as fully informed as possible concerning Allied purchases and economic policy in Portugal, the Committee noted Item No. 31 of the Minutes of the 5th meeting of the Lisbon Tripartite Economic Committee held on 8th February 1945 stating that the text of the Anglo-American-Portuguese Supply-Purchase agreement, covering the period 1st January 1944 to 30th June 1945 had been handed to M. Lefort and that M. Lefort had stated that no French action would be taken which was likely to prejudice the terms of this agreement.

104. TURKEY

Re-sale price of pre-emptively purchased goods (reference Minute 97(.))

The French representatives stated that, as suggested, they had raised this subject in London and Washington and had been informed by London that they should apply to Ankara.

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PA[illegible] TRIPARTITE ECONOMIC COMMIT[illegible]

Minutes of Meeting No. 9 held on 16th March, 1945, at 11 a.m.

PRESENT:

French Representatives	American Representatives	British Representatives
Messieurs Alphand	Messrs. Blenk (part-time)	Messrs. Cadbury
Baraduc	Little	Crossley
Esquissaud	Huber	Godfrey
Felix	Sorarindyck	Gridley
Frecaut		
de Fouchier		
Igonet		
Joffet		
Koechlin		
Labouret		
Millardet		
Peter		
de la Taille		
Toussaint		
Viau		
Wallon		

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102. MINUTES OF MEETING OF 16TH FEBRUARY

The Minutes of the meeting of 16th February were approved without amendment.

103. PORTUGAL

(Reference Minutes 100, 84, 64, 56 and 50)

(a) Exchanges of [redacted] against coal and co-ordination of Allied purchases generally

Reference was made to a letter of the 10th March, addressed by M. Alphand to Mr. Labouisse, on the subject of discussions which Brigadier General Wayne Allen, the G.P.A. of the U.S. Army in N.W. Europe was understood to have had in Lisbon with the Portuguese authorities on the subject of proposed exchanges of French coal against Portuguese pitprops. This discussion had been conducted without consultation with the Tripartite Economic Committee in Lisbon.

M. Alphand had referred in his letter to the discussions which had already taken place in Paris and which had reached the general agreement that Allied purchases in Portugal should be co-ordinated by the Tripartite Committee in Lisbon in thefirst place, and referred to the Paris Tripartite Economic Committee or to London and/or Washington in cases where it had proved impossible tofind a solution on the subject. (See Minutes 50, 56, 64 and 84.) These views had been expressed to Brigadier General Wayne Allen when he attended the Paris Tripartite meeting of the 19th January, and had subsequently been reaffirmed in a discussion between the General and M. Alphand.

de Fouchier
Igonet
Joffet
Koechlin
Labouret
Millardet
Peter
de la Taille
Toussaint
Viau
Wallon

(69)

102. MINUTES OF MEETING OF 16TH FEBRUARY

The Minutes of the meeting of 16th February were approved without amendment.

103. PORTUGAL
(Reference Minutes 100, 84, 64, 56 and 50)

(a) Exchanges of pitprops against coal and co-ordination of Allied purchases generally

Reference was made to a letter of the 10th March, addressed by M. Alphand to Mr. Labouisse, on the subject of discussions which Brigadier General Wayne Allen, the G.P.A. of the U.S. Army in N.W. Europe was understood to have had in Lisbon with the Portuguese authorities on the subject of proposed exchanges of French coal against Portuguese pitprops. This discussion had been conducted without consultation with the Tripartite Economic Committee in Lisbon.

M. Alphand had referred in his letter to the discussions which had already taken place in Paris and which had reached the general agreement that Allied purchases in Portugal should be co-ordinated by the Tripartite Committee in Lisbon in the first place, and referred to the Paris Tripartite Economic Committee or to London and/or Washington in cases where it had proved impossible to find a solution on the subject. (See Minutes 50, 56, 64 and 84.) These views had been expressed to Brigadier General Wayne Allen when he attended the Paris Tripartite meeting of the 19th January, and had subsequently been reaffirmed in a discussion between the General and M. Alphand.

The American representatives stated that after discussion with Brigadier General Wayne Allen, Mr. Labouisse had already answered M. Alphand's letter. General Allen had stated to Mr. Labouisse that he had never discussed the proposal that French coal should be exchanged against Portuguese pitprops. A similar proposal had been under discussion for some time, but the coal which the Portuguese had requested for delivery in exchange for pitprops would have to come from the USA and not from France. About a month ago the French representatives in Lisbon had announced that coal would be available at Calais for this purpose. No action had been taken by the U.S. representatives in this connection. It was to be assumed that the G.P.A. would reserve the

/right

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right to deliver any pitprops which he might procure under such an arrangement with Portugal to any liberated area.

The French representatives stated that they were very actively interested in the Portuguese pitprop availability for French mines. It was thus essential that the procedure envisaged in the Minutes under reference should not be departed from.

The American representatives stated that Brigadier General Wayne Allen had been accompanied in all of his discussions by a representative of the U.S. Embassy in Lisbon in order to ensure proper co-ordination. The French and British representatives stated, however, that according to the reports received from their respective Embassies in Lisbon, this co-ordination did not in fact appear to have been effected.

It was noted that at the meeting of the Lisbon Tripartite Economic Committee held onthe 22nd February, it had been agreed that future discussions with the Portuguese regarding timber should be conducted jointly by representatives of the three missions. Accordingly, it appeared that the general desire to have such purchases co-ordinated was secured.

(b) Control of Private Purchases in Portugal

Reference was made to a letter dated 5th March addressed by M. Alphand to Mr. Gridley and Mr. Leboulaire giving the text of an agreed telegram from the Lisbon Tripartite Economic Committee on the subject of the suggestion that navicerts and certificates of origin should not be granted for Portuguese products which were subject of private purchases which were in conflict with the Allied Governments' purchases. The telegram had pointed out that such a measure would provoke a protest from the Portuguese and enquired whether the American, French and British Governments would agree to such a procedure.

The French representatives stated that they would have no objection to certain French purchases being made through privatechannels, provided this was done in consultation with the French Embassy. In any event, through the import licensingsystem the French Government would retain control of such purchases. Although in general they would for the present time desire the bulk of trade to be through governmental channels, there were some cases, such as pyrites, when they would in fact wish to delegate certain purchases to private channels.

The American and British representatives stated that they hadnot yet been informed of the views of their respective governments.

(c) Anglo-American-Portuguese Supply-Purchase Agreement

In connection with statements which had been made from time to time by the French representatives of their desire to be kept as fully informed as possible concerning Allied purchases and economic policy in Portugal, the Committee noted Item No. 2A of the Minutes of the 5th meeting of the Lisbon Tripartite Economic Committee held on 8th February 1945 stating that the text

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did not in fact appear to have been effected.

It was noted that at the meeting of the Lisbon Tripartite Economic Committee held on the 22nd February, it had been agreed that future discussions with the Portuguese regarding timber should be conducted jointly by representatives of the three missions. Accordingly, it appeared that the general desire to have such purchases co-ordinated was secured.

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The American and British representatives stated that they hadnot yet been informed of the views of their respective governments.

(c) Anglo-American-Portuguese Supply-Purchase Agreement

In connection with statements which had been made from time to time by the French representatives of their desire to be kept as fully informed as possible concerning Allied purchases and economic policy in Portugal, the Committee noted Item No. 3 of the Minutes of the 5th meeting of the Lisbon Tripartite Economic Committee held on 6th February 1945 stating that the text of the Anglo-American-Portuguese Supply-Purchase agreement, covering the period 1st January 1944 to 30th June 1945 had been handed to M. Lefort and that M. Lefort had stated that no French action would be taken which was likely to prejudice the terms of this agreement.

184. TURKEY

Re-sale price of pre-emptively purchased goods (reference Minute 97(.))

The French representatives stated that, as suggested, they had raised this subject in London and Washington and had been informed by London that they should apply to Ankara.

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(89)

The American representatives, referring to a letter addressed on the 2nd March by Mr. Labouisse to Mr. Margolin, stated that they had been informed by Washington that the commodities listed in the attachment to the letter under reference showing the status of stocks on the 12th February 1945 in Spain, Portugal and Turkey which were owned by the U.S.C.C., solely or jointly with the U.K.C.C., could be purchased subject to prior sale at market prices to be negotiated with the U.S.C.C. in Washington who, in turn, would reach agreement with the U.K.C.C. when the commodities were owned jointly. Accordingly, the only point remaining for clarification appeared to be in connection with goods owned solely by the U.K.C.C. and the British representatives agreed to obtain confirmation that this matter would in fact be dealt with in Ankara.

105. IRON ORE EXPORTS FROM FRANCE TO THE U.K.
(Reference Minute 83(c)

It was agreed that this matter should be discussed separately between the French and British representatives.

(87)

106. SUGAR FOR F.N.A. AND FRANCE
(Reference Minute 92)

There having been certain modifications in the situation since the meeting of the Committee, it was agreed, in order to avoid confusion, that a note dated 8th March which had been submitted by the French representatives to the 21st Four-Party Committee meeting held in Paris on 9th March, should be attached to the Minutes of this meeting. (See Appendix "A")

107. FRENCH NORTH AFRICA

(a) General

It was agreed that, on the arrival of M. Cardin, Secretaire Generale de la Commission de l'Afrique du Nord, who was expected in Paris on 21st March, a special meeting should be held with Mr. Huber in order to review current French North African economic affairs.

(b) Phosphate Rock for Greece

The French representatives stated that they had been informed by Algiers that the U.K.C.C. wished to purchase 10,000 tons of phosphate rock from Sfax for delivery over a three months' period, to Greece. Algiers had stated that SHAEF and the British Embassy in Parisshould be consulted on this matter.

The French representatives enquired with whom they should discuss this subject in order to enquire in what currency payment would be made and under what allocation the deliveries would be effected, etc. The British representatives agreed to enquire into the matter, of which they had not previously heard.

(c) Wheat (Reference Minute 91(a))

The French representatives stated that they had decided to load wheat on one of the March loading vessels originally intended to carry sugar

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

It was agreed that this matter should be discussed separately between the French and British representatives.

106. SUGAR FOR F.N.A. AND FRANCE
(Reference Minute 92)

There having been certain modifications in the situation since the meeting of the Committee, it was agreed, in order to avoid confusion, that a note dated 8th March which had been submitted by the French representatives to the 21st Four-Party Committee meeting held in Paris on 9th March, should be attached to the Minutes of this meeting. (See Appendix "A")

107. FRENCH NORTH AFRICA

(a) General

It was agreed that, on the arrival of M. Cardin, Secretaire Generale de la Commission de l'Afrique du Nord, who was expected in Paris on 21st March, a special meeting should be held with Mr. Huber in order to review current French North African economic affairs.

(b) Phosphate Rock for Greece

The French representatives stated that they had been informed by Algiers that the U.K.C.C. wished to purchase 10,000 tons of phosphate rock from Sfax for delivery over a three months' period, to Greece. Algiers had stated that SHAEF and the British Embassy in Parisshould be consulted on this matter.

The French representatives enquired with whom they should discuss this subject in order to enquire in what currency payment would be made and under what allocation the deliveries would be effected, etc. The British representatives agreed to enquire into the matter, of which they had not previously heard.

(c) Wheat (Reference Minute 91(a))

The French representatives stated that they had decided to load wheat on one of the March loading vessels originally intended to carry sugar to North Africa, and also on a further vessel which was to have carried coal. In addition, two of the twenty vessels allocated for March loadings for France had been diverted to load wheat for FNA. There would thus be eleven vessels loading from the USA for FNA during March, of which eight would carry wheat, one sugar, one coal and one general cargo. Instructions to this effect had been telegraphed by Affaires Etrangeres to Washington and the information will be confirmed by letters to the two Embassies.

The British representatives stated that they had seen a telegram addressed to Algiers stating that 7,500/8,000 tons of barley from Irak would arrive in FNA about mid April.

/The

Declassified E.O. 12356 Section 3.3/NND No. 785013

The French representatives undertook to write to the two Embassies on the subject of an approach which had been made to the Resident General of Morocco by a private U.S. firm offering to sell Argentinian wheat, for which the firm claimed that it could obtain Navicerts for delivery to Tangiers on an Argentinian vessel.

108. SHIPPING FOR FRENCH IMPERIAL IMPORTS INTO FRANCE AND F.N.A.

(a) Shipments from FWA to France and FNA

The French representatives announced that following the agreements which had been reached in London and Washington as a result of the discussions with Mr. Anduze-Faris, the French had received:-

(a) extra allocations of shipping lift from the Allied pool, of 6,000 and 24,000 tons for March and April loadings respectively, from French West Africa, and

(b) the return of 50,000 dead weight tons of French shipping at present on charter to M.W.T. to come under the operation of the Marine Marchande to be used principally on the imperial import programme, subject to the over-riding control of the Anglo-French Allocations Committee in London, and

(c) the return of 5 French vessels previously on charter to the U.S.A. in the Mediterranean and representing 40,000 full dead weight tons.

This tonnage together with the List B tonnage which the French had previously had at their disposal for traffic between FWA and FNA and for extra Metropolitan shipments, would enable the Marine Marchande to lift 197,000 tons of cargo inrespect of the period 1st January to 1st May 1945 against the total 8 months (1st January to 31st August 1945) programme of 398,000 tons for shipment from FWA to FNA and France.

A balance of 200,000 tons would thus remain to be shipped between 1st May and the end of August. Of this balance 70,000 tons could be shipped by thetonnage available to the Marine Marchande and in respect of the deficit of 130,000 tons the Marine Marchande had requested that 45,000 tons of shipping space should be made available for each of the months of June, July and August.

It was agreed that this matter should be left for negotiation by the competent shipping authorities.

(b) Shipments - Madagascar and Reunion to France and FNA

The French representatives reminded the meeting that in spite of the progress achieved against the F.W.A. programme, allocations were still awaited both ofcommodities and shipping against the Madagascar and Reunion programmes.

It was agreed that M. Peter should consult with M. Chardon and communicate to the two Embassies, a statement of these programmes as revised up to date, particularly in respect ofthe meat and sisal items.

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

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(b) the return of 50,000 dead weight tons of French shipping at present on charter to M.W.T. to come under the operation of the Marine Marchande to be used principally on the imperial import programme, subject to the over-riding control of the Anglo-French Allocations Committee in London, and

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The French representatives reminded the meeting that in spite of the progress achieved against the F.W.A. programme, allocations were still awaited both ofcommodities and shipping against the Madagascar and Reunion programmes.

It was agreed that M. Peter should consult with M. Chardon and communicate to the two Embassies, a statement of these programmes as revised up to date, particularly in respect ofthe meat and sisal items.

109. FRENCH COLONIAL RUBBER

Sales to Allies - (Reference 98)

Due authorisation having been received from the French Provisional Government and H.M. Government, Monsieur Alphandand Mr. Gridley agreed to proceed to the signature of the agreement handed to the Allied representatives on 19th January (see Minute No. 71).

/The

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

The French representatives reminded the Committee of their Government's desire for representation on the Rubber Study Group and on the Rubber Committee of the Combined Raw Materials Board, which desire the Allied representatives stated they had made known to their respective Governments.

110. MaDaGaSCaR

(a) Sisal (Reference Minute 82 (a))

The French representatives acknowledged receipt of the communication of the U.S. Embassy announcing the agreement of the U.S. Government to release to the French the balance of the contract for 2,184 tons of sisal, against which the U.S.A. had loaded some 300 tons. They stated they would now make a formal application to the Combined Boards for the allocation of this balance of 1,800/1,900 tons together with the 1,500 tons which became available at the end of 1944 and the further 1,500 tons to become available in June 1945.

(b) Hides (Reference Minute 36)

The British representatives acknowledged receipt of the formal confirmation of the French representatives' agreement to the proposals mentioned in Minute No. 90.

111. FRENCH EXPORTS

(Reference Minute No. 83 (e))

The French representatives stated they were now anxious to issue a notice to exporters about the possibility of exporting French products and they had received a draft from the U.S. Embassy of the notice it was proposed to issue in the U.S.A. They had prepared a similar notice for issue to French exporters. They understood, however, from M. de la Taille's conversations in London, that the U.K. authorities found difficulty, because of the different situation in the U.K., in themselves issuing a similar notice. They, therefore, enquired whether the U.K. representatives desired that the forthcoming French notice should refer to exports to the U.S.A. only, or to the both countries and, if so, in what terms. It was agreed that this point should be left for settlement between the French representatives and Mr. Fraser - Minister (Commercial) of the British Embassy.

1983

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

together with the 1,500 tons which became available at the end of 1944 and the further 1,500 tons to become available in June 1945.

(b) Hides (Reference Minute 96).

The British representatives acknowledged receipt of the formal confirmation of the French representatives' agreement to the proposals mentioned in Minute No. 96.

111. FRENCH EXPORTS
(Reference Minute No. 83 (e))

The French representatives stated they were now anxious to issue a notice to exporters about the possibility of exporting French products and they had received a draft from the U.S. Embassy of the notice it was proposed to issue in the U.S.A. They had prepared a similar notice for issue to French exporters. They understood, however, from M. de la Taille's conversations in London, that the U.K. authorities found difficulty, because of the different situation in the U.K., in themselves issuing a similar notice. They, therefore, enquired whether the U.K. representatives desired that the forthcoming French notice should refer to exports to the U.S.A. only, or to the both countries and, if so, in what terms. It was agreed that this point should be left for settlement between the French representatives and Mr. Fraser - Minister (Commercial) of the British Embassy.

1983

GAC/BRS/E55
31st March, 1945

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

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NOTE

1. The French representatives will at the next meeting propose the following addition to the end of the penultimate para. of 103(b) -

After "certain purchases to private channels."

Add "In any event the French Provisional Government wished to be able to keep its liberty of action. The French representatives enquired further whether the measure envisaged was not also intended to deprive Neutrals of goods, the purchase of which the Allies might reserve for themselves."

2. They will also propose the following addition to the end of para. 103(c):-

"The French representatives stated thatthe text of this agreement had not reached Paris and that it would be requested by telegram to M. Lefort."

SECRET

S E C R E T

(87)

APPENDIX "A"

TRANSLATION

MINISTRY
OF
NATIONAL ECONOMY

Supply Commission

Paris, 8 March 1945

MEMORANDUM ON SUGAR

A letter of 6 March 1945 sent to Mr. LEVIANT by Mr. J. C. GRIDLEY, Economic Advisor at the British Embassy, points out the necessity to furnish more detailed information to the Four-Party Committee on our sugar requirements for the two semesters of 1945, as shown by the latest study of the question.

Referring to the 20th meeting of the Four-Party Committee, we believe that the following points need to be made clear.

1) The 8 months program includes 100,000 tons of sugar to be imported before 1 July 1945 of which:

17,321 tons on the military target relief program
82,679 tons on the civilian program.

The source of procurement of the above 82,679 tons, has not been given as yet by the Sugar Committee. Telegrams were sent to Washington requesting that the origin of this shipment be made known as a matter of urgency and that it be the U.S., so as to allow procurement and loading in April.

2) The importation of 325,000 tons has been planned to cover the needs for the second semester of 1945 and this request has already been considered by the Sugar Committee.

It would have been desirable that the delivery of these 325,000 began even prior to the end of the first semester. Due to shipping limitations this will not be possible, but in any case it should follow the first 100,000 tons, with no interruption.

4) For this reason we desire to purchase at once an additional 100,000 tons to be deducted from the allocation for the second semester. It is desirable that for this quantity the source of procurement be also the U.S. as being probably the only way to ensure that shipments follow on those of the first semester without any interruption.

5) If this is carried out, on a total demand of 425,000 tons for the whole year 200,000 tons (of which 17,321 on military account) would be supplied by the U.S.

The balance of 225,000 tons might come from other sources

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

necessity to furnish more detailed information to the Four-Party Committee on our sugar requirements for the two semesters of 1945, as shown by the latest study of the question.

Referring to the 28th meeting of the Four-Party Committee, we believe that the following points need to be made clear.

1) The 8 months program includes 100,000 tons of sugar to be imported before 1 July 1945 of which:

17,321 tons on the military target relief program
82,679 tons on the civilian program.

The source of procurement of the above 82,679 tons, has not been given as yet by the Sugar Committee. Telegrams were sent to Washington requesting that the origin of this shipment be made known as a matter of urgency and that it be the U.S., so as to allow procurement and loading in April.

2) The importation of 325,000 tons has been planned to cover the needs for the second semester of 1945 and this request has already been considered by the Sugar Committee.

It would have been desirable that the delivery of these 325,000 began even prior to the end of the first semester. Due to shipping limitations this will not be possible, but in any case it should follow the first 100,000 tons, with no interruption.

4) For this reason we desire to purchase at once an additional 100,000 tons to be deducted from the allocation for the second semester. It is desirable that for this quantity the source of procurement be also the U.S. as being probably the only way to ensure that shipments follow on those of the first semester without any interruption.

5) If this is carried out, on a total demand of 425,000 tons for the whole year 200,000 tons (of which 17,321 on military account) would be supplied by the U.S.

The balance of 225,000 tons might come from other sources and preferrably from Reunion up to a total of 75,000 tons.

The balance available in Reunion being in principle allocated to the needs of North Africa (100,000 tons).

6) In any case, 100,000 tons will need to be imported into France during the first semester - 1945.

SECRET

SECRET

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

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

6 April 1945

Memo:

To : Acting President, Allied Commission

From: Chief Commissioner

Dec 45

Regarding your inquiry concerning the French hold-up of phosphate shipments from SFAX due to price difficulties, the Economic Section has been directed to take this matter up with the French representative to the Allied Commission and express in strongest terms the gravity of the situation. The French Embassy cabled their Government for full explanation as to the cause of the delay (no reply has been received).

Previous demands for phosphate rock have been dealt with by AFHQ on a requisition basis, and accordingly the Italian Government was not consulted on the price question. This policy has now been changed and imports of phosphates are cleared through the regular Foreign Trade channels.

1981

Mr. Antolini will try to bring the problem to a head at Economic Section's regular weekly meeting (6 April) with the Italian Ministers.

S/ — —

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

INTER-OFFICE MEMORANDUM
ECONOMIC SECTION

LDD/ee

13.03/ES

5 April 1945

SUBJECT: Trade Between Italy and France

TO : Commerce Sub-Commission

1. Reference

a. Attached ltr #42/03914/11 (original and translation) from H. E. Bonomi to Chief Commissioner dtd 27 March 45 relative to above subject which is in reply to ltr from the Chief Commissioner dtd 19 Feb 45 (ES/13.03).

b. The following note was written to the Executive Commissioner by the Chief Commissioner upon receipt of Ref a. above

"Executive Commissioner:

1. This is a most important letter.

2. The French Embassy, General de Sevine, and (probably U. S. and British Embassy Commercial Attaches) should be informed.

3. It is important that the Economic Section handle with great care.

ELLERY W. STONE
Chief Commissioner
30/3/45"

c. Attached copy of memo VP, Econ Sec to Exec. Comm. dtd 5/4/45.

d. Directive VP, Econ Sec to Commerce S/C Ref 13.03/ES and 21.03/ES dtd 29 March 45, subject: "Italian Export Policy."

2. Request that draft of appropriate reply to reference c, for signature of Chief Commissioner be submitted to VP, Econ Sec.

3. Please send copy of ref a and Chief Commissioner's reply to the following:

M. M. Couve de Murville, French Delegate A.C.I.
General de Sevin, French Representative, Alcom
American Embassy, Mr. Livengood
British Embassy, Mr. Nosworthy

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(83)

4. It will be noted that TAM 456 covers some of the points which are discussed by H. E. Bonomi in reference a.

5. In the letter which is to be written to H. E. Bonomi, the following point, along with others should be covered.

a. Information as to list of controlled and restricted items.

b. Items listed on the reserved commodity list. See COM Airgram 5 for list plus COM 60 of 2 April 1945 for change in list. See also MOC 51.

c. Request H. E. Bonomi to state which Ministers will represent the Italian Government in meetings with the Vice President of the Economic Section "to clear doubtful points and examine whether the conditions themselves couldn't be simplified or made lighter."

6. Colonel Evans will doubtless want to discuss with me plan for further meeting with the Italian Government on this matter.

7. May this matter have urgent and careful attention.

A. G. ANTOLINI
Acting Vice President
Economic Section

Incl - m/a

See (164)

1973

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

(82)

INTER-OFFICE MEMORANDUM
ECONOMIC SECTION

ldd/es

1203/TS 4410

5 April 1945

APR - 7 1945

See 41 & 41A

MEMORANDUM FOR COLONEL FISKE:

60A

I have this in hand. I will see that French, American and British Embassies are informed. Since our letter of 19 February to Bonomi TAM 456 of 9 February has been received from CCS. TAM 456 provides definite instructions on a number of the points covered in Bonomi's letter. The Italian Government will now formally be informed of the drill set up in TAM 456. A reply will be drafted for the Admiral's signature to Bonomi's letter and arrangements made to meet with the Italian experts. Will handle a lot of this through the Admiral's office, so he will know what is being done.

A. G. ANTOLINI
Acting Vice President
Economic Section

1578

See 84 & 85

SECRET

80

FX 53680
AIR 021151A

X/6647
AIR 021700A
ROUTINE

From AFHQ, SIGNED ALEXANDER CITE FHMAC

To: AGWAR FOR CCS FOR COAC REPEATED FOR INFORMATION TO AMSSO, FOR BRITISH CHIEFS OF STAFF AND H. QUARTERS MAIN FORCES AND H. ALCOM FORCE

SECRET.

This is MAT 618.

Imports into ITALY from British territories in Mediterranean theater is subject.

1. Reference para 3 of MAT 337 and para 2 of TAN 384, further consideration is being given here to policy and procedure respecting imports into ITALY from AFCAN in Mediterranean under British administration such as MALTA and TRIPOLITANIA, with view to making fullest utilization of total theater resources.

2. Approval is requested of procedure whereby such imports would be arranged between theater and administration of areas concerned, without necessity for application to CCAC. Such imports would be in diminution of requisitions placed on CCAC, would be reported monthly, and would apply to both category A and category B requirements. As example, TRIPOLI area is understood to have tunny fish in oil available for shipment to ITALY. This fish is required in ITALY and would reduce imports into theater. Similar procedure is operative to increasing measure with respect to FRENCH NORTH AFRICA and FRANCE.

1977

3. On arrival in ITALY such imports should be handled in same manner as other civilian supplies, and ultimate settlement could be effected as in instance imports from U. K.

4. A.C. has been authorized to deal directly with these areas regarding [illegible] matters and in our view should be similarly authorized in instance

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

...FOR CCS FOR CCAC REPEATED FOR INFORMATION TO ALSIG FOR BRITISH CHIEFS OF STAFF AND H. CORDIER MAIN HTQRS. AND H. ALLIED FORCE

SECRET.

This is MAT 615.

Imports into ITALY from British territories in Mediterranean theater is subject.

1. Reference para 5 of MAT 337 and para 2 of TAC 384, further consideration is being given here to policy and procedure respecting imports into ITALY from AREAS in Mediterranean under British administration such as MALTA and TRIPOLITANIA, with view to making fullest utilization of total theater resources.

2. Approval is requested of procedure whereby such imports would be arranged between theater and administration of areas concerned, without necessity for application to CCAC. Such imports would be in diminution of requisitions placed on CCAC, would be reported monthly, and would apply to both category A and category B requirements. As example, TRIPOLI area is understood to have tunny fish in oil available for shipment to ITALY. This fish is required in ITALY and would reduce imports into theater. Similar procedure is operative to increasing measure with respect to FRENCH NORTH AFRICA and FRANCE.

1ST

3. On arrival in ITALY such imports should be handled in same manner as other civilian supplies, and ultimate settlement could be effected as in instance imports from U. K.

4. A.C. has been authorized to deal directly with these areas regarding routine export matters and in our view should be similarly authorized in instances import matters.

DIST
INFO-ACTION: Commerce
INFO: A/President, Chief Comm
Econ Sec, Food S/C 2
File 2 Fleet

CONFIDENTIAL

SECRET

F 2

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

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

83/10.04

JBT/mem

Tel. 551

2 April 1945

SUBJECT: Phosphate Rock

TO : Office of Chief Commissioner

1. Reference shipment of Phosphate Rock from Sfax, Foreign Trade Section of Commerce Sub-Commission have spoken with a representative of the French Embassy who has, as a result, sent a telegram to the French Government asking for information as to the cause of suspension of this shipment. The French Embassy at the moment has no information or instructions on the matter.

2. As soon as a reply is received you will be notified.

For the Acting Vice President:

J. B. THOMPSON,
Lt. Col., R.A.
Economic Section

cc: Commerce Sub-Commission

1973

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

T1A

Exec. Comm. - See fol. 41

This is a most important letter. The Fr. Embassy (probably US or Br Embassy) comel attaches should be informed. It important that Eca Sec handles with great care

30

1937

Lee 82

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

Copy

(75)

HEADQUARTERS ALLIED COMMISSION
OFFICE OF THE PRESIDENT
APO 394

TO : CHIEF COMMISSIONER

FROM : Mr. Macmillan

72-74 refer

I am sorry to see from the telegrams that there is a danger of shipments of phosphates from Sfax being held up by the French authorities because the price has not been fixed.

Could you give the necessary impetus to get this done? The French and Italian authorities in Rome should fix it between them, but if they miss the shipment it will be a serious loss.

H. M.

28th March 1945

See 85

1973

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

COPY

74

SECRET

CONFIDENTIAL

F 50841
MAR 27/1659

D/6206
MAR 28/0835
PRIORITY

AFHQ SIGNED SACMED CITE FHQEG FHGDM
ALCOM ROME

72

SECRET.

Phosphates from SFAX for ITALY.

Refer signal BEM/1 of 26 March advising PARIS has suspended shipments. Imperative that suspense be lifted to permit CANTAKEIT to load. Our FX 49832 of 25 March and FX 48637 of 23 March cancelled. No further shipping will be set up until price difficulty concluded. Agreed M and Tn.

1972

DIST

Action - TN S/c 2
Info - A/President
Chief Commissioner
Econ Sec
File

SECRET

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

COPY

13

SECRET

BEM/8

MAR 271400A

D/6211

MAR 280850A

IMPORTANT

BTNA FROM BRIT ECONOMIC MISSION ALGIERS

ACTION HQ ALCOM ROME INFO AFHQ FOR FHGDS AND FHGEG

172

SECRET

Phosphates from SFAX for ITALY. Reference BEM7. French 1371
Government refuse permission to lead CANTAKIT.

DIST

Action: Tn S/c 4
Info : A/President
Chief Commissioner
Econ Sec
File

SECRET

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

72

COPY

SECRET

CONFIDENTIAL

BEM/7

Mar 261500

D/6143

Mar 270950

Priority

BRITISH ECONOMIC MISSION ALGIERS

HQ ALCOM ROME, INFO AFHQ FOR FHGDS AND FHGEG

SECRET.

(Phesphates from SFAX for ITALY.)

1 7 0

The French in ALGIERS have received orders from Government in PARIS to suspend forthwith shipments and not to lead any more steamers pending new instructions because payment questions are not yet settled. They have telegraphed to PARIS asking exceptional permission to load CANTAKIT Eta SFAX March 27 but if not too late this steamer should be diverted or used against Greek programme. I suggest that you ensure that price negotiations between Italian Government and French Representatives in ROME are rapidly concluded.

Appr
Pls I expect Lem S/C
for info
Repd M can be diverted
a-

2 Copies A Cgr S/C for Action

DISTRIBUTION

Action: Econ Sec (4)
Info : A/President
Chief Commissioner
File

SECRET

1886

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

4410

Translation

The President of the Council of Ministers
44/03914/11

71

Rome, 27 March 1945

60 P

MAR 28

To Admiral Stone
Allied Commission

Dear Admiral,

thank you for your kind letter of the 19th February in which you sent me a memorandum on Franco-Italian trade, showing the point of view of the Allied Commission, on this important qubject.

First of all, I want to emphasize the gratefulness of the Italian Government for the agreement, expressed by the Allied Commission, to the resumption of commercial relations between Italy and France; this will be a most useful complement to the diplomatic relations which have been reestablished between both countries. I have been informed that the Allied Commission expressed the wish that Italy would also resume commercial relations with the neutral countries.

Therefore, in the name of the Italian Government, I express the hope that that these declarations will soon be completed by a fuller statement about the faculty, which is to be granted to Italy, of reestablishing commercial relations, as soon as possible, with all the countries which are not at war with the United Nations.

In reference with the memorandum enclosed with your letter, I take the liberty of enclosing a few observations, which aim at showing that some of the conditions which would have to be fulfilled to make possible the resumption of trade between Italy and France would be difficult to realize and that their realization does not depend from the Italian Government, or not from it only.

Considering that the conditions for the resumption of trade with France and with neutral countries are substancially the same, and considering the technical nature of the problems which are to be considered, I think it would be useful for this argument to be discussed by the competent organs of the Allied Commission and the competent Italian Ministers, to clear doubtful points and examine whether the conditions themselves couldn't be simplified or made lighter.

The resumption of commercial relations between Italy and all non-enemy countries will greatly contribute to better the economic conditions of Italy. For this reason, the Allied Commission was favourable to the resumption of trade between Italy on one side, and France and neutral countries on the other.

I therefore trust that the Allied Commission will help us by every means to reach this aim, giving the greatest possible liberty to the Italian Government, so that the negotiations which will have to be made with the other States may reach a favourable end.

I am most grateful for your kind interest, and I remain, my dear Admiral,

ECDIST · 28 Mar 45.
ACTION: ECON SEC (2)
INFO: CHIEF COMMR.
: EXECCOMMR.

Truly yours,

G. I. Bonomi

O.S.

Translation

(78)

COMMERCE BETWEEN ITALY AND FRANCE

1) - The R. Government recognizes the wish of the Allied Commission for commerce between Italy and France to be re-established as soon as possible on mutually advantageous basis. On its part, the R. Government shares this wish, and hopes that the resumption of diplomatic relations with this Country which lately took place, may facilitate the reaching of this aim.

2) - The R. Government also recognizes that the Allied Commission thinks that the relative negotiations should be made directly by the competent French and Italian authorities, not through the channel of the Allied Commission. The said Commission however, wished to be informed about the progress of the commercial negotiations, and will ask the R. Government for periodical reports on the state of the commerce and exchange relations between Italy and France.

For what concerns the request for informations, the R. Government says that it interprests the request according to the litteral signification of the words in which it is expressed and that it will therefore inform the Allied Commission of the progress of the progress of the negotiations with France, without waiting for precise indications about further developments. In fact, the interference of the Allied Commission in the negotiations would take from them their character of direct negotiations, which the Commission itself thinks they ought to have, and could compromise their results by making them more complicated. For what concerns the periodical reports on the state of the commercial relations between Italy and France, the R. Government states that as far as possible, it will try to meet such requests.

3) - For what concerns such Italian products as can be exported, the Allied 1968
Commission intends to keep the right of determining the amount of products which can be disposed of for exportation, this in the case of goods which are submitted to the control or to restrictions of the allied office for local resources. The R. Government cannot realize the important of such a request for it doesn't know the list of the goods which would be under this restriction. It therefore asks for this list to be supplied so that it can examine it, and hopes that it will only contain goods of a special war interest, for every unnecessary restriction can but prejudice the resumption of commercial relations between Italy and foreign countries, the main difficulty being the scarcity of Italian products which can be offered as counterpart for the considerable imports required by Italy.

Besides, the Authorities in charge of the supplies intend to be consulted through the channel of the Allied Commission and to be able to decide about the destination of the other Italian products, should these be requested by several markets.

There are probably no Italian products which would be required on one market only. Therefore, the above mentioned condition is likely to be that of all products, so that the R. Government would always have to contact, through A.C., the Authorities in charge of supplies, to know whether a certain good can or cannot be destined to a certain market; and this without mentioning the still more serious restrictions established for the goods controlled by the Allied Office for local resources, which we mentined before.

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Commission however, wished to be informed about the progress of the commercial negotiations, and will ask the R. Government for periodical reports on the state of the commerce and exchange relations between Italy and France.

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These restrictions cannot but complicate the negotiations with France, as well as with other States, and hinder the resumption of commercial relations. To decide whether it is advisable to export a certain good in one country rather than in another, depends not only on the better price which can be obtained, but also on the state of financial relations with this country, on the need of establishing a greater counterpart to the exports, which it can offer in advantageous conditions, on the minor difficulties of the goods transport, in comparison with the transport towards other countries, or of two or more of these conditions at the same time.

It is necessary for the R. Govt. to have a certain freedom of decision and movements, if Italy is to overcome the many difficulties with which she will be met in the resumption of international trade.

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4) - The Allied Commission thinks that Franco Italian commerce must be run on the basis of relations between Government and Government, private trade remaining for the moment forbidden.

The R. Government takes the liberty of pointing out that such a condition does not depend from the Italian Government only, but also from the French Government or from any other Government with which Italy will negotiate for the resumption of commercial relations. If we consider that, to establish a monopoly on foreign trade or even a strict control on international commerce it is necessary to adopt a series of regulations, which many countries didn't adopt and are probably unwilling to adopt, we must acknowledge that should this condition be maintained, it might, alone, be enough to prevent the resumption of commercial relations with one or more countries.

5) - The Allied Government wish to make sure that the commerce between Italy and France will not interfere with the purchases of the Allies in Italy and in France.

The R. Government takes the liberty of pointing out that the fulfilment of this condition for what concerns the goods which France is disposed to supply to Italy, depends from the French Government and not from the Italian Government.

6) - The Allied Commission asks that, at the beginning of the negotiations, the French Government should declare the maximum prices which it is ready to pay for Italian goods, and that it should immediately be informed about these prices. It is not said whether the Allied Commission means to interfere in the negotiations, preventing, for instance, France from paying higher prices than those which the Allied are willing topay for the same goods. It seems that this must be the aim.

The R. Government takes the liberty of pointing oit that this clause which will certainly complicate the negotiations, seems to be of no great practical utility.

In fact, in the case of goods controlled by the Allied office for local resources, the Allied Commission, as it has been seen before, keeps the right of determining the amountswhich can be exported; it is therefore excluded that price competition might alter their repartition among the requirements of the Allies and those of other countries. In the case of all the other goods, it seems that there can be no disadvantage from the point of view of the Allies if they must make offers equal to that of the other countries, for the price which they credit to the Italian Government is that produced by the sale of Italian goods on their own markets.

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7) - For what concerns the financial reports which will be the consequence of the resumption of commercial relations with France, the Royal Government considers that the observations made on this subject by the Allied Commission, do not exclude the possibility for Italy to establish a commercial clearing with France, in which case, the total amount of the credits in francs, which Italy would obtain through her own exports, might be linked to the payment of the importation of French goods in Italy.

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With Mr. G. H. Crossley's compliments

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PARIS TRIPARTITE ECONOMIC COMMITTEE

Minutes of Meeting No. 8 held on 16th February, 1945 at 11 a.m.

PRESENT :

French Representatives	American Representatives	British Representatives
Messieurs Alphand	Messrs. Labouisse	Messrs. Crossley
Baraduc	Little	Godfrey
Bernard	MacChesney	Gridley
Bloch-Laine		
de Clermont-Tonnerre		
Comchou		
Felix		
Frecaut		
Laboulet		
Millardet		
Monod		
Peter		
de la Taille		
Toussaint		

MAR 22 1945

90. MINUTES OF MEETING OF 2ND FEBRUARY

The minutes of the meeting of 2nd February were approved subject to the following amendments :-

Delete Item 88(b) and replace with the following :

"(b) Chrome Ore and Tanning Extracts (Vallonees) 1968

The French representatives stated that they also desired to load a Turkish vessel with some 1/1500 tons of chrome ore and a quantity of tanning extract. Since these items had been purchased for some time past in Turkey by the Allies, they would be grateful for any advice as to the price which they should pay, and as to the procedure to be followed regarding purchases, etc. In view of the urgency, however, of providing cargo for this vessel, it was agreed that the French Supply Council in London be advised to contact the Ministry of Supply on this subject and the British Representatives undertook to advise London urgently by telephone that the matter would be raised in this manner.

(c) Cession of US/UK pre-emptively purchased stocks

The Anglo-American representatives stated that the pre-emptive purchases in Turkey had been effected jointly by the UK and the US and that the principle of release of quantities from the resultant stocks and the question of the price at which they could be resold would have to be referred to London and Washington."

91. FRENCH NORTH AFRICA

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91. FRENCH NORTH AFRICA

(a) Wheat Imports - Reference Minute 80(b)

The American representatives reminded the Committee that 33,000 tons of wheat had already been shipped by four vessels from the USA to North Africa. The first two of four further vessels, each carrying 8,450 tons, had left the USA on 25th and 29th January. The two remaining vessels, each to carry 8,000 tons, were expected to load soon after 14th February. The total carried by these eight vessels would thus be 66,000 tons. The American representatives stated that they were continuing their efforts to obtain further vessels in order to accelerate the rate of deliveries to FNA.

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The French representatives repeated that, in order to prevent a breakdown in the distribution of flour in French North Africa, a total of 60/75,000 tons of wheat must arrive in French North Africa before 1st March; the supplementary allocations of tonnage to be effected should permit the arrival of 40,000 tons against the requirements of January, 59,654 tons for each of the months of February, March and April, and 25,650 tons for May. The total tonnage allocation of 244,500 tons would thus correspond to the supply programme, which had been submitted to the Combined Boards.

In reply to a question by Mr. Gridley, the French representatives stated that Metropolitan France would not be able to supply 50,000 tons of wheat to French North Africa as had been previously envisaged. In order to make good the resultant deficit in supplies to North Africa, it would thus be necessary to effect a supplementary import of 15,000 tons during each of the months of February, March and April and 5,000 tons during May.

It was agreed that a special meeting should take place to be attended by Mr. Valenci, to study this question.

(b) Exchanges - West Coast of Africa and Madagascar/Fla
Reference Minute 80(c)

The Anglo-American representatives stated that they had not yet received any information from their respective Governments as to the acceptance of this programme from the Allied shipping authorities. The French representatives stated that for their part the London representatives of the Marine Marchande had not received any news on this subject.

M. Alphand reminded the meeting that the vessels affected during 1944 to the execution of this programme were at the present time being used partly for the shipments between the French West African coast and Metropolitan France. This situation which resulted from the fact that France had not yet received the tonnage allocations necessary for the execution of the programme of shipments from the French Empire (225,000 tons) was causing grave difficulties in the supplying of French North Africa with Colonial products.

M. Alphand wished to stress very particularly the grave consequence of the delay in the allocation of tonnage. Certain crops of colonial products were already jeopardised. Moreover, the products stocked in the Colonial ports were stored in very precarious conditions and were running the danger of deterioration.

(c) Oil Containers from Egypt - Reference Minute 72

The British representatives stated that the necessary steps had been taken to ensure the shipment of these drums. The French representative stated that they would telegraph to Cairo to obtain supplementary information.

92. SUGAR FOR FNA AND FRANCE

(a) French North Africa

M. Millardet reminded the Committee that the monthly requirements

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M. Millerdet reminded the Committee that the monthly requirements of FNA amounted to 12,500 tons. These were at present assured by the contract known as the "Antilles contract" under which raw sugar from the Antilles was sold to the USA whence refined sugar was delivered to FNA. On account of delays in shipments, the stocks remaining in the Antilles would be sufficient to meet the needs of FNA up to the end of April, should the contract be further extended for one month in the event of the supply of this remaining quantity direct to North Africa as raw sugar proving impossible.

(b) Metropolitan/.....

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(b) Metropolitan France

M. Millardet recalled that the Combined Boards had approved a programme of 700,000 tons for consumption in 1945, which was to be assured to the extent of 250,000 tons from Metropolitan production and 450,000 tons from imports. Metropolitan production had in fact amounted to 275,000 tons and thus the balance to be covered by imports was now reduced to 425,000 tons. In view of the known tonnage difficulties it had been agreed in Washington that 100,000 tons should be imported during the first semester and the remaining 350,000 tons (now 325,000 tons) during the second.

It was now clear, however, that all the available supplies would be exhausted by 30th June. In view of the difficulties of internal transport which slowed down distribution and in order to avoid any interruption in the execution of certain manufacturing programmes (chocolate), it was necessary to import for arrival before 30th June, in addition to the 100,000 tons already approved by the Combined Boards a supplementary quantity of 50 or 100,000 t against the second semester, even if this had to be done before any decision had been reached by the Sugar Committee.

(c) General

The French representatives stressed that the problem of sugar for Metropolitan France was inseparable from that of supplies of sugar for French North Africa. Since Metropolitan stocks were expected to be exhausted by 30th June and those of French North Africa by 1st May, it had been decided to route to North Africa two vessels loading 8,000 and 6,000 tons of sugar respectively in Reunion.

The French representatives stated that they had instructed the French Supply Council in Washington to inform the Combined Boards of the gravity of the problem and to take all necessary measures as urgently as possible. They agreed to communicate to the Anglo-American representatives the contents of the telegram incorporating these instructions.

93. ZINC ORE IMPORTS INTO FRANCE

1965

The Anglo-American representatives stated that a licence had been given by the Combined Boards to the French Authorities in respect of 55,000 tons of zinc ore to be imported under the eight months programme. The tight supply situation in the USA rendered it particularly desirable that the French should obtain zinc ore from Spain and Sardinia. The French representatives reminded the Committee of the difficulties which they were encountering in these two countries but stated they were at present negotiating the purchase of 30,000 tons of zinc ore in Spain which they considered the maximum availability of that country, and of 16,500 tons from Sardinia. They also hoped to obtain a certain quantity from Newfoundland.

94. FRENCH PURCHASES IN ITALY - Reference Minute No. 79

With reference to a letter addressed on 10th February by Mr. Gridley to the Ministry of National Economy, the French representatives expressed their disappointment that the supply possibilities from Italy should be thought to be so small. They intended, however, to send a mission of experts

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95. BRAZIL - FRENCH PURCHASES OF TEXTILES
Reference Minute 81

The French representatives stated that they had instructed the French Supply Council in Washington to take up the second option for 30 million yards. The total quantity to be procured was thus 60 million yards. They requested their Allied colleagues to support the French requests for the tonnage required for the shipment of these textiles.

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- R E S T R I C T E D -

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96. MADAGASCAR - Hides
Reference 59(b)

In reply to the French representatives, Mr. Gridley reminded them of the three following points in his letter of 8th February to M. Alphand :

(1) The Antananarivo representatives of the Ministry of Supply desired to resume the hide purchases which had been suspended

(2) The shipment of hides to the U.K. would be arranged as soon as possible in order to avoid all further deterioration of the hides in store at Antananarivo.

(3) The raw hides shipped to England would be resold and transshipped to France to the extent that the French tanneries were able to treat them and shipping permitted. In any event raw hides equivalent to the Madagascar hides retained in the U.K. would be sold and shipped to France as soon as the French tanning industry was capable of treating them.

The French representatives took note of these proposals which had already been approved by the Ministry of National Economy and which would be communicated to the Ministry of Industrial Production, which Ministry had expressed a desire that France should receive leather in replacement of any Madagascar hides retained in the U.K.

97. TURKEY - FRENCH PURCHASES
Reference Minute No. 88

(a) Prisoner of War Parcels

The French representatives stated that owing to the possibility of shipping these parcels via Beirut, the French authorities no longer wished to effect the loading which had been opposed by the British Admiralty representatives in Turkey on the Turkish vessel shortly to sail for France.

(b) Chrome Ore

The British representatives stated that the Ministry of Supply had instructed the British Raw Materials Mission in Washington to support the French application to the Combined Boards. It was thus for the French Supply Council in Washington to make the necessary approaches to the appropriate Combined Boards in order to arrange the resale of the ore by the U.S.C.C.

(c) Other Commodities

With reference to a letter addressed by M. de Fouchier on 13th February, to the Anglo-American representatives, the French representatives enquired which commodities the American authorities would be willing to resell. The Allied representatives stated that the list of items contained in Mr. de Fouchier's letter had been communicated to London and Washington

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98. FRENCH COLONIAL RUBBER - Sales to the Allies
Reference No. 85

The British representatives stated that they had not yet received any communication from London on this subject.

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99. FRENCH COLONIAL COCOA - Sales to the Allies

The French representatives reminded the meeting that after revision of the available quantities previously estimated at 66,000 tons, the French colonial production of cocoa would be distributed as follows :-

40,600 tons	for Metropolitan France
3,300 tons	for French North Africa
14,100 tons	for the Allies of which 8,350 from the Cameroons and 5,750 from the Ivory Coast
57,400 tons	

The allocation between the USA and UK had not yet been effected. They stressed the urgent necessity of rapid shipment of the above quantities in view of the poor storage conditions in the Colonies. Moreover, the French cocoa processing factories would cease work on 1st March for lack of supplies.

100. MADRID AND LISBON TRIPARTITE ECONOMIC COMMITTEES

(a) French Purchases of Preserved Fish in Portugal - Reference Minute 84(t

The French representatives stated that according to information they had received from London, UNRRA were opposing the desired French purchases whilst it had also been claimed that these should be effected through the intermediary of the Lisbon representative of the Ministry of Food. The French representatives pointed out that they had in Spain and Portugal purchasing offices which had always functioned in complete agreement with the Allied bodies and through which they desired to effect their purchases of preserved fish. It was possible that the attitude of UNRRA in this instance might be due to the fact that UKCC had probably acquired the entire Portuguese availability. The Allied representatives undertook to obtain supplementary information from London. Mr. Labouisse added that one of the conditions placed by the Portuguese authorities on the sale of preserved fish was the supply by the purchasers to the Portuguese industry of the appropriate quantity of tinplate.

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(b) Purchases of Textiles in Portugal - Reference Minute 64

The French representatives stated that, accordinding to information received by them from Lisbon, considerable purchases of textiles had been effected in Portugal by the American Army, contrary to the arrangements which had been agreed on the Tripartite Committees of Paris and Lisbon. Moreover, the American representatives on the Lisbon Committee had announced the desire of the U.S. Army to purchase the entire Portuguese exportable surplus of foodstuffs and textiles. The French representatives stressed the necessity for the Tripartite Committees in Madrid and Lisbon to establish combined purchase programmes and for these to be respected.

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Mr. Labouisse stated that he had been informed by the American Embassy in London that UNRRA and HMG were prepared to cede their interest in Textiles from Portugal in favour of the American Army. Consequently, the only two competitive purchasers remaining were the French and the American Army. Mr. Labouisse was requesting the General Purchasing Agent to provide a statement of the quantities which the American Army wished to purchase inPortugal.

It was agreed that a special Franco-American meeting be held on the subject since the French also desired to purchase the entire Portuguese availability of textiles.

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101. SUPPLY SITUATION IN FRANCE AND THE FRENCH EMPIRE

M. Alphand, in closing the meeting, stressed the extremely critical supply situation in France and the French Empire. While expressing appreciation of the efforts which had been made by the British and American representatives in Paris to achieve a solution of the problems pending, he requested them nevertheless to take these matters up again with their respective Governments in order that there should be no room for doubt as to the political, economic and social consequences which could result from this situation.

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GnC/ELB/255
9th March, 1945

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GAC/ELB/

BRITISH EMBASSY
PARIS
9th March, 1945

MAR 15 1945

My dear Alphand,

It has been suggested by London that were M. Couve de Murville still in Paris I might well discuss with him the possibility of surplus French ploughs made to Italian design being exported to Italy.

I did not have the pleasure of meeting M. Couve de Murville on his recent visit to Paris, but think that this matter can be left to take its own course since AFHQ have been authorised by the Combined Chiefs of Staff to suggest that the appropriate negotiations be instituted between the French and Italian Governments.

As I believe that there is a considerable surplus in France of the ploughs in question and since they are very badly needed in Italy, I imagine that this transaction should be a fairly straight-forward one.

Yours sincerely,

J.C. GRIGGS

Monsieur Herve Alphand,
Ministere des Affaires Etrangeres,
Quai d'Orsay,
Paris.

1663

c.c. Miss McCleary (2)
Brigadier M.S. Lush
Mr. Fraser
File

see M.65

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

Brigadier H.S. Lush.
Chief of Staff.
Allied Commission
Rome.

MINISTRY OF PRODUCE,
GREAT GEORGE STREET,
LONDON, S.W.1.

3rd March, 1945

MAR 11 1945

Dear Mr. Gridley,

If M. Couve de Murville is still in Paris, I wonder if you could discuss with him the question of the surplus French ploughs made to Italian design? I attach a copy of the last telegram Cal 1162 and imagine you will have seen the earlier ones, in particular Mel 414 which said there would be a thousand to spare over and above French needs.

The Italians are desperately short of all agricultural machinery and their programmes put into Washington have not so far been fulfilled. Even if their requisitions were accepted now, it would be some time before the machinery could arrive in Italy. A thousand ploughs is not a very important contribution to their agricultural programme, but if they could get them quickly it would be a most helpful gesture and at least increase to some extent their food production.

I imagine that this would be dealt with by suspense account on the lines of the North African arrangement. In any case, have the Italians not got a balance from the proceeds of their 3,000 tons of sulphur which was diverted from North Africa to Metropolitan France?

Yours sincerely,

G. N. HADOW

J.C. Gridley, Esq.,
British Embassy,
Paris.

Copies to:
Mr. Wade, Treasury
Brigadier
H.S. Lush.

1962

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

(62)

DATED FEB 7 '45

FROM: AGWAR

ACTION TO: AFHQ

INFO TO: UK BASE

REF NO: WARX 33685

EDITED LITERAL TEXT

GAL-1162

Surplus French plows for use in Italy.

1. Reference is MEL 414, FX 87679, TAM 384, TAM 426; subject to surplus plows in France required as Italian civilian agricultural supplies.

2. It is suggested that you institute appropriate negotiations between the French and Italian governments, as outlined in TAM 384 and TAM 426, so that these plows may be obtained for use in Italy.

1961

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

L1410

MINISTRY OF PRODUCTION,

Great George Street,

London, S.W.1.

26th February, 1945.

Dear Mr. Gridley,

MAR 8 1945

I am glad to see from your letter of the 18th February that the difficulties preventing the sending of a Supply Mission to Italy have now been removed, and that one may be sent in the near future. I shall be interested to hear if Couve de Murville has anything interesting to say.

I am sorry the French were disappointed in the prospects of Italy as a supplier. When their Mission gets there, however, I think they will see for themselves what a devastated place it is. Even on the raw materials it will take some time to build up an exportable surplus because all the machinery for mining and processing, etc. need replacement. For instance, the 16,000 tons zinc ore from Sardinia which you mentioned in your letter to Lounsda of the 18th February, should in normal times be well within their productive capacity. In fact, however, these mines have only been ticking over on a maintenance basis until the machinery spare parts and explosives are sent from U.S. and U.K. to enable the mines to start up production. Owing to a long and unfortunate story of delay and muddle in Washington and London, these mining supplies are only just being procured and will not reach Sardinia I should imagine for several weeks to come. It may be well on towards the end of the year before any large quantity of zinc is mined. Luckily, as far as I know, there are no other outside claimants for the zinc, which is in much easier supply than lead, so that the French should be able to have first call on any exportable surplus.

Yours sincerely,

G. H. MCCLEARY

W.C. Gridley, Esq.,
British Embassy,
PARIS.

Copies to:- Mr. Lounsda.
Brig. M.S. Lush.

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

4470

Ref: EW/13.03

27 February 45

MAR 1 - 1945

My dear M. Couve de Murville:

I have your memorandum of 15 February 1945, which was given to our Commerce Sub-Commission, suggesting that matters affecting trade between France and Italy be handled in Rome between the French Delegation and the Allied Commission.

We are, of course, always glad to consult with you and members of your delegation on French-Italian trade, since there are many problems in this field which are of mutual interest. In view, however, of the instructions of the Combined Chiefs of Staff in Washington, under which this Commission operates, it will not be possible for the Commission to act as intermediary between the French and Italian Governments on day-to-day questions of commercial and financial intercourse between France and Italy.

Pursuant to the instructions referred to, we have drafted the attached memorandum which is in the form of a suggestion to the Italian Government as to the method by which trade between France and Italy might be reopened. We are discussing this draft with the Italian Government, and would very much appreciate the views of your Government before any trade procedure is crystallized.

Yours very truly,

M. S. LUCAS

for KELLEY F. STONE
Rear Admiral, USN
Chief Commissioner

M. M. Couve de Murville
French Delegation
Advisory Council for Italy
Palazzo Farnese
Rome

Encl. Memorandum on "Trade Between France and Italy"

Distribution:
CC Files (1)
EC Files (2)
Econ Sec Files (2)
Ex Dir Files (1)

1959

(60B)

HEADQUARTERS ALLIED COMMISSION
APO 394

9 February 45

TRADE BETWEEN ITALY AND FRANCE

1. It is the desire of the Allied Commission that trade between Italy and France be reestablished on a mutually advantageous basis as soon as possible.

2. The Allied Commission will do everything it can to facilitate such trade, and assumes that the negotiations incident to such trade should be conducted directly between the appropriate Italian and French authorities, not through the Allied Commission.

3. The Allied Commission, on behalf of the Allied Governments, will be particularly interested in the following aspects of French-Italian trade:

a) Where materials are on the controlled or restricted lists of the Allied Force Local Resources Board, AC will need to certify the specified quantities of specified commodities which are available in Italy to be exported.

b) Where commodities available for export from Italy are required by several nations, they should be referred through AC to the combined supply authorities for allocation as to destination.

c) Allied Commission will bid for acceptance at military ports in Italy, or incoming and outgoing cargoes, and will also have an interest in acceptance at non-military ports.

d) It is assumed that Italian trade with France will be con-

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

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d) It is assumed that Italian trade with France will be conducted on a Government-to-Government basis, prohibiting private trade for the time being.

e) The Allied Governments will wish to make sure that trade between Italy and France does not interfere with purchases by the Allies in Italy or France.

1958

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

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

4003

60A

Ref: ES/1303

FEB 19 1945

FEB 20 1945

My dear Mr. Prime Minister:

As you know, the Allied Commission is anxious to help you in every possible way, subject to the limitations imposed by the war, to reopen trade between Italy and countries other than the United States and United Kingdom. As a step in this direction, the attached memorandum on trade between Italy and France hasbeen prepared, and represents the views of this Commission on this important subject.

I will await your reaction to this memorandum with considerable interest. If you agree that trade between Italy and France should be reopened along the lines suggested, you may wish to have the appropriate members of your Government work out detailed procedures with our Economic Section.

Yours very truly,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

His Excellency Ivanoe Bonomi
The President of the Council of Ministers
Italian Government
Rome

1957

Encl. Trade Between Italy and France

Distribution:
M. M. Couve de Murville, French Delegate ACI
American Embassy, Mr. Livengood
British Embassy, Mr. Nosworthy
Finance S/C
Ex. Dir. ES
ADCOS Es
COS (2)
ES Files (2)

(60c)

f) Allied Commission will need to be kept informed regarding the progress of trade negotiations, and will request from the Italian Government certain periodic reports of the status of trade and exchange relationships between Italy and the French.

4. It is the desire of the Allied Commission to avoid competitive bidding in Italy on the prices of goods to be exported. For this reason it is requested that maximum purchase prices be stated by the French at the outset of any series of negotiations, and that these prices be notified to AC at the earliest possible moment.

5. With regard to the financial aspect, it is assumed that the Italian Government will discuss with the French whether they wish to extend the mechanism of the memorandum account at present in force in North Africa to Metropolitan France. If this is done, it must be agreed that the franc balance in favor of Italy, if any, be made available to the Italian Government for franc expenditures in French territory for the following purposes:

a) Essential import needs of Italy,

b) Essential diplomatic, consular, or military expenditure,

c) Essential expenditures to keep Italian vessels in operation,

d) Any other specific items of expenditure that may be approved by the Allied Commission from time to time.

It must be clearly understood that all expenditures by the Italian Government out of its French franc balances will require the prior approval of the Allied Commission through the Finance Sub-Commission.

6. In general, it is hoped that trade between Italy and France can be developed in such a way as to decrease the extent to which the two countries

Declassified E.O. 12356 Section 3.3/NND No. 785013

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1,356

6. In general, it is hoped that trade between Italy and France can be developed in such a way as to decrease the extent to which the two countries need to depend for supplies on the United States and British assistance.

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

C O P Y

HEADQUARTERS ALLIED COMMISSION
APO 394

9 February 1945

TRADE BETWEEN FRANCE AND ITALY

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1955

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

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1955

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

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1954

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

4410

BRITISH EMBASSY,
PARIS

18th February, 1945.

Dear Miss McCleary,

FEB 25 1945

At the Tripartite Economic Committee meeting of 16th February, the French commented on the information passed to them by my letter of 10th February to de Fouchier, which was written on the basis of yours of 25th January.

They were disappointed that you did not consider it possible for them to obtain more of what they desire from Italy, but stated that the difficulties of principle which had obstructed the sending of a French Supply Mission to Italy had now been removed and that they would be sending such a mission as soon as possible.

Couve de Murville has just arrived in Paris. His visit is probably not unrelated to the apparent solution of the "difficulties of principle". When I met him casually, last night, he promised to come to see me before returning to Rome. If he does, I may have some useful information to pass back to you.

Yours sincerely,

1953

J. C. GRIBBLE

Miss G. M. McCleary,
Ministry of Production.

Copies to: Brigadier Lush
Mr. Labouisse
Mr. Fraser
Mr. Penton

4410

55

FEB 22 1945

PARIS TRIPARTITE ECONOMIC COMMITTEE

Minutes of Meeting No. 7 held on 2nd February, 1945, at 11 a.m.

PRESENT:-

French Representatives	American Representatives	British Representatives
Messieurs Alphand	Messrs. Labouisse	Messrs. Crossley
Baraduc	Little	Godfrey
Bernard	MacChesney	Gridley
Clermont Tonnerre		
Conchou		
Felix		
de Fouchier		
Frecaut		
Labouret		
Millardet		
Peter		
de la Taille		
Toussaint		

48

47

No.78 MINUTES OF MEETING OF 3RD AND 19TH JANUARY

The Minutes of the meetings of the 3rd and 19th January were approved without amendment.

79 ITALY
(Reference Minute No.68)

Procedure for French Purchases

Mr. Gridley reported that Brigadier H. C. Lush, Chief of Staff of the Allied Commission, Rome, had agreed that Mr. Gridley's letter of 30th December to M. Sergent explained the situation accurately.

The Anglo-American representatives stated that they had seen telegrams passing between AFHQ and the Combined Chiefs of Staff in Washington from which they believed that G-5 AFHQ would now be in a position to join in the discussions with M. Couve de Murville on this subject.

80 FRENCH NORTH AFRICA
(Reference Minute No.67)

(a) Sugar

The French representatives again referred to the discussions currently taking place with the appropriate Anglo-American representatives on the urgent requirements of sugar for FNA, with particular reference to the measures to be taken to ensure continued supplies after the expiry of the second sugar contract extended to March 31st 1945. They pointed out that the present procedure whereby raw sugar for the Antilles was shipped to the USA in exchange for refined sugar shipped to FNA was costly, and that

1952

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

Colonna
Felix
de Fouchier
Frecaut
Labouret
Millardet
Peter
de la Taille
Toussaint

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The American representatives stated that according to information received from Washington, there would remain a further quantity of raw Antilles sugar, after the expiry of the extended second contract. This the French representatives could not confirm, unless the additional quantity should proceed from the current crop, the dimensions of which were not yet known.

The American representatives pointed out that in view of the difficulty of arranging direct shipments from the Antilles to FNA, it would be wise to make a further prolongation of the second contract, and thus safeguard the supply position for FNA. The French representatives accordingly agreed to authorise their Supply Council in Washington to make appropriate arrangements to ensure this.

see M.56.

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The Anglo-American representatives stated that, in view of the dangers to vessels entering into port at Reunion and also in view of the shortage of tonnage in that area, it was unlikely that it would be possible for some time to transport sugar from Reunion to FNA.

The French representatives pointed out however that a vessel, the "COMMANDANT DORISE" having been diverted from a voyage to India, was, according to information received by them from London, at present loading 8,000 tons of sugar at Reunion for FNA. It was not known whether this was the first of a programme of regular Reunion shipments, whereby the needs of FNA would be assured from that source. The French representatives claimed that French vessels manned by French officers and crews, familiar with the port of Reunion, would obviously be the best to use in this traffic.

The Anglo-American representatives agreed to raise this point with the Ministry of War Transport.

(b) Cereals

The French representatives again referred to the discussions taking place on the urgent wheat requirements for FNA and stated that this was being pursued by their Supply Council in Washington. They stated that if there was to be no breakdown in bread distribution it was essential that deliveries against the allocation approved by the Combined Food Board should be expedited and that on account of the difficulties of distribution within FNA, in addition to the four vessels on which 32,000 tons had already been loaded, sufficient further vessels should load to ensure arrival before the end of February of a quantity of 60/75,000 tons inclusive of the 32,000 tons.

The Anglo-American representatives agreed at the request of the French representatives to stress once more to their respective Governments, the extreme importance attached to this problem by the French Provisional Government.

(c) Exchanges - West Coast of Africa and Madagascar/FNA

The American representatives stated that a telegram from Washington had informed them that the question of shipping for these programmes had been referred for decision to the representatives of the Combined Shipping Adjustments Board in London and that M. Andure Paris had been advised in Washington that his representatives should pursue this question in London.

The telegram from Washington had stated that the shipping question was being considered on the assumption that the commodity allocations would be approved. Since the French representatives in Washington had not received instructions from Paris to submit the commodity question to the appropriate Combined Boards, this had meanwhile been done by FNA.

The French representatives agreed to telegraph appropriate instructions to the French Supply Council in Washington.

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

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The French representatives agreed to telegraph appropriate instructions to the French Supply Council in Washington.

31. BRAZIL

(a) French Purchases of Piezo-Electrical Quartz
(Reference Minute No. 19)

The French representatives stated that they desired to purchase 180 kgs. of piezo-electrical quartz from Brazil and would be instruct the French Supply Council in London to request the Ministry of Supply to arrange for this quantity to be purchased through the British or American agency in Brazil.

/(b)

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

(b) Textiles for Eire

With reference to letters dated 30th January addressed to M. Alphand by Messrs. Labouisse and Gridley, the French representatives stated that they had taken up an option on 30 million yards of textiles from Brazil for delivery during the next six months and that a new option (valid until 31st March) was now under consideration for a further quantity of 30 million yards.

The Anglo-American representatives thanked the French representatives for this information and pointed out that shipping arrangements would have to be made without delay.

82. MADAGASCAR

(a) Sisal (Reference Minute No. 59d)

The French representatives reminded the meeting that a contract had been signed with the USA for the lifting, up to 31st December, 1944, of 2,184 tons of which some 300 tons had been lifted. Although the sale of further quantities to the USA had been envisaged, it was now their intention to reserve the further quantities of 1,500 tons becoming available at the end of December 1944 and 1,500 tons becoming available at 30th June, 1945, for France. Additionally, if the USA were willing to agree, the French would also like to buy back for France the quantities outstanding against the contract.

The French representatives undertook to communicate a written statement of the position to Messrs. Labouisse and Gridley.

(b) Mica (Reference Minute No.57(e))

The French representatives stated that the Ministry of Industrial Production having given its agreement, a letter was on its way from the Ministry of Colonies to Mr. Gridley agreeing to the sale to the UK of 70,000 lbs. of mica.

The French representatives reminded the meeting, however, that discussions had taken place with the American representatives in Algiers regarding a proposed increase in price which the Governor-General of Madagascar considered indispensable. The offer to supply 70,000 lbs. to the UK was conditional upon acceptance of those increased prices.

83. FRENCH EXPORTS
(Reference Minute No.70)

(a) "Saittaire"

In connection with the loading of some 250 tons of cognac in the "Saittaire" for New York, the French

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

The Anglo-American representatives thanked the French representatives for this information and pointed out that shipping arrangements would have to be made without delay.

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83. FRENCH EXPORTS
(Reference Minute No.70)

(a) "Sagittaire"

In connection with the loading of some 250 tons of cognac in the South of France on the s.s. "Sagittaire" for New York, the French representatives enquired whether the American representatives could indicate any other goods which might be of interest to the USA. for loading on this vessel.

The American representatives replied that, since they had forwarded to Washington the list provided by M. Marjolin of goods which France was in a position to export, the question must now remain for negotiation between French exporters and US importers.

(b) Other Shipments to USA.

The American representatives stated that War Shipping Administration had indicated its willingness to have vessels bringing civilian supplies to France carry French exports to the US on westbound voyages provided no delay in turnabout resulted. They also stated that the U.S.

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Treasury Department was willing to issue a special licence to allow payments for French exports to be made into French blocked accounts or into the account of the Bank of France if shipments were ready prior to the issuance of a general trade licence by the Treasury.

(c) Iron Ore for the U.K.

The French representatives stated that 10,000 tons of iron ore could be made available each month from the Caen region for shipment to the U.K.

The British representatives stated that in principle they were very interested in receiving this iron ore since the Iron and Steel Control had already made enquiries on this subject.

The French representatives agreed to write to Mr. Gridley on the matt

(d) Bauxite

The French representatives stated that they had now been informed that the U.S. were no longer interested in the procurement of bauxite for ballast. They had been informed by London, however, that a British vessel shortly to discharge copper sulphate at Sete would require ballast. They stated that bauxite appeared to be the only commodity available for this purpose.

The British representatives undertook to pursue this question.

(e) General

Mr. Gridley pointed out that, whilst it might be appropriate for the Tripartite Economic Committee to discuss the mechanism of exports from France, that is such problems as inland transportation and loading on board ship, the questions of commercial policy involved were for separate discussic between the French and the U.S. representatives and the French and the U.K. representatives. He felt that discussions on mechanism had now been carried as far as was possible and the discussion of further points should now rest between the Services Economiques of Affaires Etrangeres and Mr. Labouisse on the one hand the the Commercial Department of the British Embassy on the other. Mr. Labouisse and M. Alphand agreed.

The U.S. representatives referred to their desire to issue press communiques regarding the resumption of private trade in exports from France. It was agreed that it would be desirable to concert any French, U.S. and British announcements, which would preferably be simultaneous, and that the proposed issue should be discussed in a separate meeting between M. Alphand, Mr. Labouisse and Mr. Fraser, Minister (Commercial) of the British Embassy.

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U.K.

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(d) Bauxite

The French representatives stated that they had now been informed that the U.S. were no longer interested in the procurement of bauxite for ballast. They had been informed by London, however, that a British vessel shortly to discharge copper sulphate at Sete would require ballast. They stated that bauxite appeared to be the only commodity available for this purpose.

The British representatives undertook to pursue this question.

(e) General

Mr. Gridley pointed out that, whilst it might be appropriate for the Tripartite Economic Committee to discuss the mechanism of exports from France, that is such problems as inland transportation and loading on board ship, the questions of commercial policy involved were for separate discussio between the French and the U.S. representatives and the French and the U.K. representatives. He felt that discussions on mechanism had now been carried as far as was possible and the discussion of further points should now rest between the Services Economiques of Affaires Etrangeres and Mr. Labouisse on the one hand the the Commercial Department of the British Embassy on the other. Mr. Labouisse and M. Alphand agreed.

The U.S. representatives referred to their desire to issue press communiques regarding the resumption of private trade in exports from France. It was agreed that it would be desirable to concert any French, U.S. and British announcements, which would preferably be simultaneous, and that the proposed issue should be discussed in a separate meeting between M. Alphand, Mr. Labouisse and Mr. Fraser, Minister (Commercial) of the British Embassy.

84. LISBON AND MADRID TRIPARTITE ECONOMIC COMMITTEES

LISBON

(a) Priorities for Purchases (with particular reference to Textiles)

M. Alphand reported that he had had a further discussion with Brigadier General Wayne Allen on the subject of priorities for purchases from Portugal and had re-affirmed the French view, as already stated, that discussions on this subject should take place on the local committees. M. Alphand had agreed, however, that if the local committees were unable to reconcile conflicting purchases, the question might be referred to Paris for further discussion as to the assigning of priorities.

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Mr. Labouisse pointed out that in the specific case of textiles, he had received a telegram from Lisbon reporting that the Lisbon Committee had been unable to reach a decision as to the appropriate priorities.

Mr Gridley felt, and it was agreed, that as the amount of textiles available in Portugal for the various would-be purchasers was insufficient, it might be for the Textile Committee of the Combined Production and Resources Board to determine to whom the availability should be allocated. The same might be true of other Reserved Commodities subject to Combined Board jurisdiction.

Mr. Labouisse added, and it was agreed, that the Paris Tripartite Economic Committee would sometimes, in the case of Reserved Commodities, be able to make recommendations to the Combined Boards on the basis of the discussions mentioned by M. Alphand concerning the assigning of priorities.

The French representatives reminded the meeting that the Tripartite Economic Committee in Lisbon had previously recommended that the Portuguese textile exportable surplus should be reserved for the requirements of French North Africa and they were anxious that purchases by the GPA for the US Army should not disturb this position.

It was agreed that the French representatives should write to Messrs. Labouisse and Gridley on this subject.

(b) Sardines (Reference Minute No.42)

The French representatives reminded the meeting that in addition to the 57,358 cases of canned fish which had been ceded to them by the UKCC, they were anxious to effect an additional purchase in Portugal of 100,000 cases.

The British representatives undertook to request London to enable the British representatives in Lisbon to reply on this subject.

85. FRENCH COLONIAL RUBBER

Sales to Allies (Reference Minute No. 71)

The British representatives stated that they had not yet received instructions to sign the agreement which they had remitted to London.

86. BRAZZAVILLE AND ANTANANARIVO : ECONOMIC REPRESENTATION

1950

The French representatives enquired whether, in view of the dissolution of the North African Joint Economic Mission and the French West African Joint Economic Mission, any change was to be expected in the Allied Economic representation at Brazzaville and Antananarivo. The American and British representatives were unable to state the exact character of their respective Governments' economic representation at those two places and promised to seek information.

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87. SUPPLIES TO FRENCH COLONIES FROM USA AND UK

(a) General

The French representatives stressed the penury of imported supplies in the French colonies and particularly in A.O.F. which rendered it essential that there should be no further reduction in imports against the agreed programmes for those colonies. It was agreed that M. Alphand would submit a memorandum on the subject to Messrs. Labouisse and Gridley.

(b) Trucks

The American representatives stated that Washington had expressed surprise at a proposal to export 200 trucks from France to A.O.F.

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of which they had learned as a result of French enquiries into the possibility of obtaining tyres from Brazil. Washington had, on the basis of this information, questioned the urgency of Metropolitan French truck requirements. Mr. Laboulisse had telegraphed to Washington confirmation of the urgency of this requirement but wished to question the desirability of such exports being effected from France.

The French representatives replied that it had always been considered that the French colonies had a legitimate claim on Metropolitan France for any supplies which could be made available, in view of their contribution to the supplying of the needs of Metropolitan France and that for political and sentimental reasons there was justification for small supplies to be made from France. This proposal would, moreover, result in an economy in shipping, since the trucks which would be needed for the collection of the ground nut crop in A.O.F. could be loaded on vessels bringing ground nuts to France and otherwise returning empty to A.O.F., while vessels which carried U.S. trucks to Dakar were obliged to return empty. These explanations were noted.

88. TURKEY

(a) Prisoner of War Parcels

The French representatives stated that the loading of Prisoner of War Parcels on the Turkish vessel "ELLY" scheduled to leave for France with a cargo of tobacco in some 15 days time had been opposed by the British Admiralty representatives in Turkey, who had alleged that there would be clearance difficulties from Marseilles and that, in any event, it would not be possible to forward the parcels from France to Germany.

The French representatives stressed that, while they appreciated the force of these arguments, they did not wish to risk any breakdown in the supply of Prisoner of War parcels to Germany, and the Anglo-American representatives agreed to give any possible assistance in this matter.

(b) Cession of US/UK pre-emptively purchased stocks

Chrome Ore and Tanning Extracts (Valienses)

The French representatives stated that they also desired to load on the "ELLY" some 1/1500 tons of chrome ore and a quantity of tanning extract. Since these items had been purchased pre-emptively in Turkey by the Allies, they would be grateful for any advice as to the price which they should pay, and as to the procedure to be followed regarding purchases, etc.

The Anglo-American representatives stated that the pre-emptive purchases in Turkey had been effected jointly by the UK and the USA and that the principle of release of quantities from the resultant stocks and the question of the price at which they could be [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785013

to the supplying of the needs of Metropolitan France and that for politic and sentimental reasons there was justification for small supplies to be made from France. This proposal would, moreover, result in an economy in shipping, since the trucks which would be needed for the collection of the ground nut crop in A.O.F. could be loaded on vessels bringing ground nuts to France and otherwise returning empty to A.O.F., while vessels which carried U.S. trucks to Dakar were obliged to return empty. These explanations were noted.

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The French representatives stated that they also desired to load on the "ELLE" some 1,500 tons of chrome ore and a quantity of tanning extract. Since these items had been purchased pre-emptively in Turkey by the Allies, they would be grateful for any advice as to the price which they should pay, and as to the procedure to be followed regarding purchases, etc.

The Anglo-American representatives stated that the pre-emptive purchases in Turkey had been effected jointly by the UK and the USA and that the principle of release of quantities from the resultant stocks and the question of the price at which they could be resold would have to be referred to London and Washington. In view of the urgency, however, of providing cargo for the "ELLE" it was agreed that the French Supply Council in London be advised to contact the Ministry of Supply on this subject and the British Representatives undertook to advise London urgently by telephone that the matter would be raised in this manner.

89. EGYPT

Cotton

In reply to Mr. Cridley, the French representatives confirmed that French delegates proceeding to Cairo to investigate the possibilities of procurement of cotton for France would co-ordinate their enquiries with the Anglo-American Cotton Delegation already in Cairo.

AC/KJM/B55
4th February, 1945.

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With Mr. G. A. Crossley's compliments.

4410

PARIS TRIPARTITE ECONOMIC COMMITTEE

FEB 16 1945

Minutes of Meeting No. 6 held on 19th January, 1945 at 11 a.m.

PRESENT :

French Representatives	American Representatives	British Representatives
M.M. Alphand	Brig.Gen. Wayne Allen (part-time)	Messrs. Cadbury
Bernard	Messrs. Labouisse	Crossley
Cardin	Little	Godfrey
Conchou	MacChesney	
Felix		
Drouin		
de Fouchier		
Frecaut		
Labouret		
Marjolin		
Peter		
de la Taille		
Toussaint		

63. MINUTES OF LAST MEETING

Final approval of the Minutes of the meeting of the 3rd January was postponed until the next meeting.

64. PRIORITIES FOR PURCHASES IN PORTUGAL

With reference to a telegram received by them from Portugal, the American representatives raised the question as to the appropriate place and method for the establishment of priorities for purchases effected in Portugal or Spain by the Allied Governments, including purchases by C.P.A.

The French representatives reminded the meeting that the Committee on previously considering this problem, had recommended that the co-ordination of Inter-Allied purchases should be effected locally.

General Wayne Allen pointed out the importance of the purchase programmes which might be effected in the Iberian Peninsula by the Allied Governments and thought that the important dimensions of the programme would merit the planning of this project by a more centralized body. He considered that the Paris Tripartite Economic Committee would be the most suitable body for this purpose. The programmes thus established could then be submitted to the approval of the Combined Boards. General Allen considered that the role of the Committees on the spot in Lisbon and Madrid should be to organise practical methods of Inter-Allied co-ordination for the execution of thepurchases.

The British representatives stated that, as they had received no communication on this subject they wished to reserve their views pending consultation with London, but felt that the Committee would [illegible] in establishing supply programmes except in France.

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The British representatives stated that, as they had received no communication on this subject they wished to reserve their views pending consultation with London, but felt that the Committee would have difficulty in establishing supply programmes except in regard to items coming to France.

It was agreed that the American proposals should be communicated to the Ministere des Affaires Etrangeres by General Allen, with a copy of the letter to the British and American Embassies.

ENTRY/.....

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

65. ENTRY OF NEUTRAL VESSELS INTO FRENCH PORTS

The Committee noted the information communicated to the Marine Marchande Committee at its meeting of the 6th January, concerning the entry of neutral and Spanish vessels into the ports of Le Havre, Rouen, Bayonne and Bordeau (when liberated). The port of Sete was open both to Spanish and Portuguese vessels. The entry of these vessels into the above ports remained subject to certain conditions.

The French representatives stated that according to the information of the Marine Marchande, the entry of neutral vessels into French North African ports would be considered in each specific case as it arose. They added that SHAEF had agreed to the entry of Portuguese vessels into Mediterranean ports.

It was noted that the application of these decisions will be considered by the Marine Marchande Committee.

66. FRENCH IMPORTS FROM NEUTRAL AND NEIGHBOURING COUNTRIES

The Committee took note of a telegram addressed by the British Embassy, Paris, to Lisbon, Madrid, Berne, Brussels, Washington and London, indicating the methods of application of the agreements reached between the French and Allied Authorities on the subject of French imports from neutral and neighbouring countries.

The French representatives confirmed that the French Authorities would give to the Allied Governments all information necessary to assure co-ordination of purchases, security of vessels and appropriate arrangements for the clearance of road or rail transport.

67. FRENCH NORTH AFRICA

(a) Exchanges - West Coast of Africa and Madagascar/F.N.A.
(Reference Minutes No. 53 (a))

The British representatives read a telegram communicating London's approval of the shipping programme presented by the French authorities, subject to the following conditions :-

1) the local French authorities in Madagascar to make the goods available to the usual ports.

2) it was estimated that only 3,000 tons of coffee could be shipped on account of an overshipment of 2,000 tons to FNA during 1944.

3) London requested, if possible, an analysis of the 1,000 tons of "Miscellaneous"

In reply to the British representatives the French representatives stated that the imports from Madagascar and from French West Africa to [illegible] Africa did not represent the total import for French North

Declassified E.O. 12356 Section 3.3/NND No. 785013

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It was noted that the application of these decisions will be considered by the Marine Marchande Committee.

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In reply to the British representatives the French representatives stated that the imports from Madagascar and from French West Africa to French North Africa did not represent the total import for French North Africa of the items included in the programme.

The American representatives stated that they had not yet received Washington's comments on the programme.

(b)/.....

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(b) Dredging of La Goulette

The Committee took note of a letter addressed by Mr. Gridley to M. Alphand on the 10th January in support of the approach made by General Mast to the French authorities to obtain the allocation to the dredging of the channel of La Goulette of the Dredger "KIL", at the present time under repair at Bizerte.

The British representatives stated that the port of La Goulette was of great interest to them in connection with the exports to the UK and would become of primordial importance if the port of Bone should ever become unable to assure these loadings.

The French representatives agreed that both in FNA and in Paris the French authorities would attempt to satisfy the request of General Mast.

c) Esparto
(Reference Minute No. 53 (d))

The British representatives requested the agreement of the Committee to the loading of small quantities of esparto up to 500 or 1,000 tons a month as deck cargo on vessels carrying phosphates and iron ore from FNA to the UK.

The French representatives stated that this matter would have to be dealt with locally on account of the small quantities of esparto at present stocked at the railheads and in the ports, of which it was hoped to load the greater part for Sete.

If any quantities should remain available after loadings for Sete, the French representatives agreed that these could be loaded as above, for the UK.

(d) Superphosphates
(Reference Minutes No. 53 (e))

The British representatives stated that they had been informed by Algiers that the French administration would soon be able to indicate the Moroccan availabilities of superphosphates for export.

The French representatives stated that a monthly export of 3,500 tons of superphosphates was envisaged from FNA, provided the three territories received a sufficient supply of pyrites.

1848

(e) Sugar and Cereals
(Reference Minutes No. 53 (b) and (c))

The French representatives stated that they had addressed a letter to Mr. Labouisse and Mr. Gridley stressing the urgent necessity of supplying FNA with wheat and sugar.

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1948

(e) Sugar and Cereals
(Reference Minutes No. 53 (b) and (c))

The French representatives stated that they had addressed a letter to Mr. Labouisse and Mr. Gridley stressing the urgent necessity of supplying FNA with wheat and sugar.

The Allied representatives undertook to do anything possible to expedite the replies of their respective Governments on these two points.

68. ITALY

(a) Procedure for French Purchases
(Reference Minute No. 58)

The French representatives stated that in accordance with the recommendations of Mr. Gridley, the Ministry for Foreign Affairs had instructed M. Couve de Murville to undertake discussions on the subject

of /....

of the resumption of trade with Italy with the Italian Government, through the intermediary of Allied Control Commission.

The French representatives in Rome had reported, however, that while the A.C.C. was in agreement with the principle, that discussions should take place with C-5 AFHQ, who had not yet received authority to take part in the discussions.

The British and American authorities undertook to attempt to expedite the issuing of this authority.

With regard to Mr. Gridley's recommendation that a French Supply Mission should visit Italy, M. Couve de Murville had replied that he considered it necessary, in the first place, to conclude the agreements on the principles involved, after which French technicians could proceed to Italy to study the possibilities of that country supplying items of interest to French economy.

(b) Mercury
(Reference Minute No. 41)

The British representatives stated that they had been informed by Algiers that the French Provisional Government had concluded a contract for the purchase of 50 tons of mercury from Italy.

The French representatives confirmed this information but stated that the quantity was actually 150 tons. The mercury to be delivered to FNA for trans-shipment to France.

69. CO-ORDINATED PURCHASES OF WOLFRAM FROM PORTUGAL AND PIEZO-ELECTRICAL QUARTZ FROM BRAZIL

The British representatives thanked M. Alphand for his letter to Mr. Gridley of the 12th January, agreeing as to the desirability of effecting close co-ordination with the Allies in French purchases of wolfram from Portugal.

While agreeing in principle to the co-ordination of purchases from Brazil, the Ministry of Foreign Affairs, before replying to the British Embassy as to the manner in which this co-ordination should be achieved, desired to consult the French Diplomatic Mission in Rio de Janeiro.

70. APPLICATION OF U.S.A. LEND-LEASE TO F.N.A. AND F.F.A. AFTER 30th JUNE 1945.

It was agreed that this subject should be discussed in a special Franco-American meeting.

71. FRENCH COLONIAL RUBBER
(Reference Minute No. 57)

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71. FRENCH COLONIAL RUBBER
(Reference Minute No. 57)

Sales to the Allies

The French representatives handed to the Allied representatives a note covering the draft agreement of the sale to the Allies of all the 1944/45 French colonial rubber production amounting to 13,400 tons.

The French reminded the meeting that the French Provisional Government reserved the right to request the Combined Boards to earmark 3,500 tons of natural rubber from the French Colonies as part of their total allocation to France. This quantity of 3,500 tons formed part of the programme of French imports.

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72. EGYPT

Purchase of Oil Containers in Cairo

The French representatives reminded the meeting that the Tunisian Resident-General had undertaken negotiations with the Allies for the purchase of 50,000 containers in stock at Cairo and in the ownership of the British Army. They stated that none of these containers had yet arrived in Tunisia.

The British representatives stated that according to a telegram addressed by London to Algiers, the War Office had given its agreement to the purchase of 30,000 containers in stock at Suez. They added that the shipment of these containers would be assured by the military authorities who would also fix a price.

The French representatives expressed their satisfaction with this information.

73. SPAIN

French Purchases of Oranges

With reference to a letter addressed by the British Embassy to M. Alphand, the French representatives expressed their agreement to the proposal that French purchases of oranges in Spain should be co-ordinated with the British purchases in that country. They further stated that since the quantity of oranges which they would be likely to purchase in Spain was relatively small, they would be willing to have their requirements included in the total British purchases.

74. FRENCH EXPORTS
(Reference Minute No. 54)

The Allied representatives stated that a discussion had taken place on this subject between themselves and M. Parjolin, Directeur des Relations Economiques Exterieures of the Ministere a l'Economie Nationale Commandant Bernard and representatives of the Ministry of War Transport, War Shipping Administration and the Marine Marchande. The question of the difficulties of allocation of shipping tonnage and loading was being pursued by the representatives of the War Shipping Administration and the Ministry of War Transport with SHAEF.

The French representatives communicated to the Allied representativ a more complete list of possible French exports. 1947

The American representatives stated that the problem of payment and remission of commercial documents was being discussed between the U.S. Treasury and the French" Finance".

75. LOADING OF VESSELS PROCEEDING TO MADAGASCAR

The British representatives stated, according to a telegram addressed by London to Algiers, the War Office had given its agreement to the purchase of 90,000 containers in stock at Suez. They added that the shipment of these containers would be assured by the military authorities who would also fix a price.

The French representatives expressed their satisfaction with this information.

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The French representatives communicated to the Allied representativ a more complete list of possible French exports.

The American representatives stated that the problem of payment and remission of commercial documents was being discussed between the U.S. Treasury and the French" Finance".

75. LOADING OF VESSELS PROCEEDING TO MADAGASCAR

The French representatives stated that vessels would probably proceed to Madagascar before the French authorities received application of the approval of the Allied authorities to the programme of shipments from Madagascar by the Allied authorities. They enquired whether, under these circumstances the vessels expected at Madagascar should be loaded.

The Allied representatives agreed that these vessels should be loaded.

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76. RESALE OF U.S. SURPLUS STOCKS

The American representatives enquired with which French services they should negotiate questions concerning the resale of surplus military or civil stocks.

The French representatives replied that these questions would be handled by M. Chargueraud, Directeur des Accords Techniques of the Ministere des Affaires Etrangeres.

77. NEXT MEETING

It was agreed that the next meeting should take place on the 2nd February.

It was also agreed that meetings should, in future, take place fortnightly on Fridays at 11 a.m., and that agendas be circulated on the Saturday preceeding the meeting.

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GAC/BLB/B55
6th February, 1945

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FEB 16 1945

...AIC TRIPARTITE ECONOMIC CO..ITTEE

Minutes of Meeting No. 5 of 3rd January, 1945 at 10.30 a.m.

PRESENT :

French Representatives	American Representatives	British Representatives
Messieurs Alphand	Messrs. Labouisse	Messrs. Bunbury
Barraduc	Little	Crossley
Conchou	Mitchell	Godfrey
Felix		Gridley
de Fouchier		
Frecaut		
Levient		
Labouret		
Peter		
Toussaint		

51. MINUTES OF LAST MEETING

The Minutes of the meeting of the 15th December 1944 were approved without amendment.

52. GENERAL SURVEY OF FRENCH IMPORT SITUATION

(a) U.K. Availabilities

Commandant Bernard, who had recently returned from London, reported that the Ministry of Production had provided the Comité and the French Supply Council inLondon with a statement of the items which the U.K. expects to be able to supply against the eight months' import programme for Metropolitan France. The quantities given in this statement were larger than had been expected and this resulted in a modification of the sources of supply originally specified in the programme. Broadly speaking, the total tonnage expected from the U.K. was raised from 200,000 tons to 300,000 tons, of which important quantities were available for January/March loading. Unfortunately, no shipping is at present available for these quantities but Commandant Bernard wished to place on record his appreciation of the efforts of the Ministry of Production and of the gesture of the U.K. in withdrawing substantial quantities from the U.K. stocks in order to make possible immediate deliveries to France and to economise in shipping from greater distances.

1945

(b) Shipping to Mediterranean Ports

In reply to M. Alphand, Mr. Gridley stated that a report of the results of M. Chardon's visit and his own to Caserta had been submitted by him to the Marine Marchande Committee and forwarded to the appropriate authorities for action. As a result of these negotiations it had been possible to establish the tonnage required by the French in addition to that already at their disposal for the programme of shipments from NA, NEA and

de Fouchier
Frecnut
Leviant
Labouret
Peter
Toussaint

(36)

51. MINUTES OF LAST MEETING

The Minutes of the meeting of the 15th December 1944 were approved without amendment.

52. GENERAL SURVEY OF FRENCH IMPORT SITUATION

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Commandant Bernard, who had recently returned from London, reported that the Ministry of Production had provided Monnet and the French Supply Council inLondon with a statement of the items which the U.K. expects to be able to supply against the eight months' import programme for Metropolitan France. The quantities given in this statement were larger than had been expected and this resulted in a modification of the sources of supply originally specified in the programme. Broadly speaking, the total tonnage expected from the U.K. was raised from 200,000 tons to 300,000 tons, of which important quantities were available for January/March loading. Unfortunately, no shipping is at present available for these quantities but Commandant Bernard wished to place on record his appreciation of the efforts of the Ministry of Production and of the gesture of the U.K. in withdrawing substantial quantities from the U.K. stocks in order to make possible immediate deliveries to France and to economise in shipping from greater distances.

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(c) Use of Neutral vessels

In this connection the French representatives stressed the importance of an early affirmative answer being given, if possible, to their request that neutral vessels be allowed to enter certain French Metropolitan ports. The Anglo-American representatives undertook to press further the support already given by them to this request from the supply aspect.

They suggested/.....

- R E S T R I C T E D -

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They suggested that the French representatives should raise this question at that day's meeting of the Four-Party Committee, providing at the same time a statement of the quantities involved.

53. FRENCH NORTH AFRICA

(a) Exchanges - West Coast of Africa and Madagascar/F.N.A.
(Reference Minute No. 29)

The Anglo-American representatives stated that they had not yet received from all necessary quarters the Allied comments on this programme. They undertook to attempt to expedite.

(b) Sugar
(Reference Minute No. 45)

The American representatives stated that while they recognised the desirability of France being able to draw upon her own resources in Reunion, especially for financial considerations, they feared there might be shipping difficulties.

It was agreed that the French representatives should request M. Monnet tonegotiate this question with the Combined Shipping Adjustment Board, and request the support of F.N.A.

M. Alphand stressed nevertheless the necessity of having such problems considered by the Paris Tripartite Economic Committee, in order that the French representatives might enlist the support of their Anglo-American colleagues.

(c) Cereals
(Reference Minute No. 44)

The French representatives requested that the Anglo-American representatives again stress to their respective Governments their concern in connection with cereals resulting from the insufficiency of the 65,000 tons of shipping notified to them by M. Monnet as having been laid on for January loadings for all commodities (including cereals) in the U.S. for F.N.A. The Anglo-American representatives agreed to enquire what was the latest situation.

(d) Esparto
(Reference Minute No. 46)

The French representatives stated that the maximum FNA 1945 availabili of esparto for export was estimated at 100,000 tons. Against this, the needs of Metropolitan France were placed at 40,000 tons, consisting of 10,000 tons for brushes; 10,000 tons for espadrille soles and 20,000 tons for paper manufacture. In addition to the British demand, the French had been informed by Algiers that there might be a U.S.

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The British representatives pointed out that the British Army were rapidly evacuating North Africa. It would thus probably be unwise to count on any military assistance. As to the implementation of export arrangements they recommended that the French and Anglo-American authorities in FNA be

to negotiate/.....

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authorised by Paris to negotiate and conclude all details of sales and shipments at Algiers. As regards the British demand, they reminded the meeting that the trade in esparto between FNA and the U.K. was of long standing; that many U.K. factories had been specially planned for the manufacture of paper from FNA esparto, and that there is at present an acute shortage of paper in the U.K., which can only be met by the use of high grade material giving maximum production efficiency. Negotiations for the possible supply of esparto from FNA to the U.K. had been proceeding for some considerable time, but no shipping had been available. While there was still no likelihood that substantial quantities of shipping would become available in the immediate future, it nevertheless appears desirable to agree the machinery of exports so that advantage might be taken of any opportunity to ship odd quantities as deck cargo of phosphate and iron ore carriers.

The meeting agreed and directed that Economie Nationale and the British Embassy should write agreed letters to Algiers, authorising their representatives in FNA to negotiate the terms of contracts for such exports of esparto to the U.K., whilst not losing sight of French, and possible U.S. requirements.

(e) Superphosphates

The French representatives requested Anglo-American comment upon the proposal which was under discussion some time ago, for FNA to supply 5,500 tons of superphosphates monthly, either for the U.K. or for the account of the U. .

The British representatives stated that they had no up-to-date information on this subject but would request the views of London.

54. FRENCH EXPORTS TO THE BRITISH EMPIRE AND U.S.A.
(Reference Minute No. 21)

With reference to the questions raised by the French at the 2nd meeting held on 1st December, 1944, the American representatives stated that the U.S.Government favoured exports from France to the U.S.A. through normal commercial channels and that discussions were currently taking place between representatives of the French and U.S. Treasuries to permit prompt payments for French exports to the U.S.A.

The Anglo-American representatives stated that they were ready at all times to give assistance to the French in promoting exports from France, in connection with which they would be glad to pass on to Washington and London any information the French cared to present regarding availabilities, prices and potential sellers.

The French representatives urged that replies should be given promptly since it had only so far been possible to arrange the export of bauxite, loaded from Mediterranean ports [illegible]

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The French representatives urged that replies should be given promptly since it had only so far been possible to arrange the export of bauxite, loaded from Mediterranean ports as ballast; while they desired to export other goods, such as essential oils and tartrates which could be called forward within France by the Service des Importations/Exportations of the Ministère de l'Economie Nationale, it was still not clear in what manner shipping would be provided and loading arrangements, generally, would be organised.

The Anglo-American representatives stated that, although they were unable at this time to give any definite answer as to shipping arrangements the matter was under discussion by them with SHAEF, Ministry of War Transport and War Shipping Administration.

It was/....

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It was agreed that a special meeting be held between representatives of Affaires Etrangeres, Economie Nationale, Marine Marchande and Anglo-American representatives, for the discussion of these problems.

55. FRENCH WEST AFRICA
(Reference Minute No. 48)

Palm Kernels

The French representatives reminded the meeting that it had been agreed in October 1944 that 10,000 tons of palm kernels should be loaded from the West African coast for South France on the understanding that if while they were in transit it became evident that no Southern French port could accept the ships, they would be diverted to a U.K. destination. Mr. Gridley pointed out that while this had been adopted in Paris as a target plan, it had nevertheless always remained subject to the approval of M.W.T. and C.C.A.C. He was disappointed to have to report that it had not been possible to secure this clearance. The present position was, therefore, that of 4,500 tons of oil seeds included in the military programme of prompt FWA shipments to France, 2,200 tons were palm kernels and the balance ground-nuts; further quantities of both were being programmed by the military for shipment during February, March and April 1945 but no additional MWT controlled tonnage could be provided. The Transport of the requirements of Metropolitan France would, however, be facilitated by the agreement recently reached for the diversion of French List B tonnage from FNA to the South of France.

The French representatives accepted this explanation and agreed to meet Allied Military representatives the following day, in order to determine what quantities were being imported on the military programme.

56. FRENCH PURCHASES IN PORTUGAL AND SPAIN
(Reference Minute No. 50)

Mr. Gridley and Mr. Labouisse confirmed their agreement with the views of the Committee as recorded in Minute No. 50.

57. FRENCH COLONIAL RUBBER

Sales to the Allies

The French representatives reminded the meeting that under agreements (to terminate, in the caseof Africa on 30th June 1945, and in the case of Madagascar on 30th April, 1945) all the 1944/45 French colonial rubber production was to be sold to the Allies. As from the 1st September, 1944 all deliveries went to the U.S. with the exception of Michelin (A.O.F.) production, which went to the U.K. The Comite economique now approved the memorandum agreed between the Ministry of Colonies and the Ministry of Supply (the latter duly authorised by Washington) confirming these arrangements and providing for increased prices for deliveries of FWA rubber during 1945. There remained for decision the

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It was agreed that M. Alphand should furnish Mr. Gridley with a copy of the contract which the French were now prepared to sign, together with written particulars of the over-riding conditions, regarding satisfaction of French rubber needs, which they would attach to the signature of this contract.

58/.....

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58. TRADE WITH ITALY
(Reference Minute 15 (b))

The French representatives thanked Mr. Gridley for his letter of 30th December, 1944 to M. Sargent, on the general question of Franco-Italian trade possibilities, and recommending that questions of payment procedure would best be discussed in Italy. The French representatives agreed to instruct M. Couve de Murville to discuss this question with the Allied Commission and the Italian Authorities, and indicated that they would almost certainly send a Mission to Italy to report upon supply possibilities, and Franco-Italian trade prospects, in general.

59. MADAGASCAR

(a) Meat

The French representatives thanked the British representatives for the information that a British vessel would be available in due course to load 3,000 tons of frozen meat from Madagascar. They agreed that these 3,000 tons should be shipped to FNA and will include 500 tons originally purchased by the Ministry of Food, now to be bought back by the French.

(b) Hides

With reference to a letter of 29th December from Mr. Gridley to M. Peter the French representatives agreed that every possible opportunity should be takenof shipping hides from Madagascar, and emphasised the need to free refrigerated space for the storage of salted hides proceeding from the next campaign, due to begin on 1st February. They agreed that the hides should be shipped either to France or to the U.K. according to which was possible the sooner, but on theunderstanding that in the latter case, the hides would be trans-shipped from the U.K. to France as soon as shipping became available for that trans-shipment.

The French representatives confirmed their agreement that any hides received by them from their colonial sources would count against their Combined Board allocation.

The present stocks in Madagascar amount to 3,000 tons of which 1,400 tons salted and 1,900 arsenicated. The latter fill the available storage space and their prompt shipment is a matter of the greatest urgency.

1944

(c) Graphite

The French representatives expressed their concern at the situation resulting in Madagascar, as a result of the decision notified in October 1944, to their representatives in London, that there would be no more purchasing of Madagascan graphite for the UK and USA, as from the end of 1944. Considerable efforts had been made in Madagascar to develop production during 1944, with the result that they have at the present

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The French representatives confirmed their agreement that any hides received by them from their colonial sources would count against their Combined Board allocation.

The present stocks in Madagascar amount to 3,300 tons of which 1,400 tons salted and 1,900 arsenicated. The latter fill the available storage space and their prompt shipment is a matter of the greatest urgency.

1944

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The French representatives expressed their concern at the situation resulting in Madagascar, as a result of the decision notified in October 1944, to their representatives in London, that there would be no more purchasing of Madagascan graphite for the UK and USA, as from the end of 1944. Considerable efforts had been made in Madagascar to develop production during 1944, with the result that they have at the present time a stock of 11,000 tons whilst 1945 production has been placed to reach 15,000 tons. Against these availabilities France require only 2,000 tons. Accordingly they enquired whether it would be possible for the U.K. and U.S. Governments to reconsider their decision.

The British representatives replied that as a result of the large quantities shipped from Madagascar to the U.K. during 1944, they were now holding stocks in the U.K. sufficient for two years. It was therefore most unlikely that the U.K. would be able to take any further quantities, the position in the U.S. was understood to be very similar. While undertaking to enquire whether London might change the decision notified in October

1944/....

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1944, the British representatives recommended the French to instruct Madagascar to cease or at least severely curtail production with the minimum delay.

The U.S. representative similarly undertook to ascertain what quantities the USA might still be able to take from Madagascar.

(d) Sisal

The French representatives stated that the Ministry of Industrial Production had been asked to state whether it was desired to invoke the Break Clause in the contract for the sale of all Madagascan sisal to the USA up to the 1st July 1945, against which deliveries were at present continuing.

(e) Mica

With reference to a letter of 16th December addressed by Mr. Gridley to M. Peter, the French representatives stated that the Ministry of Colonies agreed to the sale to the U.K. of 70,000 lbs. and had requested the views of the Ministry of Industrial Production. The French representatives would communicate further with Mr. Gridley when these views had been ascertained.

(f) General

It was agreed that a meeting should take place between M. Coutel, the Governor-General of Madagascar, M. Peter, Mr. Labouisse and Mr. Gridley for a general discussion of the Madagascan economic problems at present under Tripartite consideration.

60. ERITREAN FOOTWEAR
(Reference Minute No. 5)

The French representatives thanked Mr. Gridley for his letter to M. Alphand stating that, in the light of a report received from Civil Affairs Branch, Eritrea, and since it was understood that the prices were reasonable, London had decided to withdraw its objections to this transaction and agreed that delivery of the 150,000 pairs of boots should proceed.

The French representatives agreed that no further purchases of footwear or other Reserved Commodity List items would be undertaken without prior consultation with the Combined Boards.

61. COMBINED RAW MATERIALS BOARD

The French representatives reported that in reply to the invitation conveyed to them by Mr. Labouisse, they agreed to appoint a representative to the Cotton and Textiles Committee of the Combined Raw Materials Board.

62. NLAT MEETING

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62. NEXT MEETING

It was agreed that the next meeting should take place on Friday 12th January, 1945 at 11 a.m.

G.C/ELB/E55
5th February, 1945

...

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

G.C./AB

4410

10th February, 1945.

FEB 15 1945

Dear Miss McCleary,

Many thanks for your letters of January 30th and January 25th to Crossley and myself respectively on the subject of Franco-Italian trade.

The addition of TAM 136 to our records gives us the situation up to date quite clearly.

I have let de Fouchier have the comments you make in your letter of 25th January on the specific commodities. I told the French at the meeting of our Tripartite Economic Committee on 2nd February that on the basis of telegrams passing between A.F.H.Q. and C.C.S. (I had TAM 426 in mind), I believed that Couve de Murville would now find that G5 A.F.H.Q. were ready to join in discussions with A.C.C. as to the principles of this trade.

I have thus in my letter to de Fouchier again expressed the hope that they will soon find it possible to send to Italy a supply mission to follow up the commodities on which you think there is a possibility of their acquiring supplies from Italy.

Yours sincerely,

Miss G. McCleary,
SLA (C) Secretariat,
Ministry of Production,
Great George Street,
London, S.W.1.

Distribution:- Mr. Fraser
Mr. Lousada
Mr. Fenton
Brigadier Lush

1943

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

R 153

Sec ST

MINISTRY OF FOOD,
[illegible],
[illegible].

10th February, 1945.

FEB 15 1945

My dear de Fouchier,

I have now received from [illegible] the following further comments on the list of commodities (as attached to Sargent's letter of 27th November, 1944) which you would be interested in receiving from Italy.

Chestnuts and Olive Oil. The Ministry of Food feel that it would not be justifiable to take these from Italy in view of their present food shortages. In any case, they doubt very much whether the Italians would agree to their export.

Oranges and Lemons. There would be no objection from the Ministry of Food to your purchasing 20,000 tons of oranges and lemons, though they would be grateful if you would keep in touch on this matter with Mr. Graham, the Ministry of Food representative with the Allied Control Commission, who is purchasing on behalf of the United Kingdom.

Figs. There would be no objection to the purchase of figs, but it appears doubtful whether there would be any exportable surplus.

Nuts and Almonds. It may be found that although Italy normally exports by far the greatest part of her production she will not at present be willing to do so on account of the present food shortage. Moreover the Italians appear to be holding the nuts back since they are easily stored and prices are rising steadily. I might mention that the Ministry of Food is somewhat surprised that you should wish to buy nuts in Italy, since you recently offered to the United Kingdom 7[illegible] tons of walnuts which they were unable to accept on account of the high price quoted. There again, if you do in fact attempt any purchase from Italy, we should be grateful if you would keep in touch with Mr. Graham both as to quantities and prices.

Essential Oils. The Ministry of Production have drawn attention to the fact that you already have negotiations with the United Kingdom for your requirements, some of which will be supplied from the United Kingdom's Reserved Commodities, these items are of course subject to allocation by the Combined Boards.

Timber for Barrel Staves and Hoops. We should be glad to see you obtain your requirements in Italy, but it appears doubtful whether there will be any availability.

Magnesite Products. There are some magnesite products available in Italy and there would presumably be no difficulty in your meeting your [illegible] ments from that country, apart from calcined magnesite. It is doubtful whether Italy would be able to supply this latter product. On the other hand, the United Kingdom could provide all your requirements of magnesite products if you should prefer the United Kingdom to Italy as a source of supply for the whole or part of your requirements.

Hemp. It is understood to be unlikely that any supplies of Hemp from the Balkans will be available [illegible] essential needs and service requirements for cordage, etc. have been met.

1342

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1242

...export.

Oranges and lemons. There would be no objection from the Ministry of Food to your purchasing 2[illegible] tons of oranges and lemons, though they would be grateful if you would keep in touch on this matter with Mr. Graham, the Ministry of Food representative with the Allied Control Commission, who is purchasing on behalf of the United Kingdom.

Figs. There would be no objection to the purchase of figs, but it appears doubtful whether there would be any exportable surplus.

Nuts and almonds. It may be found that although Italy normally exports by far the greatest part of her production she will not at present be willing to do so on account of the current food shortage. Moreover, the Italians appear to be holding the nuts back since they are easily stored and prices are rising steadily. I might mention that the Ministry of Food is somewhat surprised that you should wish to buy nuts in Italy, since you recently offered to the United Kingdom 7[illegible] tons of walnuts which they were unable to accept on account of the high price quoted. Here again, if you do in fact attempt any purchases from Italy, we should be grateful if you would keep in touch with Mr. Graham both as to quantities and prices.

Essential Oils. The Ministry of Production have drawn attention to the fact that you already have negotiations with the United Kingdom for your requirements, some of which will be supplied from the United Kingdom. As Reserved Commodities, these items are of course subject to allocation by the Combined Boards.

Timber for barrel staves and hoops. We should be glad to see you obtain your requirements in Italy, but it appears doubtful whether there will be any availability.

Magnesite products. There are some magnesite products available in Italy and there would presumably be no difficulty in your meeting your requirements from that country, apart from calcined magnesite. It is doubtful whether Italy would be able to supply this latter product. On the other hand, the United Kingdom could provide all your requirements of magnesite products if you should prefer the United Kingdom to Italy as a source of supply for the whole or part of your requirements.

Hemp. It is understood to be unlikely that any supplies of hemp from the Naples area will be available when local essential needs and service requirements for cordage, etc. have been met.

Raw silk. Again it is unlikely that any supplies are available and silk as a Reserved Commodity is of course subject to allocation by the Combined Boards.

Silk cocoons. The United Kingdom would be very much interested in receiving supplies of silk cocoons from Italy, but it is understood that there is practically no hope of there being any export availability

Monsieur le Pouchier,
Ministere de l' Economie Nationale,
Direction des Relations Economiques Exterieures.
Paris.

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Ground Nuts. London have no objections to your purchasing your requirements in Italy.

Mercury. You will remember that at the Tripartite Economic Committee Meeting of the 19th January 1945, you confirmed that you had purchased 150 tons of Mercury from Italy. It appears that the prices quoted to the Allied Commission for Italian Mercury were very high, and London inform us that if you have any further requirments, it would be possible to let you have certain quantities, if you so desired, from the United Kingdom. Additionally, you will remember (see minutes, item 37, Tripartite Economic Committee) that Monsieur Hugues was informed by the United States Commercial Attaché in Madrid that certain quantities were also available in the U.S.A. for export to France.

Lead Ore. As this is a Reserved Commodity, you will presumably approach the Combined Raw Materials Board.

Zinc Ore. London state that you have been given a shipping license to buy zinc ore where you like, and there is no objection to your purchasing your requirements in Sardinia if the quantities are available.

Chrome Ore. Chrome ore, as you will remember, is also on the Reserved Commodity List and therefore calls for an approach by you to the Combined Boards.

You will remember that at the seventh meeting of the Tripartite Economic Committee of 2nd February, Mr. Labouisse and I expressed the belief, having seen certain telegrams passing between A.F.H.Q., Italy and U.S.A., Washington that G-5 A.F.H.Q. will now be able to consider itself able to join in the discussions proposed by M. Couve de Murville on the principles of Franco-Italian trade. I hope that these will soon achieve results and enable you to send your supply mission to Italy to follow up the possibilities of acquiring certain of the above commodities.

Yours sincerely,

Distribution:-

Mr. Labouisse,
Brigadier Nash ✓
Mr. Lousada
Mr. Fraser
Mr. Benton
Mr. Alphand.

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You will remember that at the seventh meeting of the Tripartite Economic Committee of 2nd February, Mr. Labouisse and I expressed the belief, having seen certain telegrams passing between S.F.H.Q. Italy and G.H.Q. Washington that C-in-C S.F.H.Q. will now be able to consider itself able to join in the discussions proposed by M. Couve de Murville on the principles of Franco-Italian trade. I hope that these will soon achieve results and enable you to send your supply mission to Italy to follow up the possibilities of acquiring certain of the above commodities.

Yours sincerely,

Distribution:-

Mr. Labouisse,
Brigadier Bush ✓
Mr. Lowndes
Mr. Fraser
Mr. Fenton
Mr. Alphand.

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

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copy for Brigadier Lush

MINISTRY OF PRODUCTION,

GEORGE STREET,

LONDON, S.W.1.

30th January, 1945.

Dear Mr. Crossley,

You will have had my letter to Mr. Gridley of the 25th January. ..... I now attach the copy of TAM 136 which I was unable to enclose with it.

We have no direct contact with A.F.H.Q. in this Ministry and I really do not think it should be necessary to add anything to TAM 136 which should have reached A.F.H.Q. by now, and which shows that London and Washington think that the negotiations for Franco/Italian trade should be worked out by the French authorities with the Italian Government. Mr. Wade of the Treasury is shortly going out to Rome and will no doubt be discussing this question with A.F.H.Q., and the Allied Commission. If Monsieur Couve de Murville has not been able to start negotiations by then, I am sure he will do all he can to tie in any loose ends.

I hope the French will be able to get a Supply Mission to Rome fairly soon, as there are known to be a number of questions constantly needing discussion there. For instance it looks as though the price of phosphate rock is going to require rather careful handling. If, in fact, the French have been charged a higher price by the Italians for sulphur, it might well be simpler for the French to discuss this in Rome suggesting a lower price for their phosphate rock against reductions in the price charged them for sulphur.

Yours sincerely,

G. N. McCLEARY

Distribution:

G.A Crossley, Esq.,
British Embassy,
PARIS

Mr. Penton
Mr. Lowndes
Brigadier Lush

1941
see M.43

1959

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

4410 H-1

For information to:-

Brigadier H.C. Lush.

25th January, 1945

FEB 01 1945

Dear Mr. Gridley,

I have now got the final replies from Departments about the goods which the French wish to purchase from Italy.

Chestnuts and Olive Oil. The Ministry of Food feels that it would not be justifiable to take these from Italy in view of their present food shortages. In any case they doubt very much if the Italians would agree to their export.

Oranges and Lemons. The Ministry of Food would have no objection to the French purchasing 20,000 tons of oranges and lemons, though as I have already mentioned they would be grateful if the French Authorities would keep in touch with Mr. Graham, who is purchasing on behalf of the U.K.

Figs. There would be no objection to the purchase of figs, but we are doubtful whether the French will be successful.

Nuts and Almonds. The position is a little complicated since Washington has raised a query as to whether Italy should export any during her present food shortage. Our view is that almonds do not make any worthwhile contribution to the general level of nutrition, and normally Italy exports by far the greatest part of her production. On the other hand the Italians appear to be holding the nuts back since these are easily stored and prices are rising steadily. Again if the French attempt any purchase we will be grateful if they would keep in touch with Mr. Graham both as to quantities and prices. The Ministry of Food is somewhat surprised that they should want to buy nuts in Italy since they recently offered to us 700 tons of walnuts which we were unable to accept because of the high price quoted.

J.C. Gridley, Esq.,
British Embassy,
PARIS.

/Essential Oils.

1945

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

Essential Oils. The Fre h Authorities are apparently already having negotiations with us for eir requirements - some of which are being supplied from this country. Apparently these are R.C. items and, therefore, subject to allocation by the Combined Boards.

Timber for Barrel Staves and Rags. We should be pleased if the French were able to obtain any of their requirements in Italy, though we are not very hopeful that they will be successful.

Magnesia Products. We are already aware that there are some magnesia products available in Italy (6,000 tons magnesium sulphate and 10,000 tons magnesium chloride were the quantities mentioned). There would presumably be no difficulty in the French taking their needs from Italy, apart from calcined magnesite. We are doubtful that Italy would be able to supply this product. However, the U.K. could meet all the French requirements of magnesia products from this country and we should much prefer the French to come to us if it is possible to persuade them to do so.

Hemp. It is unlikely that any supplies of hemp from the Naples area will be available when local essential needs and Service requirements for cordage etc., have been met.

Raw Silk. Again it is unlikely that any supplies are available. In any case, silk is on the Reserved Commodity List.

Ground Sumac. We should have no objections to the French purchasing their requirements in Italy.

Silk Cocoons. There is practically no hope of any cocoons being available for export from Italy, and, if there were, we should be very much interested.

Mercury. We understand the French have already purchased Mercury from Italy. If the French wish to purchase further quantities, we should like the opportunity of supplying from this country. The prices quoted to the Allied Commission for Italian mercury were fantastically high in comparison to price in other countries and we should have thought the French would have found a cheaper market elsewhere.

/Lead Ore.

[redacted]

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25th January, 1945.

Lead Ore. This is a Reserved Commodity and the French should approach C.R.M.B.

Zinc Ore. The French have been given a shopping licence to buy zinc ore where they like. There is no objection to their purchasing their requirements in Sardinia, if quantities are readily available.

Chrome Ore. Chrome Ore is on the Reserved Commodity List.

I enclose a copy of Tan 426, which as you will see satisfactorily settles the question of arranging French/Italian trade. I am not quite clear what Washington means when they say that the U.S. and U.K. are approaching the French Government through diplomatic channels since we have seen no reference to it previously. Nor have we yet seen any reference to instructions having been sent from the State Department. On our side, however, it hardly seems necessary to take any formal steps, since you have already got the whole business in hand, but no doubt you will be keeping in touch with Mr. Lebouisse. I am also sending you a copy of Tan 136 so that you may know the background against which these telegrams have been passing to and from Washington and the Theatre. The telegram I referred to in my letter of the 10th January was not sent in the end since we received one from Washington which was in effect a draft of Tan 426 and showed that the Americans were in entire agreement with ourselves.

Yours sincerely,

Ted S Y

1939

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

4410

BRITISH EMBASSY

PARIS

11th January, 1945.

(37)

With Mr. C.A. Crossley's compliments

FEB 1945

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4410.0

(36)

PARIS TRIPARTITE ECONOMIC COMMITTEE

Minutes of Meeting held on 15th December 1944 at 11 a.m.

FEB 5 1945

PRESENT :

French Representatives	American Representatives	British Representative
Messieurs Alphand	Messrs. Little	Messrs. Cadbury
Baraduc	MacChesney	Cressley
Conchou	Mitchell	Godfrey
Felix		
Frecaut		
Labouret		
Peter		
Sergent		
Toussaint		

40 MINUTES OF LAST MEETING

The Minutes of the meeting of 8th December, 1944 were approved subject to the following amendment :-

Item 30 - delete as from "it was agreed ....." and replace by - "the Committee considered it preferable that this question be discussed by one body only and agreed accordingly that SHAEF be invited to appoint a representative to the Tripartite Economic Committee meetings."

41. MERCURY

(Reference Minute No. 37)

The French representatives stated that French requirements up to the 30th June 1945 amounted to 80 tons. The French purchasing Mission in Washington had been instructed to enquire into the U.S.A. supply possibilities.

The Allied representatives recalled that, according to information received by them some months ago, there existed in Italy an exportable surplus of 260 tons of mercury.

It was agreed that the French representatives should telegraph Rome for further details.

42. PORTUGAL

(Reference Minute No. 38)

Canned Fish

The French representatives stated their acceptance of the British proposal to cede to them 57,358 tins of preserved fish. They added that they hoped to effect an additional purchase in Portugal of 100,000 tins, which would bring the total purchase up to a quantity of 3,432 tons; this agreement to be confirmed by letter to Mr. Gridley in reply to his letter to M. Drouin.

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Labouret
Peter
Sergent
Toussaint

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43. EXCHANGES - WEST COAST OF AFRICA AND MADAGASCAR/F.N.L.A.
(Reference Minute No. 29)

The Allied representatives regretted that they were not yet able to comment upon the programme presented to them at the previous meeting by the French representatives. M. Alphand urged that this reply be given as soon as possible.

44/.....

- R E S T R I C T E D -

see M.39.

Declassified E.O. 12356 Section 3.3/NND No. 785013

44. FRENCH NORTH AFRICA
(Reference Minute No. 39)

Cereals

The French representatives read a statement on the cereals situation (see annexe) and requested the Allied representatives to support with their respective Governments the definite statement of the French requests constituted by this note.

The British representatives indicated that as regards 1944, the proposed supply of 14,000 tons of barley from Irak would now have to be replaced by 10,000 tons of wheat from the U.S.A.

It was agreed that the French representatives should instruct the French Purchasing Mission in Washington to submit the French statement of F.N.A. requirements to the appropriate Combined Board.

45. FRENCH NORTH AFRICA
(Reference Minute No. 31)

Sugar

The French representatives stated that the sugar requirements of North Africa on the basis of latest information had been estimated at 148.940 tons for 1945 : of which :-

56,080 tons for Algeria
22,150 " " Tunisia
70,710 " " Morocco

The rate of import desired was of about 12,400 tons per month.

The French representatives recalled the existence of stocks of 170,000 tons of sugar in Reunion, the importation of which into North Africa was solely prevented by the problem of transport. Against the U.S.A. contract at present in course, there remained a quantity of 37,500 tons still to be delivered. At the expiry of the contract the supplies should be directly assured by Reunion.

46. FRENCH NORTH AFRICA
(Reference Minute No. 35)

Esparto

The French representatives regretted that they were not yet able to communicate a reply.

47. ICELAND
(Reference Minute No. 33)

Cod Liver Oil

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

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(Reference Minute No. 35)

Esparto

The French representatives regretted that they were not yet able to communicate a reply.

47. ICELAND
(Reference Minute No. 33)

Cod Liver Oil

The French representatives stated that the needs of Metropolitan France had been placed at 1,200 tons and those of FNA at 100 tons for the period up to the 15th June, 1945. They added that 600 tons had been purchased in Iceland of which 100 tons were for FNA and that the Swedish Government were holding a quantity of 100 tons at their disposal. They also hoped to procure 600 tons from Portugal.

This programme was to be submitted by M. Millardet to the Combined Food Board.

48/.....

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48. FRENCH WEST AFRICA
(Reference Minute No. 4)

Palm Kernels

The British representatives stated that as Mr. Gridley had not yet returned from London, they were unable to give a final reply on this subject They were able, however, to state that 2,200 tons of the 10,000 tons would be shipped against the military programme.

49. MADAGASCAR/FRANCE - SHIPPING PROGRAMME

The French representatives distributed a copy of the shipping programme between Madagascar and Metropolitan France for the first six months of 1945 which had been drawn up in the light of estimated shipping possibilities. They stated that the imports shown on this plan formed a part of the imports programme prepared by M. Monnet. The smallness of the figures given in the plan left considerable surplus availabilities in Madagascar.

In response to a French enquiry, the British representatives indicated that the U.K. might be willing to purchase from Madagascar for the U.K. or for British territories in the proximity of Madagascar any quantities of Madagascar products not required for Metropolitan France. The French representatives stated that if the amount of tonnage allocated to exports from Madagascar could be increased, they would have to reserve the right to revise their imports programme from that colony.

At the request of the Allied representatives, it was agreed that the possibility should be further examined of considering item by item the exportable surpluses of Madagascar.

The French representatives drew attention to the urgent need for shipment of 4,000 tons of frozen meat which at the present time were encumbering the cold storage space and rendering impossible the production of frozen meat in the coring campaign.

50. FRENCH PURCHASES IN PORTUGAL, SPAIN AND SWEDEN

The French representatives stated that they had now established programmes of purchases for Metropolitan France in Spain, Portugal and Sweden. As regards Spain and Portugal they enquired whether the Allied representatives considered that the programmes should be discussed by this Committee or by the Cross Trade Committees in Madrid and Lisbon.

Pending confirmation of the views of Messrs. Gridley and Labouisse it was the feeling of the Committee that Inter-Allied co-ordination should be effected by the Tripartite Committees on the spot since these were better informed on the local markets, while the Paris Committee would be interested in the overall picture.

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The British representatives stated that, according to information obtained by the British Medical Supplies Mission recently in Paris, there was an exportable surplus of 50 tons per month of tartaric acid from the Marseilles region. They enquired whether under these circumstances, the French Provisional Government would continue to purchase tartaric acid in Spain.

GAC/ELB/E55
9th January, 1945. - R E S T R I C T E D -

Declassified E.O. 12356 Section 3.3/NND No. 785013

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

PARIS, le 14 décembre 1944

N O T E

A.S. des besoins de l'Afrique du Nord en Xéréales .-

Le Ministère du Ravitaillement a fait procéder à une nouvelle enquête sur la situation des approvisionnements en céréales de l'Afrique du Nord.

Compte tenu des livraisons de blé et d'orge en cours qui avaient fait l'objet d'un accord des Combined Boards, le déficit restant à couvrir pour atteindre la soudure, fixée en moyenne dans les trois territoires au 15 juin 1945, est de l'ordre de 400.000 tonnes, à savoir :

Blé :	263.000 tonnes dont	l'Algérie	140.000 Tonnes
		Tunisie	51.600 "
		Maroc	71.800 "
Orge :	135.200 " dont	Algérie	53.700 "
		Tunisie	25.400 "
		Maroc	56.100 "

Une étude serréedu problème effectuée par les Ministères intéressés a permis d'effectuer certaines compressions supplémentaires :

1º- Il s'est avéré possible de réduire les prélèvements effectués pour la nourriture des troupes stationnées en Afrique du Nord de 2.000 tonnes par mois, soit au total 12.000 tonnes .

2º- Il avait été prévu une livraison de 12.000 tonnes de blé d'Afrique du Nord à la Corse qui peut sans inconvénient être supprimée, ce Département étant dorénavant ravitaillé par la Métropole .

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

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Le déficit se trouve ainsi ramené à 239.800 tonnes.

En outre, la France envisage de céder à l'Afrique du Nord 50.000 tonnes de blé qui devront être remboursées à la Métropole avant sa propre soudure par des envois de l'Afrique du Nord, ou, en cas d'impossibilité par des importations en provenance des Pays étrangers. Les 50.000 tonnes prêtées par la Métropole constitueront une partie du frêt de retour des navires qui sont alloués pour le transport des marchandises de l'Afrique du Nord, en France.

Le tonnage à transporter serait en réalité de 43.000 tonnes si les Alliés voulaient bien accepter de suspendre le remboursement des 7.000 tonnes de farine que l'Afrique du Nord s'était engagée à restituer et qui sont destinées à l'approvisionnement de la Métropole (zone sud).

En conséquence, le tonnage de blé à importer des Etats-Unis et du Canada pour assurer la soudure en Afrique du Nord s'établit à 189.800 tonnes, à la condition que 135.200 tonnes d'orge puissent être trouvées.

Au cas où, malgré l'action du Gouvernement français à laquelle il est demandé aux autorités alliées de bien vouloir s'associer, les achats d'orge ne pourraient atteindre ce tonnage des importations supplémentaires de blé devraient être prévues dans la proportion de 10.00 tonnes de blé en remplacement de 13.000 tonnes d'orge ./.

1935

COPY

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

26 Jan 45

FEB 3 1945

CONFIDENTIAL

13.03/ES

SUBJECT: Trade Between Italy and France

TO : AFHQ, G-5

1. Please note the following references:

a) Paras 3 and 4 of your signal FX 78928 of 5 Jan to SHAEF.

b) Your FX 84052 of 13 Jan.

c) The attached memoranda (Appendix "A") handed to us by the Commercial Attache of the French Delegation to the Advisory Council for Italy.

d) The attached letter from M. Sergent to Mr. J. C. Gridley dated at Paris 27 Nov 44 (Appendix "B").

e) The reply to reference 1 (d), from Mr. J. C. Gridley to M. Sergent, dated at Paris 30 Dec 44 (Appendix "C").

f) The attached exceprt (Appendix "D") from the minutes of the first meeting of the Paris Tripartite Economic Committee, held on 24 Nov 44.

g) TAM-426 of 16 Jan 45, subject: Negotiations with French Authorities Regarding Italian Trade.

h) CAL-1109, and your memorandum E-6 of 19 Jan 45, authorizing direct channels of communications on Italian export problems between AC in Washington and AC in London.

2. Mr. Gabriel, Commercial Attache of the French Embassy, has discussed with officers of this Headquarters the subject of trade with France and French North Africa and informs us that his Government desires that, from now on, all questions regarding trade between France and Italy be treated between the French Delegation and AC. With regard to exchange payments, the French Government proposes that a financial agreement similar to the one signed in Algiers on May 13, 1944 for the exchange of merchandise between French North Africa (including Corsica) and Italy be signed in Rome by the French Delegation and AC.

3. In line with TAM-426, it is our intention to set up between the Italian and French Governments a direct channel under AC supervision for the working out of mutual trade problems. This will probably result in a short-term trade and financial agreement between the two countries, to be approved by the AC.

4. The AC must exercise the following controls over the trade and financial arrangements made between the Italian and French Governments:

a) AC will certify that specified quantities of specified commodities are available in Italy to be exported to France.

[illegible] Italy are required by

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

b) Your FX 84052 of 13 Jan. (29)

c) The attached memoranda (Appendix "A") handed to us by the Commercial Attache of the French Delegation to the Advisory Council for Italy.

d) The attached letter from M. Sergent to Mr. J. C. Gridley dated at Paris 27 Nov 44 (Appendix "B"). (27)

e) The reply to reference 1 (d), from Mr. J. C. Gridley to M. Sergent, dated at Paris 30 Dec 44 (Appendix "C"). (25)

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1933

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a) AC will certify that specified quantities of specified commodities are available in Italy to be exported to France.

b) Where commodities available for export from Italy are required by other Allied Nations in addition to France, AC may refer availabilities to Washington (through the COM-MDC series) for allocation as to destinations.

c) AC will bid through the regular military channel for the acceptance of incoming and outgoing cargoes from and to France at military ports in Italy, and will also control acceptance at "AC ports."

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

(31)

d) AC will supervise the actual disbursement by the Italian Government of its foreign exchange resources in France.

e) AC will require that the trade with France 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 France.

5. Beyond the above controls, we do not propose to try to keep track of the day-to-day arrangements between the French and the Italians, except by being kept advised of negotiations through copies of relevant correspondence between the two Governments. We will undertake to keep AFHQ informed in general of the progress of such negotiations, by copies of relevant correspondence and otherwise.

6. We do not propose to control export and import prices, or to approve or disapprove them, except insofar as (a) our action on prices may be part of our general price analysis work which is carried on a continuing basis with the Italian Government's Inter-Ministerial Committee on Prices, and (b) action is necessary to avoid competitive bidding on export prices. In this connection the French will be asked to state maximum purchase prices and these will be considered by AC when deciding whether or not to certify under para 4 (a) above.

7. With regard to the financial aspect we propose to discuss with the French whether they wish to extend the mechanism of the memorandum account at present in force in North Africa to Metropolitan France. It is assumed we should inform the French Delegation that the franc balance in favor of Italy represented by the difference between imports from and exports to Italy, if any, must be available to the Italian Government for franc expenditures in French territory as laid down in TAM-136 and TAM airgram 24, such expenditures being controlled by AC.

8. On the basis of TAM-426 and your memorandum E-6 of 19 Jan 45, we assume that no further authorization is required to proceed immediately along the lines set out above. We will, however, defer action along these lines until 5 Feb 45, in case you have further modifications or suggestions to the procedure outlined herein. On that date, we propose to approach the French Commercial Attache here, and the Italian Government, with a memorandum of procedure based on the points outlined above.

9. Our general objective will be to set up trade between France and Italy in such a way as to decrease the extent to which these two liberated areas are a drag on the United Nations.

For the Chief Commissioner:

L. D. DENSMORE
Colonel, FA
Acting Deputy Chief of Staff
Economic Section

1933

Enclosures (4)

DISTRIBUTION:
Finance S/C
Commerce S/C
Econ Sec Files (2)
Ex Dir Econ Sec (1)
[illegible]

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6. We do not propose to control export and import prices, or to approve or disapprove them, except insofar as (a) our action on prices may be part of our general price analysis work which is carried on a continuing basis with the Italian Government's Inter-Ministerial Committee on Prices, and (b) action is necessary to avoid competitive bidding on export prices. In this connection the French will be asked to state maximum purchase prices and these will be considered by AC when deciding whether or not to certify under para 4 (a) above.

7. With regard to the financial aspect we propose to discuss with the French whether they wish to extend the mechanism of the memorandum account at present in force in North Africa to Metropolitan France. It is assumed we should inform the French Delegation that the franc balance in favor of Italy represented by the difference between imports from and exports to Italy, if any, must be available to the Italian Government for franc expenditures in French territory as laid down in TAM-136 and TAM airgram 24, such expenditures being controlled by AC.

8. On the basis of TAM-426 and your memorandum E-6 of 19 Jan 45, we assume that no further authorization is required to proceed immediately along the lines set out above. We will, however, defer action along these lines until 5 Feb 45, in case you have further modifications or suggestions to the procedure outlined herein. On that date, we propose to approach the French Commercial Attache here, and the Italian Government, with a memorandum of procedure based on the points outlined above.

9. Our general objective will be to set up trade between France and Italy in such a way as to decrease the extent to which these two liberated areas are a drag on the United Nations.

For the Chief Commissioner:

L. D. DENSMORE
Colonel, FA
Acting Deputy Chief of Staff
Economic Section

1933

Enclosures (4)

DISTRIBUTION:
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APPENDIX "A"

DELEGATION FRANCAISE
au
Conseil Consultatif
pour les
Affaires Italiennes

Rome to 15/1/45

The French Government desires that, from now on, all questions regarding trade between France and Italy be treated in Rome between the French Delegation and the Allied Commission.

For this purpose lists of Italian products which France desires to import from Italy and of French products liable to be exported from France into Italy would be submitted, in the very near future, by the French Delegation to the Allied Commission in Rome.

With regards to the payment of these exchanges the French Government propose that a financial agreement similar to the one signed in Algiers on May 18, 1944 for the exchange of merchandise between French North Africa (including Corsica) and Italy be signed in Rome by the French Delegation and the qualified department of AC.

The French Government wish to know, as soon as possible, whether the Allied Authorities accept these proposals or eventually to be informed of any counter-proposals that the Allies might wish to put forward.

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COPY

(29)

MINISTERE DE L'ECONOMIE NATIONALE

PARIS
le 27 november 1944

Direction des Relations Economiques Exterieures

5eme Bureau
No. 5.695

Cher Monsieur Gridley,

A la suite de la conference qui s'est tenue le 24 novembre aux Affaires Etrangeres, je vous adresse cijoint une liste des produits que nous desirerions importer d'Italie pendant la periode s'etendant jusqu'au 30 juin 1945. Ces demandes d'importation ne s'ajoutent pas, en principe, aux programmes deja presentes a SHAEF.

Je vous serais tres oligé de bien vouloir me faire savoir s'il y a lieu de presenter ces demandes a un organisme militaire et auquel.

Il me serait, en tout etat de cause, agreable d'etre fixe, des que possible, sur divers points:

1) Quelles sont, a votre avis, les possibilites de realisation d'un tel programme;

2) Dans quelles conditions des experts pourraient etre envoyes en Italie pour reconnaitre les merchandises disponibles, surveiller l'execution des contrats, prendre, le cas echeant, les mesures necessaires en vue de la remise en etat des installations detruites ou endommanges, etc.

3) Comment devraient etre reglees les fournitures italiennes. Peut-on envisager une extension a la France metropolitaine du systeme institue en mai dernier pour les reglements entre l'Afrique du Nord et l'Italie?

1831

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(28)

..... / ITALIE POUR LA PERIODE S'ETEN)T JUSQU'AU 30 JUIN 1945

AGRICULTURE	
Merrains	5.000 m3
RAVITAILLEMENT	
Oranges, citrons	(1)20.000 Tonnes
Marrons, chataignes	2.000 "
Fruits secs divers (noisettes, amandes, figues seches)	(1)10,000 "
Huile d'olive	200 "
BOIS INDUSTRIES DIVERSES:	
Chiffons	12.000 "
INDUSTRIE CHIMIQUE	
Pyrites	100.000 "
Soufre	60.000 "
Soufre pour l'industrie textile	6.000 "
Produits magnesiens - Sulfate de magnesie pharm	60 "
Magnesie calcinee	100 "
Magnesies diverses	200 "
Huiles essentielles: Citron	29 "
Bergamote	21 "
Jasmin	1,2"
Menthe	8,025
Orange	4.275
Petit grain	0,365
Neroli	0,150
Myrte	0,150
Racine d'iris	225
TEXTILES	
Chanvre	3.000 "
Soie grege	400 "
Sumac coulu	500 "
Cocons secs	150 "
MINES	
Mercure	150 "
Minerai de plumb	4.000 "
Minerai de zinc	16.000 "
Minerai de chrome	chiffre a determiner

(1) Au cas seulement ou le tonnage disponible permettrait l'importation de ces quantites. Il est rappele que la Franc

1930

COPY

BRITISH EMBASSY
PARIS
30 December 1944.

27

Dear Monsieur Sergent,

I must apologize for the delay with which I am replying to your letter of 27th November which reached my office after I had left for London.

Fortunately, however, it was sent on to me, with the result that I was able to discuss it not only with the appropriate officials of the Ministry of Production there but also with Brigadier H. C. Lush, the Chief of Staff of the Allied Commission, Rome, during my subsequent visit to Italy.

The following is a summary of the information I collected in London and in Rome:

A. LONDON

1. Generally speaking, the authorities in London are anxious that Franco-Italian trade should be resumed as quickly and as extensively as possible.

2. Additionally, London has no desire to take any greater supervisory interest in any negotiations that may be convenient for you to have with the authorities in Italy beyond that which is unavoidable by reason of the present provisional status of the Italian Government.

3. Accordingly, London considers that you should concentrate upon conducting your negotiations with the Italians through your representative in Italy, Monsieur Couve de Murville, who, I understand, already has excellent relations with the appropriate branches of the Allied Commission.

B. ROME

1. Brigadier Lush and his staff confirmed all that I had learned in London and expressed their complete readiness to assist M. Couve de Murville in his negotiations with the Italian Government. You will, of course, realise that, in view of the current functions and responsibilities of the Allied Commission, which, in turn, is responsible to the Combined Chiefs of Staff in Washington in all Italian supply and economic affairs, it would be very necessary that your representative in Rome maintains very close contact with the various branches of the Commission.

2. For example, all matters of import and export would have to be coordinated with Colonel Evans at the head of the Commerce Sub-Commission whilst all finance and payments questions would have to be referred to Colonel Grafftey-Smith, the head of the Finance Sub-Commission. Finally, the actual handling of all exports is the direct concern of the G-5 branch of AFHQ at Caserta headed by Colonel Butterworth.

Coming now to the specific questions raised in your letter, according to the information I gathered in London and Rome, the replies are as follows: 1943

1. The possibilities of accomplishing the programme of purchases which accompanied your letter are not particularly good, firstly on account of the fact that most consumer goods, especially food stuffs, are in extremely short supply in Italy. Secondly, because some of the items you named have already been allocated by the Combined Boards to other

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

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Coming now to the specific questions raised in your letter, according to the information I gathered in London and Rome, the replies are as follows: 1923

1. The possibilities of accomplishing the programme of purchases which accompanied your letter are not particularly good, firstly on account of the fact that most consumer goods, especially food stuffs, are in extremely short supply in Italy. Secondly, because some of the items you named have already been allocated by the Combined Boards to other countries, and, thirdly, because of the difficulties of transportation. Broadly speaking such items as olive oil, chestnuts and textiles come under the first qualification: citrous fruits, silk and hemp under the second, and pyrites and sulphur under the third. On the other hand, a few of the items (essential oils are one) might be found by M. Couve de Murville to be open to purchase for France.

2. The Allied Commission would welcome the visit of French experts to Italy always provided they travelled officially with an Ordre de Mission from their Government and with instructions to submit to the jurisdiction of their representative in Rome whilst they are in that country.

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Declassified E.O. 12356 Section 3.3/NND No. 785013

As I think you know, both the Italian Government and the Allied Commission have lately had occasion to complain of the uncontrolled purchases of Italian produce by French soldiers. This has been done to such an extent as to aggravate the already acute shortage of the articles in question. I understand that M. Couve de Murville has already expressed his disapproval of such uncontrolled procurement and that he and you can be relied upon to do your best to eliminate such practices in the future. I repeat, however, that a properly authorized and programmed trade mission will be very welcome.

3. It seems not unlikely that the Finance Sub-Committee of the Allied Commission would view favourably an extention of the agreement we made in Algiers to cover trade exchanges between Italy and French North Africa to Metropolitan France. Alternatively, a separate but very similar agreement might be made to govern exchanges between Italy and France, the other agreement for North Africa continuing undisturbed. Obviously, Rome is the best place at which to discuss such a new agreement. I therefore suggest that you instruct M. Couve de Murville to get in touch with Colonel Grafftey-Smith on this matter at the earliest possible moment.

In the penultimate paragraph of your letter of 27th November, you assumed that agreement upon programmes of French purchases from Italy would imply the provision of the corresponding transport. This is not so. The well-established rule, now almost universally known and accepted, is that an agreed programme of imports or exports is no guarantee that shipping will be made available. Provision of shipping is an entirely separate negotiation which presumably M. Couve de Murville would have to undertake with the Allied Commission and G-5 AFHQ after you have drawn up and agreed a programme of purchases with the Italian Government and the Allied Commission.

A point which arises, of course, is what France might be prepared to furnish to Italy in exchange for whatever purchases you might be able to effect there. I realize that the present state of France does not permit you to offer a wide range of articles to the Italians. You may, however, consider this aspect of the matter and provide M. Couve de Murville with a list of whatever French products he might, in agreement with the Allied Commission, offer to the Italian Government.

Incidentally, have you considered the possibilities of meeting the present shortage of coal, especially in the south of France, by purchases of Sardinian coal?

I should tell you that, when I was in Rome, I called at the Palazzo Farnese in the hope of meeting M. Couve de Murville. Unfortunately he was in Paris. I talked, however, with M. Beaumarchais to whom I showed a copy of your letter of 27th November. I told him something of the developments which I have described in this letter and, generally speaking, did my best to inform him of my conversations in London and with the members of the Allied Commission. I told him I would report more fully to you and M. Alphand on my return and, in case you would care to send him a copy of this letter, I am sending you an extra copy for that purpose. I should add that I am also sending a copy to Brigadier Lush to whom I have already handed a copy of your letter of 27th November. A good deal of preparation has thus been done in this matter of imports and I hope you will now be ready to pass all this information

It is now unlikely that the Finance Sub-Committee of the Allied Commission would view favourably an extention of the agreement we made in Algiers to cover trade exchanges between Italy and French North Africa to Metropolitan France. Alternatively, a separate but very similar agreement might be made to govern exchanges between Italy and France, the other agreement for North Africa continuing undisturbed. Obviously, Rome is the best place at which to discuss such a new agreement. I therefore suggest that you instruct M. Couve de Murville to get in touch with Colonel Grafftey-Smith on this matter at the earliest possible moment.

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I am sending a copy of this letter also to M. Labouisse and I suggest that any further points you may wish to raise be brought up at the next meeting of the Tripartite Committee.

Yours sincerely,

J. C. GRIDLEY

Monsieur Sergent,
Ministere de l'Economie Nationale
Direction des Relations Economiques Exterieures,
5eme Bureau
93, Rue de Rivoli
PARIS

Copies to:-
M. Labouisse, Mr. Fraser
Mr. Lousade. Miss McCleary
(M/Production); Brig H.C. Lush
(Rome-Allied Commission)
Brig. Rabino; M. Alphand;
Chancery

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COPY

APPENDIX "D"

ITALY

(a) Pyrites and Sulphur

The British representatives stated that they had written to London in connection with the urgent requirements of pyrites and sulphur from Italy for Metropolitan France. The sulphur was required not only for viticulture but also for the textile industry in order to enable production to continue during December. In this connection the French Provisional Government had desired that 4,000 tons of sulphur intended for F.N.A. be diverted to France.

The Anglo-American representatives stated that, according to their latest information, the possibilities of supplies from Italy were extremely poor and it was accordingly agreed that, as in the case of pyrites, the French representatives should examine urgently the possibilities of supplies of sulphur from the USA.

(b) Procedure for Purchases from Italy

It was agreed that the French representatives should let the Anglo-American representatives have a statement of the points on which they desired information in connection with the procedure to be followed in trade with Italy, and that on the basis of this note the Anglo-American representatives would ascertain the latest position.

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GAC/BLB/I55

4410

BRITISH EMBASSY
PARIS

23

23rd January, 1945.

JAN 24 1945

Dear Miss McCleary,

Further to Gridley's letter of 15th January on the subject of Franco-Italian trade, the French informed us at the Tripartite Economic Committee meeting of 19th January that on their instructions Couve de Murville had raised the question of the resumption of this trade with the Allied Commission, who had agreed in principle to discuss, but had stated that they had not yet got the agreement of G-5 AFHQ.

They asked us and we undertook to try to expedite G-5's agreement. It may be that this will already have resulted from TAM 426 of 16th January, which I have seen since the meeting, but if any action can be taken from your end to make doubly sure that the French are enabled to carry on their negotiations in Rome, it will be a good thing.

The French propose to send a Supply Mission to Italy only when the initial negotiations as to the principles of the cross-trade have been at least partially negotiated.

Yours sincerely,

O.A. CROSSLEY

Miss G. McCleary.
S.L.A. (O) Secretariat,
Ministry of Production,
Great George Street,
LONDON, S. W. 1.

Distribution :-

Mr. Lebouisse,
Mr. Fraser
Mr. Lousada
Brigadier Lush
Chancery
File - I55.

19/2/24

see Minute 24

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

44108

Copy to:
Brigadier M. S. Lush,
ALLIED COMMISSION
ITALY,
A.P.O. 394.
with Miss McCleary's compliments.

S. I. A. SECRETARIAT
MINISTRY OF PRODUCTION,
GREAT GEORGE STREET,
LONDON, S.W.1.

10th January, 1945.

JAN 18 1945

Dear Mr. Gridley,

I am very glad you arranged your trip to Italy so well and managed to see Brigadier Lush and others from the Allied Commission in Rome. We were delighted to see that you had been so successful in guiding the preliminaries for Franco/Italian Trade into the right channels. We had been pained to see a suggestion by A.F.H.Q. (MAT 459) that ~~they~~ S.H.A.E.F. might negotiate, but we are popping off a telegram to Washington to say that we think Rome is the right place and that the French would certainly and rightly insist on conducting their own negotiations, either with the Italians or with the Allied Commission. If for technical reasons we cannot repeat the telegram I will post you a copy.

I have sent round to Departments the list of goods attached to Monsieur Sergent's letter and will let you have their comments as soon as possible. Harden and I were not speaking from the book and you may like to let Monsieur Sergent have a more detailed (and accurate) reply. In particular I have to confess that I misled you over the Citrus fruits. To my surprise the Ministry of Food tell me that so far as they are concerned the French are welcome to oranges and tangerines (which we do not take) and to some lemons (which we do). If, however, the French do buy, the Ministry of Food

/would

J. C. Gridley, Esq.,
British Embassy,
PARIS.

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

4410

BRITISH EMBASSY

PARIS

3rd January 1945

JAN 15 1945

Dear Miss McCleary,

Further to my letter of 30th December, I should tell you that, at to-day's meeting of the weekly Tripartite Committee, Alphand and the person representing Sergent expressed their thanks for the information contained in my letter to Sergent of 30th December.

They said that all the recommendations were acceptable to them and that they would, forthwith, act upon them. My American colleague, Labouisse, and I stated that we would at all times be willing to assist in any possible way in connection with Franco-Italian exchanges but that we felt Rome was unquestionably the place where all the initiative should be taken. The French agreed. Consequently, it is not to be expected that we shall have much to do with Italian affairs here.

Nevertheless, I am enclosing a copy of the Tripartite meetings so far held and will arrange that henceforward you receive a copy of the Minutes of the further meetings as and when they become available.

Yours sincerely,

J. C. GRIDLEY

Miss McCleary,
Ministry of Production,
Great George Street,
London, S. W. 1.

Copies to:-
Mr. Lousada.
Brigadier Lash
Mr. Fraser

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

44108

Copy to:
Brigadier M. B. Lush,
ALLIED COMMISSION
ITALY,
A.P.O. 394.
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S. L. A/ SECRETARIAT

MINISTRY OF PRODUCTION,
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LONDON, S.W.1.

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/would

J. C. Gridley, Esq.,
British Embassy,
PARIS.

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

would like them to do so in consultation with their Ministry of Food Office in Italy so that they can keep in line with us over prices etc.. Alternatively the Office might be willing to buy for the French if they so wish.

Many thanks for the minutes of the Tripartite Committee, I shall be glad to get these regularly if only to have a glimpse of what is going on in the French Empire.

Yours sincerely,

G. M. McCLEARY

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

4410

BRITISH EMBASSY

PARIS

3rd January 1945

(5)

JAN 15 1945

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13-19

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Miss McCleary,
Ministry of Production,
Great George Street,
London, S. W. 1.

Copies to:-
Mr. Lousada.
Brigadier Lush
Mr. Fraser

19½

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

4413 (1)

PARIS TRIPARTITE ECONOMIC COMMITTEE

(19)

Minutes of Meeting held on 8th December, 1944 at 11 a.m.

PRESENT :

French Representatives	American Representatives	British Representatives
MM. Alphand	Messrs. Labouisse	Messrs. Cadbury
Baraduc	Little	Crossley
Conchou	MacChesney	Godfrey
Drouin	McCollester	
de Clermont Tonnerre	Mitchell	
Felix		
Frecaut		
Kaplan		
Labouret		
Peter		
Sergent		
Toussaint		

JAN 15 1945

28. MINUTES OF LAST MEETING

The Minutes of the meeting of the 1st December 1944 were approved subject to the following amendments :-

Item 19 - second sub-paragraph - to read "With regard to the proposal that a quantity of sugar be loaded from the U.S.A. on vessels carrying cereals to F.N.A., the American representatives had advised M. Baraduc that the French representatives in Washington should enquire whether such loadings would be in replacement of or supplementary to part of the cereals cargoes."

Item 21 (b) - to read - "What would be the procedure for receiving the shipments in the U.S.A. and the U.K."

Item 21 - sub-paragraph following first item (d) - "He also stated that control of goods in short supply in France would be effected by an export licensing system".

29. EXCHANGES - WEST COAST OF AFRICA AND MADAGASCAR/F.N.A.
(Reference Minutes No. 18)

The French representatives distributed a revised statement of this programme on which the total tonnage remained the same. They added that they were informed by the Marine Marchande that shipping arrangements had now been concluded for that part of the programme shown in the former statement as remaining to be carried over from 1944.

It was agreed that the revised programme be discussed at the next meeting, by which time it was hoped that the Anglo-American comments would be ready.

Precaut
Kaplan
Labouret
Peter
Sergent
Toussaint

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1923

30. REPAIRMENT OF STOCKS LOANED TO THE FRENCH PROVISIONAL GOVERNMENT IN FNA BY AFH

With reference to a meeting understood to have taken place on the 30th November between representatives of G-4 SHAEF Mission to France and of the Delegation aux Relations Interalliees, it was agreed that this subject should be discussed only by the Tripartite Economic Committee and that the French representatives should ascertain from M. Coulet the purport of the discussion.

31/.....

- R E S T R I C T E D -

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

31. FRENCH NORTH AFRICA
(Reference Minute No. 13)

Sugar

The American representatives announced that two vessels loaded in September to carry cereals to Tunisia were each carrying a supplementary cargo of 500 tons of sugar. They also reported that no AFHQ stocks of sugar existed in F.N.A.

32. INDIA, CEYLON AND EAST AFRICA
(Reference Minutes No. 20)

Tea for F.N.A.

It was reported that agreement had been reached between the representatives of the Ministry of Food and of Ravitaillement, whereby Ravitaillement would purchase from the Ministry of Food on an f.o.b. basis, a minimum of 12,000,000 lbs of green tea for F.N.A. requirements over the period 31st March 1945 to 1st April 1946, at a price to be negotiated by the Ministry of Food with the producers. Contracts will now be placed by the Ministry of Food and the French authorities will be informed of the exact price. Ravitaillement have agreed that they will also purchase their allocation of black tea for the same period on the same terms from India and Ceylon on an f.o.b. basis.

33. ICELAND
(Reference Minutes No. 23)

Cod Liver Oil

The French representatives stated that a quantity of 600 tons of Cod Liver Oil had been purchased by the Office Francais d'Approvisionnements in Algiers and this quantity was awaiting shipment in Reykjavik. Additionally the Swedish Government were holding at the disposal of OFA a further 100 tons.

It was agreed that the Combined Board allocation aspect of this transaction would have to be regularised and that M. Kaplan should provide the Anglo-American representatives with a written statement on this subject.

34. TANGIER
(Reference Minute No. 24)

Swiss cigarette Lighters and Watches

The French representatives stated that, since these goods would find their way into the French Moroccan Black Market, they were opposed to these proposed transactions.

It was agreed that London should be so informed.

35. FRENCH NORTH AFRICA
(Reference Minutes No. 26)

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

Tea for F.N.A.

It was reported that agreement had been reached between the representatives of the Ministry of Food and of Ravitaillement, whereby Ravitaillement would purchase from the Ministry of Food on an f.o.b. basis, a minimum of 12,000,000 lbs of green tea for F.N.A. requirements over the period 31st March 1945 to 1st April 1946, at a price to be negotiated by the Ministry of Food with the producers. Contracts will now be placed by the Ministry of Food and the French authorities will be informed of the exact price. Ravitaillement have agreed that they will also purchase their allocation of black tea for the same period on the same terms from India and Ceylon on an f.o.b. basis.

33. ICELAND
(Reference Minutes No. 23)

Cod Liver Oil

The French representatives stated that a quantity of 600 tons of Cod Liver Oil had been purchased by the Office Francais d'Approvisionnements in Algiers and this quantity was awaiting shipment in Reykjavik. Additionally the Swedish Government were holding at the disposal of OFA a further 100 tons.

It was agreed that the Combined Board allocation aspect of this transaction would have to be regularised and that M. Koplan should provide the Anglo-American representatives with a written statement on this subject.

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(Reference Minute No. 24)

Swiss cigarette Lighters and Watches

The French representatives stated that, since these goods would find their way into the French Moroccan Black Market, they were opposed to the proposed transactions.

It was agreed that London should be so informed.

35. FRENCH NORTH AFRICA
(Reference Minutes No. 26)

Esparto

The French representatives stated that they were unable, pending fuller information on F.N.A. supply possibilities, to reply to the proposal that 100,000 tons of esparto be exported to the U.K. They had telegraphed to Algiers asking for the latest estimates of the availabilities, taking into account the difficulties of transportation to port. They added that any exports to the U.K. or elsewhere would be subject to the meeting, in the first place, of the requirements of Metropolitan France up to the 30th June, which were at present estimated to be about 20,000 tons.

36/.....

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

(18)

36. TRADE WITH SPAIN BY SPANISH VESSELS

The French representatives reported that at the meeting of the Marine Marchande Committee held on the 4th December 1944, it had been agreed that the SHAEF representatives present should investigate the possibility of permitting Spanish and other neutral vessels to enter French ports. This had been raised particularly in connection with the proposed shipment of pyrites from Spain to France.

The Committee noted with interest the paragraph of the Minutes of the Madrid Joint Economic Committee meeting of the 15th November 1944 headed "Coastal shipping" and it was agreed that M. Arduze-Faris be recommended to raise at the next Marine Marchande Committee the possibility of utilising Spanish warrant-holding tonnage for shipments to France.

37. MERCURY

The French representatives stated that M. Hugues had been informed by the U.S. Commercial Attache in Madrid of certain quantities of mercury available in the U.S.A. for export to France, which the French authorities might find it more advantageous to import than Spanish supplies.

It was agreed that the French Supply Council in Washington be requested to pursue this matter.

38. PORTUGAL : Canned Fish

With reference to a letter addressed by Mr. Gridley to M. Drouin stating that the Ministry of Food would resell for charitable distribution in France, certain quantities of canned fish purchased in Portugal, the French representatives stated that they would examine the financial aspect of this question.

39. F.N.A. : Cereals

The French representatives informed the Anglo-American representatives that despite Allied importations now proceeding of 115,000 tons of wheat and 14,000 tons of barley from Irak and 12,000 tons of barley from Tripolitania, there remained the following deficit :-

Morocco	-	718,000	quintals of wheat
		561,000	" " barley
Algeria	-	1,406,000	" " wheat
		536,000	" " barley
Tunisia	-	514,000	" " wheat
		254,000	" " barley

It is anticipated that stocks will last until 1st February in Algeria and until 1 st March in Morocco and Tunisia.

1922

General Catroux informed NAJEM of this state of affairs in a

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	561,000	"	" barley
Algeria	- 1,406,000	"	" wheat
	536,000	"	" barley
Tunisia	- 514,000	"	" wheat
	254,000	"	" barley

It is anticipated that stocks will last until 1st February in Algeria and until 1 st March in Morocco and Tunisia.

1922

General Catroux informed NAJEM of this state of affairs in a letter dated 25th November, 1944.

CAC/BLB/E 55
18th December, 1944.

- R E S T R I C T E D -

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4420/11

(7)

PARIS TRIPARTITE ECONOMIC COMMITTEE

Minutes of Meeting held on 1st December, 1944 at 11.00 a.m.

JAN 15 1945

PRESENT :

French Representatives	American Representatives	British Representatives
MM. Alphand	Messrs. Blenk	Messrs. Cadbury
Bernadac	Drew	Crossley
Conchou	Little	Godfrey
de Fouchier	McCollester	Mathias
Felix		
Frecaut		
Kaplan		
Labouret		
Peter		
Sergent		

17. MINUTES OF LAST MEETING

It was agreed :-

(a) that approval of the Minutes of 24th November be postponed until the return of Mr. Gridley from London.

(b) that the Secretariat prepare, prior to each meeting, a statement of action taken resulting from the previous meeting.

18. EXCHANGES - WEST COAST OF AFRICA AND MADAGASCAR/F.N.A.

It was agreed that a statement by the French representatives of the goods which they wished to move during 1945 from the West Coast of Africa and Madagascar to French North Africa be considered by the Anglo-American representatives for discussion at the next meeting.

19. FRENCH NORTH AFRICA
(Reference : Minute No. 13)

Sugar

M. Alphand thanked the American representatives for the letter received from Mr. Cuffery indicating that the following quantities of sugar would be loaded in the U.S.A. for F.N.A. :-

15,000 tons for Casablanca
3,200 " " Algiers
1,400 " " Oran
1,200 " " Tunis

1921

With regard to the proposal that a quantity of 4,500 tons of sugar be loaded from the U.S.... on vessels carrying cereals to F.N...., the American representatives had informed M. Bernadac that each of the four vessels concerned would be able to carry 85... tons of sugar without any corresponding reduction

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

Kaplan
Labouret
Peter
Sergent

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3,200 " " Algiers
1,400 " " Oran
1,200 " " Tunis

1921

With regard to the proposal that a quantity of 4,500 tons of sugar be loaded from the U.S.A. on vessels carrying cereals to F.N.A., the American representatives had informed M. Berndue that each of the four vessels concerned would be able to carry 850 tons of sugar without any corresponding reduction in their cereals cargo.

The French representatives reported that, at the last meeting of the Marine Marchande, the loading had been agreed of the 6,000 tons of sugar at Sete for F.N.A. which was to be railed from the North of France.

The American representatives stated that they had not, as yet, had any reply to their enquiry as to whether a loan of 6,000 tons of sugar could be effected from any U.S. Army stock probably existing in F.N.A. The French representatives stated that, if such a loan proved possible, it would be reimbursed as soon as possible out of the arrivals from the U.S.A.

It/.....

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

19. French North Africa - Sugar - continued

It was agreed that the 1945 programme of sugar imports should be submitted by the French representatives for consideration at the next meeting.

20. INDIA, CEYLON AND EAST AFRICA
(Reference Minute No. 3)

Tea for F.N.A.

M. Alphand welcomed Mr. Cadbury and Mr. Mathias, the Secretary of the Combined Food Board, Tea Committee, London.

It was noted that a meeting was to take place between these gentlemen and the representatives of Ravitaillement in the afternoon at which it was hoped that agreement would be reached on the quantities and method of contracting. It was agreed that the results of this discussion be reported to the next meeting.

21. FRENCH EXPORTS TO THE BRITISH EMPIRE AND U.S.A.

M. Sergent enquired :-

(a) Whether the Anglo-American representatives were willing to recommend that goods be loaded on civil tonnage vessels and to support an application by the French to SHAEF for such loading on military tonnage vessels

(b) What exports Washington and London would be interested in receiving.

(c) Whether Washington and London would favour the use of state or private trade channels

(d) Whether it was anticipated that it would soon be possible for normal commercial payments to be effected.

M. Sergent added that the French Provisional Government would strongly favour the use of private trade channels unless strong reasons existed to the contrary. He also stated that control of goods in short supply would be effected by an export licensing system.

The Anglo-American representatives agreed :-

(a) With regard to shipment on civil tonnage, to request the views of M.W.T. and W.S.A., and also to consider the possibility of supporting the French application to SHAEF. They added, however, that it would appear necessary to be informed of the goods in question before a final opinion could be expressed on the principle, particularly in view of the need for the quick turn-round of convoys.

(b) To enquire what categories of exports Washington and London would be interested in receiving.

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

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(d) Whether it was anticipated that it would soon be possible for normal commercial payments to be effected.

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The Anglo-American representatives agreed :-

(a) With regard to shipment on civil tonnage, to request the views of B.W.T. and U.S.A., and also to consider the possibility of supporting the French application to SHAEF. They added, however, that it would appear necessary to be informed of the goods in question before a final opinion could be expressed on the principle, particularly in view of the need for the quick turn-round of convoys.

(b) To enquire what categories of exports Washington and London would be interested in receiving.

(c) Whether Washington and London would favour the use of state or private trade channels.

(d) To consult their Treasury representatives as to the methods of payment.

The French representatives indicated that they were also interested in exporting to the British Empire generally and asked if similar information could be obtained regarding the attitude of those Dominions not represented in Paris.

It was further agreed that the French representatives would put forward specific cases of items at present under consideration for export, at the next meeting.

22/.....

- R E S T R I C T E D -

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22. ITALY
(Reference Minute No. 15 (2))

Procedure for Purchases from Italy

The Anglo-American representatives acknowledged receipt of the enquir promised by M. Bergent at the last meeting and stated that it had been conveyed to London and Washington.

23. ICELAND
(Reference Minute No. 7)

Cod Liver Oil

The French representatives stated that their enquiries into this question were still proceeding.

24. TANGIER

Swiss Cigarette Lighters and Watches

The French representatives stated that they would consult the Ministere des Finances with regard to an application received by M.E.W. for certificates of origin, in respect of quantities of cigarette lighters and watches of Swiss origin for Tangier.

25. MADAGASCAR
(Reference Minute No. 2)

Manioc

The French representatives referred to a letter dated 30th November addressed by Mr. Crossley to M. Alphand, stating that, subject to the approval of the quality of the Farine de Manioc, samples of which were being sent from Antananarivo to London, the Ministry of Food would like to purchase the total availability of 9,000 tons reported at the last meeting as available from 1944 production.

They stated their agreement to the proposal of the Ministry of Food and, at the same time, requested that the Anglo-American representatives give any assistance possible in support of the shipment of 1,500 tons of tapioca from Madagascar to France which was included in the overall programme of imports recently submitted by M. Monnet to the Four Party Committee in Paris.

26. FRENCH NORTH AFRICA

1923

Esparto

It was agreed that consideration be given at the next meeting to the desire of the U.K., subject to shipping being available, to arrange to purchase in 1944/45 of about 40,000 tons of esparto from Tunis and 60,000 ton from Algeria.

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

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1920

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27. LISBON AND MADRID CROSS-TRADE COMMITTEES
(Reference Minute No. 11)

Future activities

It was agreed that a Tripartite recommendation be made by the Committee to all concerned in support of the establishment of Tripartite Economic Committees in Lisbon and Madrid, similar to the Paris Committee.

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

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(15)

PARIS TRIPARTITE ECONOMIC COMMITTEE

Minutes of Meeting held on 24th November, 194 at 11 a.m.

JAN 15 1945

PRESENT :

French Representatives	American Representatives	British Representatives
MM. Alphand	Messrs. Drew	Messrs. Crossley
Baraduc	MacChesney	Godfrey (part)
Charguéraud	McCollester	Gridley
Cardin	Scheuer	
Druuin		
Equissaux		
Felix		
Frecaut		
Kaplan		
Labouret		
Millardet		
Sergent		

INAUGURATION

M. Alphand welcomed the Anglo-American representatives at the inauguration of the Paris Tripartite Economic Committee which had been formed with the purpose of discussing economic problems concerning the U.S.A., U.K. and France. He added that the French representatives had envisaged in particular the discussion in this committee of :-

(a) French colonial problems,
(b) Purchases in foreign markets,
(c) Economic Warfare problems.

It was agreed that the question as to whether economic warfare problems should be discussed in this committee be left for further consideratio

1. F.E.A. AND CAMEROONS

Cocoa

The French representatives confirmed the receipt of letters from Messrs. McCollester and Gridley informing them of the agreement of London and Washington to the French bid for 43,500 tons of cocoa from F. .A. and the Cameroons of which 40,000 tons for Metropolitan France and the remainder for F.E.A.

It was agreed that the allocation of the sources of supply of the remaining availabilities of cocoa in the French colonies for shipment to the U.S.A. and U.K. would depend upon the U.S/U.K. findings as to shipping possibilities, which were shortly to be discussed in Washington. The question of shipment to Metropolitan France would be covered in the overall shipping bid at present in course of submission by the Commission des Importations, in respect of the general import programme for France.

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Felix
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The French representatives stated that these 40,000 tons of cocoa would give a production of 6,500 tons of chocolate per month which would be distributed on a ration scale of 300 grams per month for the categories J-1, J-2 and J-3, i.e. from small children up to the age of 21 and 100 grams per month for the rest of the population. The ration for Prisoners of War, which would be sent in Red Cross parcels, would be of 500 grams per month.

2. MADAGASCAR/....

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

2. MADAGASCAR

Manioc

The British representatives stated that they had informed London of the informal statement made the week previously by the French representatives to the effect that they would probably be prepared to rely upon the 1945 output for their own needs and cede to the U.K. the 1944 production, from which the stocks were at present :-

a) Fecule de manioc blanche 3,500
b) Fecule de manioc grise 1,500
c) Farine de manioc 4,000
9.000 tons

The British representatives had asked for London's agreement and the submission of the qualities which the U.K. would require.

The French representatives stated that, having been obliged to allot tapioca to meet urgent F.N.A. requirements, they would probably now require the whole of the two quantities of fecule for France, and consequently that they were unlikely to be able to offer the U.K. more than the whole quantity of farine.

It was agreed to await London's advice as to the quantities of each grade the U.K. particularly desired to receive.

3. INDIA, CEYLON AND EAST AFRICA

Tea

With reference to a letter dated 20th November addressed by Mr. Gridle to M. Alphand on the subject of the 1945/46 requirements of tea for F.N.A., the French representatives stated that they had telegraphed to F.N.A. requesting a statement of the import requirements and comments upon the method of contracting.

M. Cordin, Secretaire-General of the Ministre pour l'Afrique du Nord, stated that F.N.A. requirements had been fixed for this period at 4,800 tons of green tea and 1,200 tons of black tea.

The British representatives pointed out that this quantity was less than that of 14,688,000 lbs - i.e. 2,000,000 lbs. of green tea and 2,688,000 lbs. of black tea - which the Ministry of Food was prepared to recommend to the Combined Food Board for allocation to F.N.A.

It was agreed that the F.N.A. representatives should be requested to indicate their optimum in addition to their minimum demands and that this information be provided as soon as possible, since the Ministry of Food had requested that they should have this information before the 30th November, in order that production plans might be made accordingly in India.

4. FRENCH WEST AFRICA

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

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4. FRENCH WEST AFRICA

Palm Kernels

The British representatives stated that the F.W.T. representative in France, Mr. Black, was at present investigating in London, the position reached in connection with the four vessels required to ship the 10,000 tons of palm kernels from Dakar to France. It was hoped that Mr. Black would be able to convey definite information on this point at the next meeting of the Marine Marchande Committee to be held on the 27th November, 1944. A.F.H.Q. was simultaneously being pressed to agree to the utilisation of the oil-seeds quay at Marseilles.

5. ERITREA /.....

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

5. ERITREA

Footwear

The French representatives stated, in connection with the contract for the purchase of 150,000 pairs of footwear from Eritrea (which question had been raised in the past at the Inter-Territorial Affairs Committee in Algiers), that they had received a letter dated 17th November, 1944 from M. Crochemore, their Commercial Attaché at Cairo, stating that the agreement of MESC had been secured to this contract and that, furthermore, the British Authorities in Eritrea had been anxious that it be implemented in order to help the unemployment problem amongst the Italians in Eritrea. The present position was that the 150,000 pairs were on order and that 15,600 pairs of this quantity were ready for onshipment at Port Said.

The British representatives stated that there had apparently been a lack of co-ordination in the Middle East, since in view of the world shortage of hides and leather, the British Leather Control viewed with considerable disfavour the manufacture of footwear in Eritrea where the manufacturing capacity was primitive and uneconomic. Accordingly, it was to be expected that London would propose to the British Authorities in Eritrea that the manufacture of the rest of the order should be cancelled.

It was agreed that action be left to London

6. PARALLEL PURCHASES

With reference to letters addressed by Mr. Gridley to M. Alphand on the 26th October and 20th November, 1944, the French representatives stated that they were in full agreement as to the desirability of co-ordinating French purchases of short supply commodities from neutral countries with those of the U.S.A. and the U.K.

The French representatives having enquired at what stage and where this co-ordination should take place, the American representatives explained that the procedure between the U.S. and the U.K. had varied with the differing circumstances of each individual transaction.

It was agreed :-

(a) that the decision of the French authorities to co-ordinate their purchases in this manner should be notified forthwith in the form of a general instruction on the French side to the appropriate Ministries and to the French Purchasing Agencies abroad and, in particular, in London and Washington, and that the information be similarly communicated on the Anglo-American side.

(b) that London be requested to provide for the French representatives a list of the commodities on which there had so far been co-ordinated U.S/U.K. purchases and on which they were further desired.

7. ICELAND

1918

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

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1918

7. ICELAND

Cod Liver Oil

The British representatives stated that the Ministry of Food would be interested to know what quantities of cod liver oil had already been purchased by the French Government against the programme of imports recently submitted by M. Monnet's Committee in Paris.

The French representatives stated that these purchases had been dealt with in Algiers and undertook to indicate to whom the enquiry should be addressed.

8. F.N.A/.....

- R E S T R I C T E D -

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

8. FRENCH NORTH AFRICA

Wine and Brandy

The British representatives referred to a letter addressed by Mr. Gridley to M. Alphand on the 12th November, 1944 stating that the French Purchasing Mission in India was understood to have applied to the appropriate Indian Government authority for an import licence for some 10,000 gallons of F.N.A. wine and a similar quantity of F.N.A. brandy. The British representatives enquired whether it could now be confirmed that the French Provisional Government were in support of this enquiry and that the export licences would be granted should it be found that the authorities in India wished to effect the import.

The French representatives stated that this would certainly be the case, and it was agreed that action be left to the French authorities in North Africa, where M. Cordin would pursue the matter on his return to Algiers in the near future.

9. NEIGHBOURING TERRITORIES

Overland Imports

The Committee took cognisance of the undertaking given by M. Monnet to the Four-Party Committee on the submission of the overall import programme for the period 1st November 1944 to 30th June 1945 to the effect that any commodities which might be considered for overland import from neighbouring territories and which were, of course, not included in this programme of seaborne imports, would be notified for prior tripartite discussion with a view :

(i) to special consideration of commodities in short supply.
(ii) to the adjustment of shipping arrangements against the above programme, and
(iii) to the elimination of undesirable competition on neutral markets.

The French representatives agreed to study the manner in which this information could best be made available.

10. FRENCH NORTH AFRICA

Diversion from F.N.A. to Metropolitan France

The Anglo-American representatives reported the receipt of a telegram from Washington pointing out that, while from the supply angle the question of the diversion to France of any supplies originally intended for F.N.A. was a matter for the French Government alone, it was not possible for the Combined Chiefs of Staff to undertake that any shipping could be provided to make good any deficit arising as a result in North Africa.

11. LISBON AND MADRID CROSS TRADE COMMITTEES : Future activities

The Anglo-American representatives reported the receipt from Lisbon of a telegram stating the decision of the Lisbon Cross Trade Committee to make a

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11. LISBON AND MADRID CROSS TRADE COMMITTEES : Future Activities

The Anglo-American representatives reported the receipt from Lisbon of a telegram stating the decision of the Lisbon Cross Trade Committee to make a joint recommendation to the effect that, since the Committee had fulfilled its specific purpose of dealing with North African trade, it should now be dissolved. In view, however, of the obvious desirability of close tripartite co-operation on general economic policy towards Portugal and of the co-ordination of purchases in Portugal with the object of assisting the Combined Board allocations and avoiding competition for available supplies not subject to allocation, the Committee recommended that a Tripartite Economic Committee should be formed in Lisbon to cover as wide a field of discussion as possible

M. Dreuin, who had recently returned to Paris from Madrid, stated that the feeling of the Madrid F.N.A. Trade Committee was identical with that of the Lisbon Cross Trade Committee.

At the request of the American representatives it was agreed to postpone consideration of the recommendation that such Committees be established in Madrid and Lisbon until the next meeting.

12. SPAIN/.....

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(3)

12. SPAIN

(a) Pyrites

In connection with the reference in the Minutes of the 36th Meeting of the F.N.L. Trade Committee held in Madrid on October 28th, 1944, referring to the urgent requirement of 80,000 tons of pyrites for Metropolitan France before the end of 1944, the Anglo-American representatives reminded the meeting that SHAEF were not yet prepared to authorise the entry of Spanish vessels into French ports on the Atlantic and Channel coasts. This decision was not yet final and there was the possibility that it might not apply to Mediterranean ports.

The French representatives stated, however, that the information of the Marine Marchande was that it was unlikely that SHAEF authorisation would be forthcoming even in respect of the Mediterranean ports and, accordingly, it was agreed, in view of the urgency of the requirement, that the French Provisional Government would be obliged to include pyrites in their bid for shipping from the U.S.A.

(b) Seed Potatoes

In reply to the American representatives, the French representatives stated that the seed potatoes to be imported into France from the U.K. were of a different quality from those it had been proposed to export to Spain.

13. FRENCH NORTH AFRICA

Sugar

1) The French representatives stated that, in respect of the 1944 year, the Allied authorities had agreed the allocation to F.N.L. of :-

a) 70,000 tons for the first semester, of which :-

25,200 tons for Algeria
34,800 tons for Morocco
10,000 tons for Tunisia.

b) 73,100 tons of which -

27,600 tons for Algeria
34,800 tons for Morocco
10,700 tons for Tunisia

The total imports for the year would thus amount to 143,100 tons.

At the 16th November only 88,200 tons had been delivered. There 1917 thus remains to be delivered 54,900 tons which, at a consumption rate of 12,500 tons per month would suffice for some 4½ months.

2) Pending the resumption of the U.S. deliveries, an immediate solution was required for the present penury of sugar in F.N.L. At the 16th November the stock situation had been as follows :-

Morocco - No stock. No distribution during November.

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Morocco - No stock. No distribution during November. 2,020 tons expected on 20th November and could be distributed immediately.

Algeria - Stocks of 1,500 tons recently arrived from the U.S.A. To be used against the December urgent distribution. Half rations only have been distributed during November.

Tunisia - No stock. Half ration distribution during November. Arrival of 606 tons at Oran or at Algiers expected during November.

Accordingly/....

- R E S T R I C T E D -

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Accordingly, the French representatives requested the support of the Anglo-American representatives to the proposal that 6,000 tons of sugar be railed from the North of France to Sete for shipment thence to North Africa and that AFHQ be requested to loan a further 6,000 tons from U.S. Army stocks which it was understood probably existing in F.N.A. Should transport difficulties prevent the railing of the full quantity of 6,000 tons to Sete it would be a matter of the utmost urgency to increase the loan from AFHQ if possible.

The Anglo-American representatives agreed to inform AFHQ of the urgency of this matter.

It was agreed that the question be further considered at the following meeting.

14. OILS AND FATS

The Allied representatives requested that the F.N.A. requirements should be communicated to them as soon as possible in order that the 1945 shipping programme might be established between the West Coast of Africa and F.N.A.

15. ITALY

(a) Pyrites and Sulphur

The British representatives stated that they had written to London in connection with the urgent requirements of pyrites and sulphur from Italy for Metropolitan France. The sulphur was required not only for viticulture but also for the textile industry in order to enable production to continue during December. In this connection the French Provisional Government had desired that 4,000 tons of sulphur intended for F.N.A. be diverted to France.

The Anglo-American representatives stated that, according to their latest information, the possibilities of supplies from Italy were extremely poor and it was accordingly agreed that, as in the case of pyrites, the French representatives should examine urgently the possibilities of supplies of sulphur from the U.S.A.

(b) Procedure for Purchases from Italy

It was agreed that the French representatives should let the Anglo-American representatives have a statement of the points on which they desired information in connection with the procedure to be followed in trade with Italy, and that on the basis of this note the Anglo-American representatives would ascertain the latest position.

16. SWITZERLAND

M. Charguéraud stated that the terms of the Franco-Swiss agreement at present being negotiated would be communicated to the Allied Governments, together with a list of the commodities in question.

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It was agreed that the question be further considered at the following meeting.

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16. SWITZERLAND

M. Charguerand stated that the terms of the Franco-Swiss agreement at present being negotiated would be communicated to the Allied Governments, together with a list of the commodities in question.

It was agreed that discussions should take place between M. Charguerand and Messrs. Drew and Godfrey on the subject of the economic warfare aspects of Franco-Swiss trade.

It was agreed that the meetings should be held each Friday morning at 11 o'clock.

GAC/ELB/ E 55
15th December, 1944

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

12

Translation

COPY FOR Brigadier Lush with the compliments of Mr. J. C. Gridley, British Embassy, Paris

MINISTRY OF NATIONAL ECONOMY

Paris, January 5th, 1945

Direction of Economic Foreign Relations

GD/VL
CE/A 6677

(5)

(2)

Dear Mr. Gridley,

I have received your letter of December the 30th (actually addressed to Mr. Sergent, copy of which you already have), in which you answer my communication of November 27th, about resuming commercial exchanges between France and Italy.

Necessary action will be taken, in agreement with the various services which are concerned, to realize the suggestions which you will kindly make.

I remain, dear Mr Gridley,

Yours truly,

The Deputy Director of the Economic Foreign Relations

S. du Foucher

see 172

Mr. Gridley
British Embassy
Paris

e.c.

1810

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COPY FOR Brig. Lush with the compliments of
Mr. J. C. Gridley, British Embassy, Paris (11)

4410

MINISTERE DE L'ECONOMIE NATIONALE

PARIS, le 5 janvier 1945.

Direction des Relations
Economiques Extérieures.

JAN 13 1945

GD/VL
CE/4 6677.

Cher Monsieur Gridley,

Je m'empresse d'accuser réception de votre lettre du 30 Décembre (actually addressed to Monsieur Sergent, copy of which you already have), par laquelle vous répondez à ma communication du 27 novembre, relative à une reprise des échanges commerciaux entre la France et l'Italie.

Toutes les dispositions utiles vont être prises, d'accord entre les divers services intéressés, en vue de donner suite aux suggestions que vous voulez bien formuler.

Veuillez agréer, Cher Monsieur Gridley, l'expression de mes sentiments les plus distingués.

Et tous mes remerciements,

Le Directeur Adjoint des Relations
Economiques Extérieures

(Sgd.) du FOUCHIER.

Monsieur Gridley.
Ambassade d'Angleterre,
PARIS.

Dec 12 1945

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

181

Ref: 4410/8/008.

13 January 1945.

6

Many thanks for your letter of 30 December, enclosing a copy of your letter to Sergent, le Directeur du Commerce Exterieur, which reached me yesterday. It is an excellent letter and explains the situation very fully. if I may say so

I will not fail to keep you informed of the progress made in any discussions the Allied Commission may have with Couve de Murville.

It was nice seeing you the other day in Rome once again

J. C. Gridley Esq.,
British Embassy,
PARIS.

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BRITISH EMBASSY

PARIS

30th December 1944

JAN 11 1945

Dear Brigadier/Lush.

Here is a copy of the letter I have now written to Sergent, le Directeur du Commerce Exterieur, in reply to the one he wrote me on 27th November; a copy of his letter has been sent to you by the Ministry of Production. I hope my reply, which I enclose herewith, will meet with your approval.

I will be grateful if we could be kept informed of the progress made in any discussions the members of your Staff may have with Couve de Murville and the Italians on this question.

Yours Sincerely,

J. C. GRIDLEY

Brig. H. C. Lush, M.C., C.B.E.,
C.o.S.,
A.C.,
C.M.F.

1913

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Tel. No.: ABBEY 5678.
Telegrams: PRODMIN, PARL, LOND

In any communication on this subject, the following number should be quoted:

MINISTRY OF PRODUCTION,
GREAT GEORGE STREET,
LONDON, S.W.1.

15th December, 1944.

JAN 11 1945

Dear Lush,

When Gridley was here from Paris a day or two ago, he gave us the attached document showing that the French in Paris were anxious to know how they could best pursue the matter of getting some supplies from Italy. We agreed with Gridley that the first approach we would recommend to the French would be through M. Couve de Merville, the French representative in Rome. Gridley when he gets back to Paris will write to the French in that vein, and send you a copy of his letter. We pointed out to Gridley, of course, that many of the supplies in the attached list were most unlikely to be available for anybody, and many more were so badly wanted by U.S.A. or U.K. that the French would probably be out of luck. He would indicate that to the French as politely as he could. Meanwhile, we promised Gridley that we sould sent this document out to you so that you would be forewarned. I expect that Couve de Merville will contact you in the first instance, and you will no doubt pass him on to the appropriate person.

Yours sincerely,

D.S. Harden

Brigadier H.C. Lush,
Allied Commission,
Rome.

P.S. I should add that if there is anything the French can have without spoiling U.S. + U.K. supplies, we should be only too happy.

1912

COPY/

BRITI[illegible]

PA[illegible]

30th December 1944

Dear Monsieur Sergent,

I must apologise for the delay with which I am replying to your letter of 27th November which reached my office after I had left for London.

Fortunately, however, it was sent on to me, with the result that I was able to discuss it, not only with the appropriate officials of the Ministry of Production there, but also with Brigadier R. C. Lash, the Chief of Staff of the Allied Commission, Rome, during my subsequent visit to Italy.

The following is a summary of the information I collected in London and in Rome:-

A. LONDON

1. Generally speaking, the authorities in London are anxious that Franco-Italian trade should be resumed as quickly and as extensively as possible.

2. Additionally, London has no desire to take any greater supervisory interest in any negotiations that may be convenient for you to have with the authorities in Italy beyond that which is unavoidable by reason of the present provisional status of the Italian Government.

3. Accordingly, London considers that you should concentrate upon conducting your negotiations with the Italians through your representative in Italy, Monsieur Couve de Murville, who, I understand, already has excellent relations with the appropriate branches of the Allied Commission.

B. ROME

1. Brigadier Lash and his staff confirmed all that I had learned in London and expressed their complete readiness to assist M. Couve de Murville in his negotiations with the Italian Government. You will, of course, realise that

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Fortunately, however, it was sent on to me, with the result that I was able to discuss it, not only with the appropriate officials of the Ministry of Production there, but also with Brigadier F. C. Lush, the Chief of Staff of the Allied Commission, Rome, during my subsequent visit to Italy.

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B. ROME

1311

1. Brigadier Lush and his staff confirmed all that I had learned in London and expressed their complete readiness to assist M. Couve de Murville in his negotiations with the Italian Government. You will, of course, realise that, in view of the current functions and responsibilities of the Allied Commission, which, in turn, is responsible to the Combined Chiefs of Staff in Washington in all Italian supply and economic affairs, it would be very necessary that your representative in Rome maintains very close contact with the various branches of the Commission.

2. For example, all matters of import and export would have to be co-ordinated with Colonel Tyone at the head of the Commerce Sub-Commission whilst all finance and payments questions would have to be referred to Colonel Crafferty-Smith, the head of the Finance Sub-Commission. Finally the actual handling of all exports is the direct concern of the G.5 branch of A.M.G.O. at Caserta

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the corresponding transport. This is not so. The well-established rule, now almost universally known and accepted, is that an agreed programme of imports or exports is no guarantee that shipping will be made available. Provision of shipping is an entirely separate negotiation which presumably M. Couve de Murville would have to undertake with the Allied Commission and G. 5 at A.M.F.H. after you have drawn up and agreed a programme of purchases with the Italian Government and the Allied Commission.

A point which arises, of course, is what France might be prepared to furnish to Italy in exchange for whatever purchases you might be able to effect there. I realise that the present state of France does not permit you to offer a wide range of articles to the Italians. You may, however, consider this aspect of the matter and provide M. Couve de Murville with a list of whatever French products he might, in agreement with the Allied Commission, offer to the Italian Government.

Incidentally, have you considered the possibilities of meeting the present shortage of coal, especially in the south of France, by purchases of Sardinian coal?

I should tell you that, when I was in Rome, I called at the Palazzio Farnese in the hope of meeting M. Couve de Murville. Unfortunately he was in Paris. I talked, however, with M. Beaupartheis to whom I phoned a copy of your letter of 27th November. I told him something of the developments which I have described in this letter and, generally speaking, did my best to inform him of my conversations in London and with the members of the Allied Commission. I told him I would report more fully to you and M. Alphand on my return and, in case you would care to send him a copy of this letter, I am sending you an extra copy for that purpose. I should add that I am also sending a copy to Brigadier Lush to whom I have already handed a copy of your letter of 27th November. A good deal of preparation has thus been done in this matter of imports and I hope you will now be ready to pass all this information on to M. Couve de Murville.

1911

I am sending a copy of this letter also to M. Labouisse and I suggest that any further points you may wish to raise be brought up at the next meeting of the Tripartite Committee.

Yours sincerely,

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Yours sincerely,

J. C. GRIFFEY

Monsieur Sergent,
Ministere de l'Economie Nationale,
Direction des Relations Economiques Exterieures,
5eme Bureau,
93, Rue de Rivoli,
PARIS.

Copies to:- M. Labouisse, Mr. Fraser Mr. Lousada. Miss McCleery (M/Production); Brig. N.C. Lush (Rome-Allied Commission) Brig. Robino; M. Alphand; Chancery.

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Appendix "B" 2

MINISTERE DE L'ECONOMIE NATIONALE

Direction des Relations Economiques Exterieures

5ème Bureau

No. 5.695

COPY

PARIS,
le 27 novembre 1944.

Cher Monsieur Gridley,

A la suite de la conférence qui s'est tenue le 24 novembre aux Affaires Etrangères, je vous adresse ci-joint une liste des produits que nous désirerions importer d'Italie pendant la période s'étendant jusqu'au 30 juin 1945. Ces demandes d'importation ne s'ajoutent pas, en principe, aux programmes déjà présentés à SHAEF.

Je vous serais très obligé de bien vouloir me faire savoir s'il y a lieu de présenter ces demandes à un organisme militaire et auquel.

Il me serait, en tout état de cause, agréable d'être fixé, dès que possible, sur divers points :

1°) Quelles sont, à votre avis, les possibilités de réalisation d'un tel programme;

2°) Dans quelles conditions des experts pourraient être envoyés en Italie pour reconnaître les marchandises disponibles, surveiller l'exécution des contrats, prendre, le cas échéant, les mesures nécessaires en vue de la remise en état des installations détruites ou endommagées, etc.

3°) Comment devraient être réglées les fournitures italiennes. Peut-on envisager une extension à la France métropolitaine du système institué en mai dernier pour les règlements entre l'Afrique du Nord et l'Italie?

1503

Nous

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Nous comprenons, par ailleurs, qu'un accord relatif au programme d'achats entraînerait, ipso facto, la mise à notre disposition des transports nécessaires.

Veuillez agréer, Cher Monsieur Gridley, l'expression de mes meilleurs sentiments.

Le Directeur du Commerce Extérieur

(Sgd.) SERGENT

Monsieur GRIDLEY,
Conseiller Economique
Ambassade d'Angleterre.

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[redacted]

...IRS EN ITALIE ... R LA PERIODE D'ETENDANT
JUSQU'AU 30 ... IN 1945

AGRICULTURE		
Merrains	5.000 m3	
RAVITAILLEMENT		
Oranges, citrons	(1) 20.000	Tonnes
Marrons, châtaignes	2.000	"
Fruits secs divers (noisettes, amandes, figues sèches)	(1) 10.000	"
Huile d'olive	200	"
BOIS, INDUSTRIES DIVERSES:		
Chiffons	12.000	"
INDUSTRIE CHIMIQUE		
Pyrites	100.000	"
Soufre	60.000	"
Soufre pour l'industrie textile	6.000	"
Produits magnésiens - Sulfate de magnésie pharm.	60	"
Magnésie calcinée	100	"
Magnésies diverses	200	"
Huiles essentielles : Citron	29	"
Bergamote	93	"
Jasmin	1,2	"
Menthe	0,035	
Orange	4,275	
Petit grain	0,365	
Néroli	0,150	
Myrte	0,150	
Racine d'iris	225	
TEXTILES		
Chanvre	3.000	"
Soie grège	400	"
Sumac moulu	500	"
Cocons secs	150	"
MINES	1908	
Mercure	150	"
Minerai de plumb	4.000	"
Minerai de zinc	16.000	"
Minerai de chrome	chiffre à déterminer	

(1) Mi ons seulement où le tonnage disponible permettrait l'importation de ces quantités. Il est rappelé que la Franc

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métropolitaine entend s'approvisionner par priorité en Afrique du Nord avant de s'adresser au marché italien.

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2026