

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

ACC

10000/109/854
(VOL. II)

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

ITALIAN ESSENTIAL IMPORTS
JULY-DEC. 1945

10000/109/854
(VOL. II)

C80

169

not use be kept informed

4 ventilate at next Ex Com meeting

179 29/5

b 170

Capt. White

Plan B 169 & Bv for next meet 2
 with any date you can get out of Com. 2
 For 29/5. 29/5. 29/5. 29/5. 29/5.

177

C.S.O. - Values 171-176 for info

(See by 171-176)

Comed

179

178 for info.

177

C.S.O. 182-185 the info sent photo

2280

177

Capt. White

Ther B¹⁰⁹ & B¹⁰ for next meeting
wondering if we can get out of Glen.
Frie 24/9

177

C.S.O. - Policy ¹⁷¹⁻¹⁷⁶ ~~to~~ for info
(See by 604 EC)

Remus

Sept 20th 1911

178

١٧٨٩

$$H = \frac{1}{2} \frac{d^2}{dx^2}$$

751

~~050 182988 1000 5000 2/15/02~~

2:283

DESIGN

785017

(162)

Ex Com.

CSO. folio 161 per info

455

Final 26/9

Emu 25/9

7792

161

V.P. Ecomber:

161 Is this a satisfactory reply? It appears extremely

vague. Have we any further information.

188/27/5

162

Exo Commission

This (161) is all we have. It is not satisfactory but they say "administration procedure is now in clearance and will be forth coming promptly."

Denomine 27/1

164

Final 26/9

2785

CSO - Minute 162 is reply to minute 161, ref. folios 160.

Emu 27/9

165

V.P. Econsel¹⁶¹

161 98th a satisfactory reply? It appears extremely
vague. Have we any further information.

188/2715

162

Exo Commission

This (161) is all we have. It is not satisfactory
but they say "administration procedure is now in
clearance and will be forthcoming promptly."

Denomine 29/1

164

CSB - Minute 162 is reply to minute 161,
ref. folios 160.

F.H. 28/4.

2285

Emu 27/9

165

F.H. 28/4.

CSB - Folio 163 for info

Emu 27/9

166

Ex. Com.

Min 162 for info. of yr. min 161

Emu 28/4.
See leg 27
28/10

153

Ext. Exhibit

for 150

For info please see files 150 in reply to

8/8/9

and
8/8/9

154

COM 108 8/8 Aug 18 was answered by HQ

9 Sept 4.

DR/CS.

8/9/9

158

Less

For info please see 157

An important letter. 8/2/9

8/14/9

159

Chief Commissioner.

Approved
Attached is submitted for your signature
information

SEP 17 1960
2283

(160)

161

161 & special memo sent direct to EC by CC

COM 108 27 Aug 18 was entered on ROC

5 Sept 4.

DE/SS

3 94

158

Here

For info from 157
An important letter. (C) 1579

24 1419

159

Chief Commissioner.

Approval
Attached is submitted for your signature
information

SEP 17 1960
2283

(160)

161
17/10/5

Noted & special memo sent direct to EC by CC
LCS

785017

6.50

Please see 139

D. B. 4.45

Zip

Ex Comm

144

For info please see file 143

Act 2/2/8

146
139/2/2/8

13/8 11/2/8

145

Ex Comm

Please see file 141 & memo to Ex Comm dated 1/15/8
at file 147 for info

Act 2/2/8

144

151

Ex Comm

Please see 150

2283

Ex Comm

144

For info please see from 143

146
139 seen
22/8

22/8 11 am. 2

148

149

Check on from 141 & memo to Ex Comm as from 145. Reply -
at 141 10/7 for info.

151
2/10/45

2/10/45

151

151

For info from 150
2/10/45

2283

Chief Commissioner

(131)

(127-130)

Attached is submitted for your signature/information/approval.

I suggest V.P. Econ. Sec. be asked to speak

at V.P.'s meeting on 1/8 MS (3/10/11)

JUL 31 1950
1850

✓

132.

Matter was discussed at V.P.'s meeting on 1. Aug
see minutes when raised.

Rs. 2 Aug.

C.S.O.

134

For info please note from 133

DD 3/10/11 5/4/18

136.

Excerpt

135 & 136's action' ("separately
delimited") on C.C.'s 133 (Remarks
Concerned")!

22823

matter was discussed at V.P.'s meeting on 1. Aug.
see minutes when signed.

Rs. 2/8.

C.S.D.

132

To wife please note from 123

Rs. 3/8 1/2 5/4 1/8

136.

Excerpt

135 "SAC's action" ("severely
disturbed") on C.C.'s 133 (Bennett
Concerned")!

2280

Rs. 7/8.

137.

135 Seen by C. Ben and Ex. Ben. Rs. 8/8.

137/88

128.Ex. Com.

There is an important Sept. - 1947

Sept. 26/7

129.V.P. Econ. Sec.

May I hear your comments for C.C.?

172/27/7

/30

Ex. Com.

Per our conversation this morning, this matter is in a state of flux. Capt Braden of Int'l Div, A.S.T., G.S.W.D. is in theater and expected in Rome momentarily. Until I talk to him, I cannot know latest developments. It is possible I may have to fly to A.C. to inform them with importance of reaching decisions and

2283

4-26/7
122
V.P. Econ. Sec.

May I have your comments for CC?

172/2717

130

Ex: Com.

Per. our conversation this morning, this matter is in a state of flux. Capt Braden of Intel Div, A.S.T., U.S. W.D. is in theatre and expected in Rome momentarily. Until I talk to him I cannot know latest developments. It is possible I may have to fly to D.C. to impress them with importance of reaching decision and ensuring uninterrupted flow of civil supply.

W. B. McKinley 3/12/45, 7

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

UTGOING M388493
HEADQUARTERS ALLIED COMMISSION

FOR ACTION AGAR FOR COS FOR COM FOR CLC FOR INFO MAROF LONDO. FOR

CABINET SECRETARIAT RPTD 27. 21. 1945

9075

6 DECEMBER '45

PRIORITY

DEC 10 1945

UNCLASSIFIED PD

THIS IS MAC FOUR AND THREE PD

SUBJECT IS REOPENING OF PRIVATE TRADE BETWEEN ITALY AND FOREIGN COUNTRIES PD

PAREN TO FOR ACTION AFTER FOR COS FOR COM FOR CLC FOR INFO MAROF LONDO. FOR
FOR CABINET SECRETARIAT RPTD 27. 21. 1945

PARA ONE PD BOTH UNITED STATES AND UNITED KINGDOM EMBASSIES IN ROME HAVE INFORMED THE ITALIAN GOVERNMENT THAT NECESSARY STEPS HAVE BEEN TAKEN BY THEIR GOVERNMENTS TO PERMIT REOPENING OF PRIVATE TRADE BETWEEN ITALY AND THEIR RESPECTIVE COUNTRIES SUBJECT TO SUCH CONTROLS AS THE ITALIAN GOVERNMENT MAY FIND NECESSARY. PAREN AND PAREN TO ENSURE THE USE OF ITALIAN FOREIGN EXCHANGE ONLY FOR PURCHASE OF ESSENTIAL DEFENSE COMMA AND PAREN BAKER PAREN TO PREVENT THE EXPORT OF PRODUCTS NEEDED IN THE ITALIAN ECONOMY PD

PARA TWO PD THE ITALIAN GOVERNMENT HAD PROPOSED ESTABLISHMENT OF AN UNDERSECRETARIAT FOR FOREIGN TRADE IN THE MINISTRY OF INDUSTRY AND COMMERCE, WHICH WAS TO BE THE CONTROLLING AUTHORITY IN THE EXPORT DEFECT LICENSING SYSTEM PD FOREIGN EXCHANGE CONTROL IS NOW THE RESPONSIBILITY OF THE RECENTLY ESTABLISHED UFFICIO ITALIANO DEI CAMBI PAREN ITALIAN EXCHANGE CONTROL OFFICE PAREN PD THE DRAFT OF THE DEGREE SETTING UP THE UNDERSECRETARIAT FOR FOREIGN TRADE WAS RECEIVED BY THE COMMISSION AT ITS SITTING ON TWO THREE NOVEMBER COMMA BEING THE OPINION OF THAT BODY THAT A NEW MINISTRY SHOULD BE SET UP WITH CONTROL OVER BOTH DEFENSE EXPORTS AND THE USE OF FOREIGN EXCHANGE PD NO FURTHER PROGRESS HAS BEEN MADE BECAUSE OF THE GOVERNMENT CRISIS PD

PARA THREE PD WITHIN THE MINISTRY OF INDUSTRY AND COMMERCE COMMA HOWEVER COMMA FORMULAS PROPOSED IN DRAFTING THE FORMS AND PROCEDURES FOR AN EXPORT DEFECT LICENSING SYSTEM AND INSTRUCTIONS TO THE ITALIAN FUELIO AND PROVINCIAL CHARGERS OF COMMERCE PD DETAILS OF THE DRAFT ARE GIVEN IN FOLLOWING MAC AIRGRAM COMMA WHICH WILL REFER TO THIS TELEGRAM PD

PARA FOUR PD THE MINISTRY OF INDUSTRY AND COMMERCE HAS ALREADY AUTHORIZED COMMA IN SPECIFIC CASES COMMA CERTAIN FOREIGN TRADE TRANSACTIONS WHERE THE USE OF ITALIAN GOVERNMENT FOREIGN EXCHANGE FUNDS WAS NOT INVOLVED COMMA AND WHERE THE ITALIAN ECONOMY BENEFITED BY THE PROVISION EITHER OF WORK OR OF RAW MATERIALS PD A LIST OF PERMITS ISSUED TO DATE HAS BEEN REQUESTED FROM THE MINISTRY AND WHEN RECEIVED WILL BE TRANSMITTED IN MAC SERIES PD ITALIAN COMMERCE ATTACHES IN WASHINGTON AND LONDON HAVE FULL DETAILS OF DEALINGS THIS AUTHORIZED WITH AMERICAN AND BRITISH FIRMS RESPECTIVELY PD

PARA FIVE PD ALLIED COMMISSION HAS URGED THE ITALIAN GOVERNMENT TO HASTEN THE RETURN TO GENERAL PRIVATE TRADE COMMA AND CONSIDERS THAT IT SHOULD BE KNOWN FULLY

LIMITING OF THE UNITED STATES AND UNITED KINGDOM CONTROLS AND REGULATIONS AN EXCE-
TION WAS MADE IN THE CASE OF A FEW COMMODITIES WHICH ARE IN HIGH SUPPLY THROUGH-
OUT THE WORLD PD DEALERS IN THESE COMMODITIES BY PRIVATE FIRMS ARE POSSIBLE BUT
SUCH COMMODITIES ARE SUBJECT TO ALLOCATION BY THE ALLIED COORDINATED SUPPLY BOARDS PD
THE ALLIED COMMISSION POINTS OUT THAT THIS REMAINING CONTROL DOES NOT APPLY TO
ITALY ALONE COMMA BUT ALSO TO OTHER COUNTRIES AND IN OBSERVING THESE REGULATIONS
ITALY IS MERELY JOINING WITH THE ALLIES IN CARRYING ON A SYSTEM OF CONTROL AND
ALLOCATION FOR THE COMMON GOOD PD THE UNITED STATES AND UNITED KINGDOM GOVERNMENTS
FURTHER STATED THAT THEY ANTICIPATED THAT THE ITALIAN GOVERNMENT ITSELF WOULD PLACE
ITALIAN PRIVATE TRADE UNDER A LICENSING SYSTEM WHICH WOULD ENSURE THAT THE ITALIAN
GOVERNMENT RETAINS CONTROL OF ALL FOREIGN EXCHANGE ACCRUING FROM THE SALE OF
EXPORTS COMMA THAT ITALIAN ASSETS ARE USED ONLY FOR THE PURCHASE OF ITALIAN ESSEN-
TIAL IMPORTS COMMA AND THAT NO PRODUCTS ARE EXPORTED FROM ITALY THAT ARE NEEDED IN
ITALIAN ECONOMY PD THE ALLIED COMMISSION WISHES COMMA THEREFORE COMMA TO EMPHASI-
ZE THAT WHEN THE ITALIAN GOVERNMENT HAS FULFILLED ITS FOREIGN TRADE REGULATIONS AND
IS IN A POSITION TO OPERATE ITS IMPORT EXPORT LICENSING SYSTEM COMMA THERE WILL
BE NO FURTHER OBSTACLE TO THE RESUMPTION OF PRIVATE TRADE BETWEEN ITALY AND OTHER
COUNTRIES COMMA INCLUDING THE UNITED STATES AND GREAT BRITAIN UNLESS.

PROGRAM COORDINATION FRAME

461

F.W. TOWERY
Lt Col. R.A.

AO DIST.

ACTION DIRECTOR EUCR SEC 16
(CSC (6)
(SUPPLY GROUP
(PROGRAM FR.
(REQUISITION FR(10))

ADVANCE COPIES TO COMMERCE SC 2
FINANCE SC
FOOD AGRIC SC 2
COAL DIV 1
TH SC 2, END UTILITIES SC 2
CHIEF COMMISSION ONE
EUCR COM 2
CC FR SEC
CA US SEC
TOL SEC
MTR
FEL

DFO

785017

TO THE ALLIED COMMISSION WHICH COMMA THEREFORE COMMA TO ESTABLISH
 22 THAT WHEN THE ITALIAN GOVERNMENT HAS FULFILLED ITS FOREIGN TRADE REGULATION AND
 IS IN A POSITION TO OPERATE ITS EXPORT EXPORT LICENSING SYSTEM COMMA THESE WILL
 BE NO FURTHER OBSTACLE TO THE RESUMPTION OF PRIVATE TRADE BETWEEN ITALY AND OTHER
 COUNTRIES COMMA INCLUDING THE UNITED STATES AND GREAT BRITAIN UNQUOTE.

PROGRAM COORDINATION REACTION

461

F.H. TOOTH
 Lt Col. Ret.

NO DIST.

ACTION DIRECTION ECM 820 16
 (CSC (6)
 (SULLY GROUP
 (PROGRAM ER.
 (ACQUISITION ER(10))

ADVANCE COPIES TO COMEXOS SC 2

FINANCE SC
 FOOD AGRIC SC 2
 COAL DIV 1
 TR SC 2, IND UTILITIES SC 2
 CHIEF COMALIST CASE
 EXCO COM 2
 CC ER 222
 CA US 222
 TEL. BOE
 MTR
 FILE

INFO

785017

4412 41

201

10 December 1945

DEC 10 1945

My dear Mr. Ambassador:

9059 4/6 Dec.

Attached is a copy of the cable we have sent to Allied Force Headquarters for onward transmission to the Combined Chiefs of Staff on the continuation of the flow of basic supplies to Italy after the end of this month.

You may wish to send a similar communication to London on your own account.

Very sincerely yours,

M. G. LUSH

Signature
HILARY G. STONE
Rear Admiral, USNR
Chief Commissioner

Sir Noel Charles, St., KCMG
British Ambassador
Rome

Copy to Ex Com

2273

hau n) 5/11/45

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

5 December 1945

MINUTES OF MEETING HELD 29 NOVEMBER 1945

1946 PROGRAM OF ITALIAN IMPORTS

Record of a Meeting held 29 November 1945

Present :

Mr. Harlan Cleveland
Mr. Bruno Luzzatto
Col. Tooby
Col. Walton
Mr. Rembert
Dr. Consolo

Ministro Granchi
Ministro Cullo
Sig. Rossi Ernesto
Avv. Storoni
Dott. Antonio Priolo
Dott. Aldo Bonzi
Sig. Luigi Garbella
Sig. Mario Di Raimondo
Dott. Enrico Mellini
Col. Bordoli
Sig. Giuseppe Faraluch
Comm. Bruno Garavato
Sig. Luciolli
Sig. Vincenzo Marcolini
Cons. Giulio Palmieri

Prof. P. Saraceno
Gen. Luigi Saraceno
Dott. Fausto Sandri
Sig. Marco Visentini
Dott. Savini
Sig. Guido De Marzio
Sig. Dino Vampa

Conte G. Camacciolo

- Acting Vice President, Economic Section
- Director, Commerce (Foreign Trade) S/C
- Chief, Supply Group

- Ministero Industria e Commercio
- Ministero dell'Agricoltura
- Sottosegretario alla Ricostruzione
- Sottosegretario al Commercio
- Sottosegretario Ministero dei Trasporti
- Segretario Generale C.I.R.
- Direttore Generale dell'Industria
- Direttore Generale Ferrovie dello Stato
- Ispettore Superiore Tecnico, Ministero dei Trasporti
- Colonnello Genio Navale - Capo Ufficio Tecnico
- Ministero Industria e Commercio
- Ministero Industria e Commercio
- Ministero Affari Esteri
- Ministero del Tesoro
- Consigliere Amministrazione Ferrovie dello Stato
- Ministero Industria - Capo Servizio Tecnico
- Ministero Ricostruzione
- Ministero Ricostruzione
- Ministero dei Lavori Pubblici
- Ministero Ricostruzione
- Ministero dell'Alimentazione
- Ministero dell'Alimentazione

- Economic Section Staff

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Record of a Meeting held 29 November 1945

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

Present :

Mr. Harlan Cleveland
Mr. Bruno Luzzatto
Col. Tooby
Col. Walton
Mr. Rempert
Dr. Consolo

- Acting Vice President, Economic Section
- Director, Commerce (Foreign Trade) S/C
- Chief, Supply Group

Ministro Gronchi
Ministro Cullo
Sig. Rossi Ernesto
Avv. Storoni
Dott. Antonio Priolo
Dott. Aldo Bozzi
Sig. Luigi Gerbella
Sig. Mario Di Raimondo
Dott. Enrico Mellini

- Ministero Industria e Commercio
- Ministero dell'Agricoltura
- Sottosegretario alla Ricostruzione
- Sottosegretario al Commercio
- Sottosegretario Ministero dei Trasporti
- Segretario Generale C.I.R.
- Direttore Generale dell'Industria
- Direttore Generale Ferrovie dello Stato
- Ispettore Superiore Tecnico, Ministero dei Trasporti
- Colonnello Genio Navale - Capo Ufficio Tecnico

Col. Berdelli

Sig. Giuseppe Perlaschi
Comm. Erasmo Garavale
Sig. Luciolli
Sig. Vincenzo Marcolini
Comm. Giulio Palmieri

- Ministero Industria e Commercio
- Ministero Industria e Commercio
- Ministero Affari Esteri
- Ministero del Tesoro
- Consigliere Amministrazione Ferrovie dello Stato

Prof. P. Saraceno
Gen. Luigi Sarcino
Dott. Fausto Sandri
Sig. Marco Visentini
Dott. Savini
Sig. Guido De Marzio
Sig. Dino Vampa

- Ministero Industria - Capo Servizio Tecnico
- Ministero Ricostruzione
- Ministero Ricostruzione
- Ministero dei Lavori Pubblici
- Ministero Ricostruzione
- Ministero dell'Alimentazione
- Ministero dell'Alimentazione

Conte G. Caracciolo

- Economic Section Staff

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(This is a transcript of those statements in the meeting which were either made in English or translated from Italian into English. The remarks in Italian are reproduced in the third person, as they are actually a transcript of statements of the interpreter).

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(NA) H

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(2)

Mr. Cleveland presided :

MR. CLEVELAND :

Would you welcome these gentlemen to my office and say that if I had known there were as many as this, I would have volunteered to come over and sit in theirs. Express my regrets that I have to continue to make speeches in English. If they let me stay in this country long enough, perhaps I'll learn to make speeches in Italian.

What I thought we ought to discuss together - the Economic Section and the Sub-Commissions concerned here and the representatives of the appropriate Italian Ministries - was where we stand on the 1946 program and where we go from here on that program. I'd like to just re-state my understanding of the present position in which we find ourselves on the 1946 program and we can then discuss what steps need to be taken thereafter.

The 1946 program, as far as its effect on Washington and London is concerned, has now gone through three stages. The first stage is a draft that was originally prepared by FEA in Washington, primarily prepared by and under the supervision of Mr. Luzzatto, who is here with us today. At the same time, and in effect as part of this same phase, there was being prepared in Italy, both by the Italian Government and by the groups under it for the Italian Industrial Council in Milan, a quite detailed plan of importations, both over-all and in very specific terms, for the industrial import requirements of Italy. I would like to emphasize too that while these two works were going on on two different sides of the Atlantic Ocean, the work that was being done in Washington was based in very large part on the first drafts of the Italian Government importation plans which were being produced and which were reaching us through the American Embassy, through Scardoti, and through other channels even before they were officially adopted.

The second phase began about a month ago when Mr. Luzzatto and I arrived in Italy and, with the participation of a number of the people in the Allied Commission, an effort was made here in Rome to produce a revision of the 1946 plan, which had originally been drafted in Washington based on work which had gone on in Rome and Milan. That, in turn, was based on the latest draft available in Rome, a month ago, of the same over-all plan and the "piano di massima" for the industrial side as of about a month ago. So that a first revision of the original draft was prepared here in AC and that revision was given as soon as it was completed, still in draft form, to the Minister of Reconstruction for forwarding out to the appropriate Ministries of the Italian Government.

As far as we were concerned, then, the third phase of this preparation of the plan, which we want eventually to get in final form to be submitted to Washington for action, began when Col. Teddy,

2273

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As far as we were concerned, then, the third phase of this preparation of the plan, which we want eventually to get in final form to be submitted to Washington for action, began when Col. Toddy, Mr. Luzzatto and Dr. Consolo went to Milan to meet with the CIAI group and with the various Comitati under the CIAI, in an effort to refine the work that had been done on the 1946 plan to date.

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(3)

This third phase has now been completed and we have now, specifically, I believe, Mr. Luzzatto and Dr. Censolo have, before them in draft form yet another, the second revision of the original draft and I would like to emphasize that this is still in draft form.

I'd like to say a word about the thinking that lies behind the way in which the drafts that have been prepared so far have been organized. We are anxious to make this 1946 program, in cooperation with the Italian Government, as practical a program as possible in terms of the financial possibilities. For that purpose we have made a distinction between the three levels of the plan. The lowest level is the amount which would come in on an UNRRA basis through UNRRA channels, assuming that UNRRA has available to it the amount of money which has been projected of 450 million dollars, not in dollars but in all types of foreign exchange. (I'd like to emphasize in that connection that the availability of that money is by no means certain and should not be taken as definite until it is definite, but that we have been using that amount of money and been using the UNRRA designation for planning purposes in order to put ourselves in a position where, if the money is made available by the U.S. Congress and the Parliaments of the other major supplying countries, we would be in a position to act immediately to spend a part of the available money for supplies to continue the flow - continue and increase the supply of essential goods, subsistence and raw materials, to Italy.)

The second level of supply might be termed the total essential requirements. Our assumption has been, and I think this has been the general assumption of everybody who worked on this plan, that 450 million dollars is not sufficient to meet the total essential requirements of the Italian economy, and we have therefore tried in these various meetings to arrive at suggested figures in each category which we feel represent the essential requirements. Those "essential" requirements are to be distinguished from the third category, which is the medium possibility of production in the country, and it is that third level of supply - the capacity production type of thinking - which is represented by the actual "piano di massima" on the industrial side and the Italian Government importation plan for the other commodities. Minister Gracchi raised the point of who had prepared the various plans; said they had not been consulted and that there were certain political implications, etc.

Mr. CLEVELAND:

This should be one of the points in the subsequent discussion this afternoon. What we have done in effect has been to take this total plan, which is a capacity plan and screen it (I am not sure that there is a word in Italian for "screen") and screen that program in terms of what we think from our view of the Italian economy is a very essential requirement for which some means of financing must surely be found.

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MR. CLEVELAND:

This should be one of the points in the subsequent discussion this afternoon. What we have done in effect has been to take this total plan, which is a capacity plan and screen it (I am not sure that there is a word in Italian for "screen") and screen that program in terms of what we think from our view of the Italian economy is a very essential requirement for which some means of financing must surely be found during 1946. So that we have now three sets of figures. We have the total plan; we have a screening of that plan, primarily by the Allied Commission, but in detailed consultation with a considerable number of the groups who have been involved in the preparation of the original plan; and we have a draft of how you would spend 450 million dollars. That finishes my understanding of where we are at the moment.

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(4)

I would now like to make a suggestion as to where we go from here. The suggestion would be that we take the next two weeks and devote them to a detailed review of these sets of figures and particularly of the UNRRA set of figures for which the money is, shall we say, more probable than any other visible source of funds. I don't think that we need necessarily feel that the total figures as set out by the Italian Government in these two excellent publications here and the figures that we have arrived at as the total essential requirements need agree. These may never be brought together because there are always certain difficulties in the criteria, naturally, between our Governments and the Italian Government, which may limit the possibility of agreement on those two. It seems to me, however, that the important set of figures on which we should agree is the UNRRA set of figures, which is urgent and on which we should need to have a definite firm plan to put up to the Washington UNRRA authorities within the next couple of three weeks.

Before we discuss the suggested procedure as to where we go from here, I would like to ask if my understanding of our present status that there are, in fact, these three sets of figures and their relationship to one another is clearly and accurately understood by the representatives of the Italian Government. It may be that Minister Granchi or others would like to speak on that.

MINISTER GRANCHI :

Minister Granchi is of the opinion that these three phases should not be so distinct because if he knows that he will receive no further credits beyond the UNRRA appropriation, naturally the formulation of the UNRRA plan will be very different to what it would be if he knows there will be credits beyond that.

AVVOCATO ROSSI :

Mr. Rossi wishes to state that he cannot understand the distinction into three different levels because UNRRA is a financial level whereas the other two are an economic level, which are not based on any financial basis.

LT. COL. TOBY :

There is a certain amount of discussion going on which might be avoided among our Italian friends if you were to quote to them the total of the present revised plan. I think they have no idea at the moment as to whereabouts between their own figure and 450 million dollars this corrected figure comes. I think it might be useful to give it to them.

MINISTER GRANCHI :

Minister Granchi was stating that the Italian plan contains the requirements of total imports, including what is necessary to promote exports. Therefore, he considers that if the over-all plan requires an importation for the value of 1 billion 200 million dollars, out

and possibility of agreement on those two. It seems to me, however, that the important set of figures on which we should agree is the UNRRA set of figures, which is urgent and on which we should need to have a definite firm plan to put up to the Washington UNRRA authorities within the next couple or three weeks.

Before we discuss the suggested procedure as to where we go from here, I would like to ask if my understanding of our present status that there are, in fact, these three sets of figures and their relationship to one another is clearly and accurately understood by the representatives of the Italian Government. It may be that Minister Granchi or others would like to speak on that.

MINISTER GRANCHI :

Minister Granchi is of the opinion that these three phases should not be so distinct because if he knows that he will receive no further credits beyond the UNRRA appropriation, naturally the formulation of the UNRRA plan will be very different to what it would be if he knows there will be credits beyond that.

ADVOCATE ROSSI :

Mr. Rossi wishes to state that he cannot understand the distinction into three different levels because UNRRA is a financial level whereas the other two are an economic level, which are not based on any financial basis.

LT. COL. POORE :

There is a certain amount of discussion going on which might be avoided among our Italian friends if you were to quote to them the total of the present revised plan. I think they have no idea at the moment as to whereabouts between their own figure and 450 million dollars this ²⁷⁵ corrected figure comes. I think it might be useful to give it to them.

MINISTER GRANCHI :

Minister Granchi was stating that the Italian plan contains the requirements of total imports, including what is necessary to promote exports. Therefore, he considers that if the over-all plan requires an importation for the value of 1 billion 200 million dollars, out of this 275 million dollars would be re-exported in manufactured goods. Therefore, the remaining 475 million will remain open for credit, which credit has to be found. This will bring the reactivation of Italian economy up to about 75% of its pre-war status.

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(5)

LT. COL. NOCHY :

Do they agree that it will bring up their production to a maximum of their 1946 capacity, even if it is only 75% of pre-war production?

(General agreement)

MINISTER GRONCHI :

The limiting factor is transport. The reactivation is 75%. The possibilities are more than 75% but they cannot reactivate more than that owing to the limiting factors, principally transport.

MR. CLEVELAND :

What is their reaction to the suggestion that we concentrate during the next two weeks on getting an agreed column of UNRRA figures that adds up to 450 million dollars?

MINISTER GRONCHI :

Yes. Are they to consider that the other credits are not available?

MR. CLEVELAND :

No, but they are to consider that they don't know about the other credits yet, and it is important to use the money as soon as it becomes available on the UNRRA basis; important to have a plan that is in the hands of the procurement authorities at an early date.

MINISTER GRONCHI :

They would therefore prefer that this UNRRA program should be drafted in sections. For example, the first two months of '46 because perhaps by the end of the first two months of '46 they will know if other credits are available, in what measure, under what conditions, and eventually if other countries beyond the United States are disposed to make credits to the Italian Government or not.

AVV. MONTINI :

Avv. Montini, of the UNRRA delegation, would like to state that the UNRRA money is a credit, but it is conditioned to the UNRRA policy, which is a welfare basis.

MR. CLEVELAND :

Is that how he said that, "welfare basis?"

MR. CARACCIOLO :

Yes, welfare program.

MR. CLEVELAND :

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MR. CLEVELAND :

Is that how he said that, "welfare basis?"

MR. CARACCIOLO :

Yes, welfare program.

MR. CLEVELAND :

Then we ought to get clear what UNRRA means. UNRRA at present is operating a welfare program, the program for feeding children and mothers, for certain limited forms of medical assistance, and for the assistance to displaced persons.

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AVV. MONTINI :

He wishes to state that also the 450 million will be a condition to their policy; it will not just be a credit put at their disposal, such as the Export Import Bank could do.

MR. CLEVELAND :

That is true, but I think that the UNRRA program during 1946 should be looked at in a sense as a continuation of the FEA-100-million-dollar-program - that type of supplies rather than an enlargement of their present welfare program. One other thing about Avvocato Montini's statement, I think it represents a misunderstanding if there is the thought that credits available through, for example, Export Import Bank would simply be spent by the Italian Government in any way that the Italian Government wishes. There are strings attached to such credits also, though different types of strings from UNRRA.

MINISTER GRONCHI :

He takes notice of what you said regarding eventual conditions and strings attached to credits through the Export Import Bank that are of a very great political importance to the Government because they would limit its freedom of choice. However, without wishing to go into that matter, he states that at the present moment the problem for the Italian Government remains that of deciding as far as it can, owing to eventual limitations that UNRRA would put to the importation plan, the types and quantities of items to be supplied then for a second period, in consideration of what the UNRRA plan will be, then prepare another program to supplement it, which will depend on what is provided through UNRRA.

UNDERSECRETARY STORONI :

Undersecretary Storoni, of Foreign Trade, wishes to state that on the basis of the importation program as made by the Italian Government, and by the importation program as compiled by FEA, of which he had no knowledge up to now, he considers the Italian Government cannot take the responsibility of requesting that anything else should be imported on the UNRRA program except first necessity products - food, fuel and coal.

MR. CLEVELAND :

I think that's what we ought to devote the next week or two to doing; reviewing the draft UNRRA program in detail commodity by commodity and then the program as a whole (this UNRRA portion of the plan), and trying to secure a general agreement as to what goods should most logically be sent on an UNRRA basis. Two other things I'd like to mention on that. One is that I'm sorry that Avvocato Storoni didn't know about the plan. It was submitted to the Italian Government, the first revision, about three weeks ago. As far as the UNRRA plan is concerned, I think it

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the condition of the Italian economy is, what supplies are available in the world, and what credits the Italian Government might be able to secure to finance certain types of additional supplies over and above the UNRRA program.

MINISTER GRONCHI :

Minister Gronchi said that what Mr. Cleveland said was exactly why he was proposing to have the UNRRA plan divided up into lots of two month or three-month periods.

MR. LUZZATTO :

Mr. Luzzatto stated that the UNRRA program was naturally to be condensed in the first months and to serve as impetus to Italian recovery. Therefore, when the UNRRA program would end at the end of 1946, Italian economy would perhaps have sufficiently recovered to find other means of credits so that it would not be necessary for the UNRRA program to go on into 1947.

MR. CLEVELAND :

With that general understanding, then, I should think it would be possible to work during the next couple of weeks in going over the individual figures. In this connection I would like to ask through what channels or what mechanism of the Italian Government the representatives of the Italian Government would like to focus on this plan and we can adopt our work with them to whatever mechanism of study and coordination they themselves wish to set up for this particular purpose.

MINISTER GRONCHI :

They consider it necessary to coordinate within the Italian Government the work of the Italian Government and once it is coordinated to bring it over to the Allied Commission. Therefore, the individual Ministers would set up figures and two officials of the Interministerial Committee and one representative of the technical Secretariat of the Ministry of Industry and Commerce would coordinate requests and once done, bring them over to the Allied Commission.

MR. CLEVELAND :

Are they suggesting that they start from scratch or from figures already drafted?

MINISTER GRONCHI :

He would like to begin by studying the UNRRA program for the three months.

MR. CLEVELAND :

MR. LUZZATTO :

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MINISTER CRONCHI :

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MR. CLEVELAND :

Are they suggesting that they start from scratch or from figures already drafted?

MINISTER CRONCHI :

He would like to begin by studying the UNRRA program for the three months.

MR. CLEVELAND :

I think in the first place there has been sufficient work gone into this, work which representatives of the Italian Government and CIAI group in the North have done, so that we should take this draft as a basis for the next two months or so.

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MINISTER GRONCHI :

On the basis of the total Italian Government Plan, they have prepared the program for the first three months and that is the basis of what they would like to use for the UNRRA program.

MR. GENERAL DE MARZIO (FOOD) :

Mr. De Marzio, of the Ministry of Food, wishes to state that although he understands the benefits that might be had from sub-dividing the UNRRA program into periods of two or three months, he wishes to state that as a representative of the Ministry of Food he considers it necessary that food should be settled once and forever for the year, not only for three months. It would create too much suspense in the Ministry not knowing what would happen after that. If interests and he wishes to point out that practically the whole Government, activities should stop, but it is practically impossible that the food supply should stop. They can't afford that. Therefore he would like to have the plan for food laid down once and for all for the whole of 1946. He was stating that he refers to the procedure by which this program would be made and wishes to point out though that as regards Food, there are so many technical data and it requires so much expert knowledge that he would like that competent members of the Ministry of Food should be consulted before arriving at a determination.

UNDERSECRETARY STORNI :

Mr. Storni wishes to state that the importation program or draft, as made by the Italian Government, did not take into any consideration the priorities which the various items required. The first revision of the importation program also did not take into consideration the necessity of establishing priorities. He is not familiar with the second revision as compiled by Mr. Lucento in Milan and doesn't know if it contains a system of priority, but wishes to make the point that that at present the problem is to establish priority, considering that they have a partial certainty of a credit of 450 million dollars and a rather vague certainty as to additional credits.

MR. CLEVELAND :

I would agree absolutely with that line of approach and I would suggest that what has been done in drafting the present UNRRA program, the present figures that add up to 450 million dollars, was to try to arrive at a judgment regarding priorities and the program as a whole, and put to goods and materials of highest priority, leaving in mind the resolutions and limitations of the UNRRA Council, to put those figures into the 450 million dollars and leave to other means of financing the materials of slightly lower priority.

MINISTER GRONCHI :

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MR. CLEVELAND :

I would agree absolutely with that line of approach and I would suggest that what has been done in drafting the present UNRRA program, the present figures that add up to 450 million dollars, was to try to arrive at a judgment regarding priorities and the program as a whole, and put to goods and materials of highest priority, bearing in mind the resolutions and limitations of the UNRRA Council, to put those figures into the 450 million dollars and leave to other means of financing the materials of slightly lower priority.

MINISTER GRONCHI :

Minister Gronchi stated that if the UNRRA program was to be made for a period of three months, then the basis from which it would be extracted would be the first three months of the general importation program and the more fact that it is already sub-divided into periods of three months means that there is already a certain priority. For the first three months the priority is already established for the importation of goods.

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MR. CLEVELAND :

I would like to make one thing clear; that we have to come out of this discussion about the UNRRA program with a twelve-month program, even though the first three months of that may be firmer or more definite than the other nine months, because the people that we'll be sending this to, which is UNRRA Headquarters in Washington and also to London, need to know -- we'll put it this way. Within the UNRRA machinery Italy will be competing with other UNRRA countries for the total availability of funds made available to UNRRA by the various contributing countries -- America, Canada, the United Kingdom, etc., etc. In order to compete in that championship race, we have to put the whole 1946 story about Italy on the table at one time, even though procurement and shipping action will be started soon only with respect to the first two or three months.

MR. CLEVELAND DE MARZIO :

Mr. De Marzio wishes to state that he also agrees very much to your idea that the program should be on a yearly basis for its presentation to Washington and in particular because the Ministry of Food will request a certain amount of wheat, not only up to the first two quarters of 1946, but he needs it for the whole of 1946, because if by any chance he receives wheat during the first two quarters and then in the month of June, 1946, it will not be sufficient, he will need further credits for importation of wheat for the second half and if the credits have already been used up on commodities during the first half year, we would probably remain without credit and without wheat.

MR. CLEVELAND :

It is just that type of problem, I think, that needs to be discussed in detail, commodity by commodity, group by group, with the appropriate representatives of the Italian Government.

MINISTER GRONCHI :

Minister Gronchi stated that as the basis of the UNRRA program will be the 1946 importation program, they will establish certain priorities and these priorities he will take into consideration and then the requirement of 20 many million dollars which can be used for requirements at the last moment.

MR. CLEVELAND :

I want to assure Minister Gronchi that the basis for all these revisions in Washington, later in Rome, and finally in Milan, was the Italian Government's own plan.

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It is just that type of problem, I think, that needs to be discussed in detail, commodity by commodity, group by group, with the appropriate representatives of the Italian Government.

MINISTER GRONCHI :

Minister Gronchi stated that as the basis of the UNRRA program will be the 1946 importation program, they will establish certain priorities and these priorities he will take into consideration and then they remain a balance of so many million dollars which can be used for requirements at the last moment.

MR. LEVATTO :

I want to assure Minister Gronchi that the basis for all these reviews in Washington, later in Rome, and finally in Milan, was the Italian Government's own plan.

MINISTER GRONCHI :

Minister Gronchi stated that the three-month program would have been more desirable. However, as it is a necessity, owing to the conditions in the organization, that the program should be made on a yearly basis, it is then not a question of considering whether it is the best system or not. They will just have to follow it.

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MR. CLEVELAND :

Now I would like to get the answer to two questions. One is who do we give these figures to, which will represent the basis of the work for the next week or two; and secondly, what deadline can we set for a final, not a final presentation from the Italian Government to this group, but for a final agreement between the Economic Section and UNRRA, operating together, and the Italian Government. In other words, I wouldn't want it to work out so that we formally hand each other papers with long periods intervening in between. It should I think be a joint work which comes out in a maximum of two weeks where we have a draft of a plan for the 1946 UNRRA program which we can then send to London and Washington officially.

MINISTER GRONCHI :

There will be three people responsible on the Italian Government, two of the Inter-Ministerial Committee and one of the Technical Under-Secretariat of the Ministry of Industry. Mr. Bozzi, the Secretary of the Inter-Ministerial Committee, General Saraceno of the Ministry of Reconstruction, and Professor Saraceno, of the Technical Secretariat of the Ministry of Industry.

MR. CLEVELAND :

Can we consider that by next Thursday at the latest the various Government administrations in the Italian Government would have had an opportunity to review these figures in detail and that we could then start a series of meetings on particular commodities or particular industrial groupings which would bring us to a finish of the whole work, typed and ready to be sent to Washington, by December 15?

(AGREE)

MR. CLEVELAND :

Over-all figures will be given to the designated people in the Italian Government sometime during December. There are also a number of rather detailed statements which have been gotten up, mostly statements which have been drafted by representatives of the allied Commission during the last two or three weeks in Milan and these will also be available for these little meetings in particular in detail or other categories, because we will need justifications of each of the figures. Can we agree right here that these justifications will be limited to the UNRRA figures, UNRRA column, and that the question of bringing together the total Italian figures and total of figures will be left to a later date so that doesn't get into our way in getting out this problem?

(AGREE)

INTERSECRETARY ROSSI :

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MINISTER GRONCHI :

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MR. CLEVELAND :

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(AGREE)

MR. CLEVELAND :

Over-all figures will be given to the designated people in the Italian Government sometime during tomorrow. There are also a number of rather detailed statements which have been put up, mostly statements which have been drafted by representatives of the Allied Commission during the last two or three weeks in Milan and these will also be available for these little groups on particular industrial or other categories, because we will need justifications of each of the figures. Can we agree right here that discussions will be limited to the U.S. figures, UNRRA claims, and that the question of bringing together the total Italian figures and total U.S. figures will be left to a later date so that doesn't get into our way in setting out this problem?

(AGREE)

UNDERSECRETARY ROSSI :

Will the program include January loanings?

MR. CLEVELAND :

The thing that has already been sent to Washington, DOC 383, is the first month's program of the total UNRRA program. Therefore, the total UNRRA program is, let us say, 450 million dollars, including the cost of

supplying and shipping the January requirements which have been already transmitted to Washington.

MR. GENERAL DE MORGIO :

He would suggest that in the second period, when meetings will go on between coordinating group and the Allied Commission, when the subject of food is being discussed, that there should be a representative present from the Ministry of Food.

MR. CLEVELAND :

I would hope the food figures would represent the considered figures of the Ministry of Food and of the Food and Agriculture Sub-Commission of the Allied Commission, before anything else. If there is some question of cutting down, representatives of both our Sub-Commission and the relevant Ministry would be there. Are there any other questions or comments? If not, we can adjourn.

Meeting adjourned at 4:45.

DISTRIBUTION :

all present
Chief Commissioner
Executive Commissioner ✓
Supply Group
Program Coordination Branch
Requisition Branch
Surplus & Special Materials Branch
Captured Enemy Materials Branch
Food & Agriculture S/C
Industry & Utilities S/C
Transportation & Shipping S/C
Finance S/C
Commerce (Foreign Trade) S/C
Labor S/C

UNRECD : Mr. Sam Keeny

Mr. Paolo Contini

American Embassy, Rome

British Embassy, Rome

P. E. TOFFY

Lt. Colonel, R.A.C.

Program Coordination Branch

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AFHQ FOR SACRED FROM HQ ALCON SIGNED STONE

9059

6 Dec. 1945

PRIORITY

DEC 6 1945

SECRET PD

Confidential

IT IS RECOMMENDED THAT THE FOLLOWING CABLE BE SENT TO THE COMBINED

CHIEFS OF STAFF FOR URGENT CONSIDERATION COLON

PAREN TO AFHQ FOR SACRED FROM HQ ALCON SIGNED STONE PAREN

QUOTE PARA ONE PD ON THREE ONE DECEMBER ONE NINE FOUR FIVE THE FLOW OF ALL BASIC SUPPLIES TO ITALY WILL CRASH CMA UNLESS URGENT ACTION IS TAKEN BY THE ALLIED GOVERNMENTS TO KEEP IT OPEN TO THE SUPPLY LINE ESTABLISHED BY THE COMBINED LIBERATED AREAS COMMITTEE AFTER MILITARY RESPONSIBILITY FOR CIVILIAN SUPPLIES TO ITALY ASSUMED ON FIRST SEPTEMBER ONE NINE FOUR FIVE HAS SUCCESSFULLY CONTINUED AND INCREASED THE FLOW OF SUCH BASIC ITEMS AS WHEAT CMA COAL CMA PETROLEUM PRODUCTS AND COTTON PD THIS CHARLIE LOVE ABLE CHARLIE PROGRAM PROVIDES FOR NO LOADINGS OF SUPPLIES AFTER THE END OF THIS MONTH PD

NAN

PARA TWO PD ASSUMPTION HAD BEEN THAT UNCLE/ROGER ROGER ABLE WOULD ASSUME RESPONSIBILITY FOR THIS SUPPLY LINE BEGINNING ONE JANUARY ONE NINE FOUR SIX CMA BUT SLOW PROGRESS ON PENDING UNCLE NAN ROGER ROGER ABLE 2265 AND AUTHORIZATION BILLS IN CONGRESS NOW MAKES IT A REAL AND A DANGEROUS POSSIBILITY THAT THERE WILL BE A GAP/OR TERMINATION OF THE BASIC

ECONOMIC SECTION

(Cont'd)

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ELIERY W. STONE,
Rear Admiral, USNR

G. J. LEONE
CWO, USA
Assistant Adjutant

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TO AFHQ FOR SACRED FROM HQ ALCOM SIGNED STONE

9059

6 Dec. 1945

PRIORITY

- 2 -

Confidential

SUPPLY LINE TO ITALY PD IT LEAVES THE ALLIED AND ITALIAN AUTHORITIES AND THE ITALIAN PRESS IN A POSITION WHERE THEY DO NOT KNOW FOR SURE WHETHER ANY SUPPLIES WILL BE LOADED FOR ITALY AFTER THE END OF THIS MONTH PD

PARA THREE PD THE MILITARY AND POLITICAL IMPORTANCE OF PREVENTING A BREAK IN THESE SUPPLIES IN THE MIDDLE OF WINTER CANNOT BE OVEREMPHASIZED PD IT IS POINTED OUT THAT HALF THE POPULATION OF ITALY IS STILL UNDER ALLIED MILITARY GOVERNMENT CMA SINCE I HAVE NOT YET BEEN INSTRUCTED TO TURN BACK TO ITALIAN GOVERNMENT ADMINISTRATION THE NORTHERN PROVINCES REMAINING UNDER ABLK MIKE GEORGE PD

PARA FOUR PD SINCE AVAILABILITY OF UNCLE NAN ROGER ROGER ABLE FUNDS FOR THIS PURPOSE IS NOT CERTAIN CMA I RECOMMEND URGENTLY THAT THE ALLIED GOVERNMENTS ARRANGE FOR A CONTINUATION OF THE PRESENT CHARLIE LOVE ABLE CHARLIE SUPPLY LINE CMA AT LEAST FOR JANUARY AND FEBRUARY LOADINGS PD THE TIME IS SO SHORT THAT WE CANNOT NOW CONTINUE TO GAMBLE ON THE UNCLE NAN ROGER ROGER ABLE LEGISLATION BEING APPROVED IN TIME CMA AND OUR TWO GOVERNMENTS HAVE A STRONG POLITICAL AND MILITARY INTEREST IN MAINTAINING THE ITALIAN SUPPLY LINE CMA REGARDLESS OF THE MECHANISM WHICH IS USED TO PROCURE AND SHIP THE SUPPLIES PD UNQUOTE

THIS PROBLEM WAS DISCUSSED WITH THE CHIEF ADMINISTRATIVE OFFICER AND ASSISTANT CHIEF OF STAFF GEORGE DASH FIVE AT THE MEETING IN ROME THIS MORNING

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6 December 1945

DEC 6 1945

My dear Mr. Ambassador:

I thank you for your letter of 3 December enclosing copy of Note Verbale No. 325 sent by the Embassy to the Italian Ministry for Foreign Affairs.

Sincerely yours,

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

The Hon. Alexander Kirk
American Embassy
Via Vittorio Veneto 119
Rome

cc Efer Com.

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C O P Y

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

AMERICAN EMBASSY
Rome, Italy
December 3, 1945

My dear Admiral:

With reference to my letter of October 19, 1945, with which I transmitted a copy of the Embassy's Note Verbale No. 269, dated October 18, to the Ministry of Foreign Affairs, I am pleased to transmit for your further information a copy of the Embassy's Note Verbale No. 325 dated December 1, 1945, also with regard to the steps which the United States Government plans to take toward the resumption of private trading with Italy.

Sincerely yours,

/s/ A. Kirk

Rear Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome

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Enclosure:

Copy of Note Verbale No. 325, dated December 1, 1945

785017

C O P Y

No. 325

N O T E V E R B A L E

The Embassy of the United States of America presents its compliments to the Royal Ministry of Foreign Affairs and, with reference to its Note Verbale No. 269 of October 18, 1945, concerning certain steps which the United States Government proposes to take toward the resumption of private trading with Italy, has the honor to inform the Italian Government of the following change in the plans which the United States Government has made.

In the Note of October 18 it was stated that the United States Government proposes, effective December 1, 1945, to cease its participation in the procurement of Category "B" items in the United States under the Italian Program of Essential Imports. It is now learned from the Department of State that, because of unforeseen complications, the proposed change-over in the procedure for procuring items under the above-mentioned import program must be temporarily postponed. It is expected, however, that present difficulties will probably be overcome by the end of the present month. The Embassy will be pleased to inform the Royal Ministry promptly as soon as further information concerning this matter may be received.

Rome, December 1, 1945

To the
Royal Ministry of Foreign Affairs
R O M E

2263

HGA/eh

785017

HEADQUARTERS ALLIED COMMISSION
Economic Section
APO 304

ext. 660

RECEIVED

Ref: 88/2002

30 November 1945

NOV 30 1945

The Minister of Industry and Commerce
Rome

My dear Minister:

The Chief Commissioner has asked me to acknowledge your letter of 21 November 1945 (reference 88/8.7.7.7/17) with which you forwarded copies of the "Piano di Massime per le Importazioni Industriali dell'Anno 1946".

Since members of my staff have closely followed the drafting and publication of this work from its inception in May of this year I am, of course, aware of the intensive study which formed the basis of this important document. Your Ministry is to be congratulated on this excellent survey of the country's industrial position.

You are already aware, I am sure, that my staff has completed the translation of the Plan of which copies have already been sent to Washington and London, to the American and British Embassies, to other interested allied authorities and to CEPA.

The Plan is now being studied by the technical staff of the Economic Section.

Yours very truly,

Harlan Cleveland

HARLAN CLEVELAND
Acting Vice President
Economic Section

Copies to:
Chief Commissioner
Executive Commissioner

2262

NOV 30 1945

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

The Minister of Industry and Commerce
Rome

My dear Minister:

182.
The Chief Commissioner has asked me to acknowledge your letter of 21 November 1945 (reference 233/7.3/17) with which you forwarded copies of the "Piano di Massima per le importazioni industriali dell'Anno 1946".

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The Plan is now being studied by the technical staff of the Economic Section.

Yours very truly,
Harlan Cleveland

HARLAN CLEVELAND
Acting Vice President
Economic Section

Copies to:
Chief Commissioner
Executive Commissioner
Supply Group

2262

1/1/46

(194)

785017

Translation

The Minister of Industry and Commerce

388/ S.T./D/17

Rome, 21 November 1945

NOV 24 1945

My dear Admiral,

I have the pleasure of forwarding to you a copy of the final edition of the 'Plan for Industrial Imports for 1946' drafted by my Ministry with the collaboration of the Allied Commission, to which a draft was sent on September 21st.

Considering the importance of such a publication, it was decided to publish it in such a way as to bring about the greatest possible number of observations and proposals from all the Administrations and persons who are concerned with the rehabilitation of Italian industry.

Any suggestion that may be made by the Allied Commission will be particularly appreciated; and to make it possible for your technicians again to examine the '1946 Plan' for its necessary improvement, I send you 10 copies of the booklet which you may distribute in your offices.

I shall greatly appreciate whatever collaboration the Allied Commission may give to the Offices of my Ministry. Thanking you in advance, I remain,

Sincerely yours,

S. Gronchi

Admiral Kilery Stone
Chief Commissioner
Allied Commission

Rome

trans. o/c

EG. DIST - 24401
Action - Ec. 2262
Info - C.C.
EC

PA
26/11
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RESTRICTED

RESTRICTED

HEADQUARTERS ALLIED COMMISSION
Economic Section
APO 384

122

MDC AIRGRAM ~~21~~ 21 November 1945

FROM:

ALCOM CITE ACECO

TO :

CCAC FOR CLAC

SUBJECT:

Italy's Industrial Import Requirements for 1946.

NOV 23 1945

1. Transmitted herewith is a document entitled "Italy's Industrial Requirements for 1946".

2. This document is based on the following current publications by the Italian Government.

a. "Broad Plan for Industrial Imports 1946" published by the Ministry of Industry and Commerce. This publication surveys the need for imports in the several industries, and summarizes the needs in a "General List of Industrial Import Requirements for 1946".

b. "Plan of Importation for 1946" published by the Inter-Ministerial Committee for Reconstruction, which is divided in seven parts:

- (1) Foodstuffs
- (2) Agriculture
- (3) Transportation
- (4) Posts and Telecommunications
- (5) Public Works
- (6) Industry
- (7) A comprehensive list of the total import requirements for 1946.

3. Part Six ("Industry") of the Inter-Ministerial publication "Plan of Importation for 1946" is a summary statement of the contents of the "Broad Plan for Industrial Imports 1946" published by the Ministry of Industry and Commerce.

4. The transmitted document "Italy's Industrial Requirements for 1946" is comprised as follows:

- | | | |
|----------|---|--|
| Part I | } | 1. Translation of the whole text of the "Broad Plan for Industrial Imports 1946". (Part 2a. above) |
| Part II | } | |
| Part III | } | |
| Part IV | } | |

2263

181

2260

SUBJECT:

Italy's Industrial Import Requirements for 1946.

1. Transmitted herewith is a document entitled "Italy's Industrial Requirements for 1946".

2. This document is based on the following current publications by the Italian Government.

a. "Broad Plan for Industrial Imports 1946" published by the Ministry of Industry and Commerce. This publication surveys the need for imports in the several industries, and summarizes the needs in a "General List of Industrial Import Requirements for 1946".

b. "Plan of Importation for 1946" published by the Inter-Ministerial Committee for Reconstruction, which is divided in seven parts:

- (1) Foodstuffs
- (2) Agriculture
- (3) Transportation
- (4) Posts and Telecommunications
- (5) Public Works
- (6) Industry
- (7) A comprehensive list of the total import requirements for 1946.

3. Part Six ("Industry") of the Inter-Ministerial publication "Plan of Importation for 1946" is a summary statement of the contents of the "Broad Plan for Industrial Imports 1946" published by the Ministry of Industry and Commerce.

4. The transmitted document "Italy's Industrial Requirements for 1946" is comprised as follows:

- | | | |
|----------|---|---|
| Part I | } | A translation of the whole text of the "Broad Plan for Industrial Imports 1946". (Para 2c. above) |
| Part II | | |
| Part III | | |
| Part IV | } | A translation of the whole text of Part Six, "Industry", of the Inter-Ministerial "Plan of Importation for 1946". (Para 2b.(8) above) |
| Part V | | |
| Part V | } | A translation of the "General List of Total Import Requirements" from the "Plan of Importation for 1946". (Para 2b. (7) above) |
| | | |

Copy forwarded to Ex Comm for perusal

2260

2260

(Part 13)

RESTRICTED

122

MGC AIRGRAM ~~20~~: 21 November 1945, continued:

RESTRICTED

Part VI)

A translation of the "General
List of Industrial Import Re-
quirements" from the "Grand Plan
for Industrial Imports 1945".
(Para 2a. above)

5. It should be noted that, although the Allied Commission gave editorial assistance to the Italian governmental agencies con-
cerned in the preparation of the basic material, the documents as published
by the Italian Government have not yet been corrected by, and do not
reflect the judgment of, Allied Commission. Italy's Industrial Import
Requirements for 1945 is therefore to be read as no more than a state-
ment by the Italian Government of its aspirations in the industrial
field for the year 1945.

HARLAN CLEVELAND
Acting Vice-President
Economic Section

5-10-45

RESTRICTED

129
 MOC AIRGRAM 129: 21 November 1945, continued.

DISTRIBUTION:EnclosuresCopies

Combined Civil Affairs Committee (for Combined Liberated Areas Committee)	15	15
Cabinet Offices Secretariat, London	5	5
Allied Force Headquarters (for Assistant Chief of Staff, G-5) 5	5	5
Secretary, Interministerial Committee for Reconstruction.	10	10
USRA Mission (Italy)	10	10
American Embassy, Rome	5	5
British Embassy, Rome	5	5
Allied Commission:		
Chief Commissioner	1	1
Executive Commissioner	1	1
Office of the Russian Repre- sentative to IC	2	2
Office of the French Repre- sentative to IC	2	2
Economic Section:		
Chief Staff Officer	5	5
Supply Group	2	2
Requisition Branch	4	4
Surplus and Special Materials Branch.	2	2
Sub-Commissions:		
Food and Agriculture	3	3
Industry and Utilities	35	35
Transportation and Shipping.	5	5
Finance	2	2
Commerce (Foreign Trade)	2	2
Labor	2	2

2253

394 4412 43
HEADQUARTERS ALLIED COMMISSION

ATO 394

Office of the Executive Commissioner

Ref. : 13168/v

8 November 1945

NOV 9 1945

EXECUTIVE MEMORANDUM

NUMBER

6

HANDLING OF CIVILIAN SUPPLIES DRAWN FROM DEPOTS OF U.S. ARMY AND BRITISH ARMY

1. By directive of Allied Forces Headquarters dated 9 September 1945 (file reference AG 400.32/021, GSC-O) theatre stocks will be used to the maximum extent possible in filling requirements of the Allied Commission for civilian supplies to be distributed in Italy. Theatre stocks of civilian supplies within the purview of this memorandum include foodstuffs, equipment, raw materials, salvage, scrap, and miscellaneous supplies.
2. All Sub-Commissions and their Officers or representatives in field offices arranging for release of surplus theatre stocks from depots of the U.S. Army or the British Army for AC account are responsible for obtaining signed receiving reports and for transmitting the same to the Chief Accountant. Copies of requisitions, telegrams, letters or informal memoranda authorizing deliveries of supplies or army depots for AC account routed to the Chief Accountant will not relieve the Sub-Commission arranging for transfer of the supplies, of the primary responsibility of obtaining signed receiving reports. Civilian supplies drawn from theatre stocks may be issued for: (a) Italian Government use (e.g. Ministry of War, Ministry of Post and Telecommunications, etc.); or for (b) Italian civilian use or consumption. Both types of issues nevertheless are chargeable to the Italian Government, so that formal receiving reports must be obtained in the manner hereinafter outlined, to support the charge.
3. In the case of supplies drawn for use of Italian Governmental organizations, the Sub-Commission ordering delivery of the items or army depots will obtain from the head of the recipient Ministry (or his designee) a receiving report acknowledging receipt of the goods, and transmit the same to the Chief Accountant.
4. In the case of supplies drawn for Italian civilian use or consumption, Istituto Nazionale per il Commercio Estero (ICE) has been designated receiving agent by the Italian Government. Arrangements will be made by the Sub-Commission ordering the delivery of items or army depots to insure that ICE is notified in advance of the delivery, which may be made either to itself or to a consignee named by it. The practice of Sub-Commissions ordering delivery of goods to civilian consignees without advance notice to ICE, and without obtaining their concurrence as to the consignee will immediately be discontinued. Sub-Commissions handling the transfer of supplies or army depots to ICE (or its designated consignee) will obtain a receiving report from ICE and forward the same to the Chief Accountant.
5. Receiving reports are required to be prepared on standard form 100-100.

1. By directive of Allied Force Headquarters dated 9 September 1945 (file reference AG 400.38/021, 637-0) theatre stocks will be used to the maximum extent possible in filling requirements of the Allied Commission for civilian supplies to be distributed in Italy. Theatre stocks of civilian supplies within the purview of this memorandum include foodstuffs, equipment, raw materials, salvage, scrap, and miscellaneous supplies.
2. All Sub-Commissions and their Officers or representatives in field offices arranging for release of surplus theatre stocks from depots of the U.S. Army or the British Army for AC account are responsible for obtaining signed receiving reports and for transmitting the same to the Chief Accountant. Copies of requisitions, telegrams, letters or informal memoranda authorizing deliveries of supplies ex army depots for AC account routed to the Chief Accountant will not relieve the Sub-Commission arranging for transfer of the supplies, of the primary responsibility of obtaining signed receiving reports. Civilian supplies drawn from theatre stocks may be issued for: (a) Italian Government use (e.g. Ministry of War, Ministry of Post and Telecommunications, etc.); or for (b) Italian civilian use or consumption. Both types of issues nevertheless are chargeable to the Italian Government, so that formal receiving reports must be obtained in the manner hereinafter outlined, to support the charge.
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5. Receiving reports are required to be prepared on standard Form F/552, which may be procured from ICE or the Chief Accountant. When obtaining signed receiving reports on issues of army supplies representatives of the Sub-Commissions should insure that the descriptions of commodities fully identify the items; that the quantities are shown in the ordinary commercial trade units of the particular commodity (weight, pair, feet, each, etc.); and that the form is signed by the recipient. Any U.S. shipping tickets or British issue vouchers that may be received by a Sub-Commission should be forwarded to the Chief Accountant together with the related receiving report rendered by ICE.

Miss Sampson

785017

6. It is important that the requirements of this memorandum be brought to the attention of all officers or other personnel of Sub-Commissions arranging for the distribution of such supplies in Italy. Heads of Sub-Commissions will see that the foregoing requirements are notified to all officers and other personnel under their jurisdiction, and that appropriate arrangements are made for carrying out the prescribed procedure.

7. This memorandum has no relation to surplus stocks of the U.S. Army to be disposed of direct by the Office of the Army and Navy Liquidation Commission for which separate accounting is rendered by that organization outside of the accounts of the Allied Commission.

For the Chief Commissioner

DISTRIBUTION

List "A" Groups 1 and 2
AFHQ C-5 Section (30 copies)
Chief Accountant (30 copies)

Copy to file 33/EC to Memo

1/ Executive Commissioner.

785017

4412

Ex. Comm.

10
176

ROM. NR 7

SEP 2910476

F/9461

SEP 291620A

PRIORITY

OCT - 1 1945

From: WAR
To: ALCON

INFO

UNCLASSIFIED.

Page 4 Line "will still be financed initially by UNITED KINGDOM. LONDON is being requested to inform you of UNITED KINGDOM accounting procedure para 5. Shipping" page 5 line 7 "transfer of property to UNITED STATES Army will take place at end of ships tacked at destination."

C*

LIST

ACTION: Reg Div 4
INFO: Chief Commissioner
In Commissioner 2
Econ Sec 2
CC Br Embassy
CA US Embassy
Finance SO
File 2
Fleet

175

(W/C Note: Above refers to our F/9412, COM 226)

See Ann 177

2257
SEP 1945

PA
10

C.

(CAP. WHITE)

Emul

785017

5758

REF 281703

F/9.12

REF 290915A

PRIORITY

Confidential

OOS CITE OACG FOR OIAC

ALLIED COMMISSION FOR ACTION RPT INFO APPEL FOR FILING AND UK BASE SECTION FOR
 CABINET SECRETARIAT.

Unclassified

THIS IS C.O.M. 226. Provision of essential supplies to ITALY.

1. Reference following messages: MOC 226, MOC 281, MOC 292, MOC 289, MOC 295, LAC 1275, LAC 1300, LAC 1302.
2. Will send shortly by COM airmail third revision of program of basic supplies, ~~submitted for shipment in Italy~~ which can be regarded as latest adjusted program of supplies scheduled for shipment to ITALY from UNITED STATES and UNITED KINGDOM during remaining months of 1945. There are not repeat not any changes in quantities from revision roman numeral two, which was sent to ALCOM through PMA channels. Please study carefully the notes to each table in revision roman numeral three when it reaches you, as these notes indicate clearly action taken on each item.
3. Supplies which UNITED KINGDOM has agreed to supply are limited to 570 tons of raw rubber and 5,000 tons of wool. It is understood that the U.K. are prepared to ship these items. CANADA is not repeat not at present committed to supplying anything against present program.
4. Accounting. In reply to LAC 1275 and LAC 1300, for U.S. shipments procedure outlined in para 2 of LAC 1275 as modified by para 3 of same message is satisfactory, with the understanding that reference in para 3 of LAC 1275 is to civilian agencies having supply responsibility, and that appropriate United States civilian agencies will cost quantitative records and bill recipient government unilaterally. The accounts for supplies from United States under this interim program will be kept on a United States, not repeat not a combined, basis. The United Kingdom

(CAPT WHITE)

SEP 19/45 (sm)

(ADVANCE COPY SENT BY G-2)

785017

S
174

SECRET TWO

Confidential

HEADQUARTERS
22 SEP 1945

have proposed that goods ex United Kingdom be delivered to Italian Government FOB British port (see EAF 160) under this arrangement cost of shipment to ITALY will still be financed initially by *UK. London is being requested to inform you of UK accounting procedure.*

5. Shipping procedure for basic program. For shipments from United States sources under basic program procedure is as follows:

- (A) Ocean bills of lading will show " War Shipping Administrator as principal for account of FEA," as consignor, and " WSA as agent for United States Army" as consignee.
- (B) Bills of lading will bear following clause: " transfer of property to United States Army will take place at end of ships destination."
- (C) One of the original bills of lading will be signed at destination (Italian port) by WSA as agent for United States Army as receipt for transfer of property from FEA to United States Army. This transfer must take place in order to legalize use of FEA funds for this purpose. Receipt is returned to FEA for record. *Transfer of property to U.S. Army will take place at end of ships travel at destination.*
- (D) War Department instructing MTOUSA to work out with WSA and ALOCM in field the procedures for turning supplies over to Italian Government. This procedure should include transmittal of Italian Government receipt to ALOCM.
- (E) Consignments under Y B program are being marked " ITALY " with no port indication, on assumption that they can be routed from GIBRALTAR under existing theater procedures.
- (F) Schedules of loadings each month will be sent to AG in a form similar

2255

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(73)

SHEET THREE.

Confidential

to OOM airmen 52, which is shipping program for September loading; beginning October loadings these schedules will include information as to specific cargo on each ship to extent possible.

6. Shipping allocations from United States cover not repeat not only basic program but also include space for shipment of miscellaneous items being sent to ITALY under other programs - that is, category B program (troop pay account - YF requisitions) USERRA program, VATICAN and other relief shipments. In future they will also include any Italian Government purchases through commercial channels.

7. For shipments from United States, administrative procedure does not repeat not require any calling forward by AO. Once a requirement is accepted all details of allocation, procurement and shipment are managed in WASHINGTON by FEA. Requisition is made up in FEA and bears symbol Y B. Under present arrangements ~~the~~ the one hundred million dollar FEA appropriation is to used only for purchase of supplies and it is expected that shipping costs will come out of other appropriated funds.

8. Coal. (reference MOC 292 para 3) Source of supply for all civilian coal for ITALY is United States for October and November loadings, no allocations having yet been made for December loadings. Quantity is 420,000 tons for October loading, 450,000 tons for November loadings. Quantities being procured are those detailed in MOC 261. Somewhat different figures in a cable numbered FX 38206 of 23 August 1945 from AFPS to OCMC, are not repeat not being used here insofar as they refer to needs for civilian use, since the cable did not repeat not come to OCMC from AC in MOC series. United States War Department is meeting from United States sources its direct Military requirements including locomotive coal for railroads.

(172)

Confidential

SECRET PAGE

A. C.

British Military coal needs, which are still under discussion here are not repeat not at present being met from United States supplies, but are being supplied to extent possible from South Africa.

9. POL in monthly quantities and products as set out in MOC 258 of 30 July 1945 has been approved here as a requirement. United States have agreed to include in basic program 50% of the value of this program from United States sources. It had been previously agreed that POL supply for ITALY would be shared equally by United States and United Kingdom Governments under basic program, but now repeat now the United Kingdom have given notice of their inability to provide a share. If United Kingdom does not repeat not provide 50% of POL that share will have to be financed from Y T funds available to the Italian Government. Detailed administrative supply arrangements will continue for time being to be handled through PETROS. This arrangement does not repeat not affect termination of combined United States/United Kingdom military responsibility for provision of civilian petroleum supplies which is effective 1 October 1945. PETROS will transfer petroleum products to CIP (Comitato Italiano Petrolio) acting for Italian government. After 1 October please report currently to CLAC in MOC series actual deliveries of petroleum to CIP on behalf of the Italian Government as compared with approved requirements which are agreed between ALCON and PETROS should be notified immediately by ALCON to CLAC in MOC series.

10. Wheat. Approved monthly requirements is now repeat now 150,000 tons. 142,000 tons wheat plus 8,000 tons flour are being requested by FIA from United

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171

Confidential

SHEET FIVE.

States for October loading, but it is hoped that some part of the wheat requirement in subsequent months can be supplied from CANADA or ARGENTINA.

DIST

ACTION	REQUISITION DIV (4)
INFO	CHIEF COMMISSIONER
	EXEC COMMISSIONER (2)
	ECON SEC (2)
	C.O. to BRITISH EMBASSY
	C.A. to UNITED STATES EMBASSY
	FINANCE S/C
	FILE (2)
	PLANT

2252

4412
~~SECRET~~

(168)

EX 45913
REF 2617351/9/77
REF 261045FRENCH LIGNE LACED SITE FINEG
ACTED ALONG ROAD, 13 CORPS FOR AND

Confidential

SECRET.

VENETIA GIULIA and UD INC.

1. Cable TAN 690 has been received from C.C.S. advising that civilian supplies for VENETIA GIULIA and UDINE Provinces will remain a military responsibility and that AFM would continue to be responsible for supplies in theatre.

2. Requirements given in AIDOM letter 20.02/73 of 24 August were forwarded by AFM to C.C.S. in REF 589 with a statement that these requirements had already been anticipated in AIDOM requisitions (COM-REQ series) for period September-December loadings. COS advise however that they propose to supply these requirements through military channels and that advice of loadings will be sent later.

3. Meanwhile AIDOM will arrange to set aside from Italian Government stocks required supplies for these areas and such supplies as are ultimately shipped by military authorities as result of action in para 2 will be used for replacement to extent that AND has drawn on Italian Government stocks. Any balance will be applied against future VENETIA GIULIA and UDINE requirements. Future AIDOM requisitions will be adjusted accordingly.

4. AND VENETIA GIULIA and UDINE will coordinate fully with AIDOM in distribution of supplies and planning of future requirements to secure maximum utilization of Italian resources.

SECRET

SEE 17MC 169-170

2251

(Cape W.L.C.)

SECRET

- 2 -

Confidential

(EX 15713 cont'd)

5. It is requested that ASD VERBAIA GIULIA and UNINE submit by 15 October in coordination with and through AIGOS to this HQ monthly requirements for the 6 month period beginning January 1948. These requirements will not vary from scales laid down for NORTHERN ITALY and it is presumed that they will closely approximate to those already submitted for September-December.

DIS

ACTION: Room Sec 2
INFO: Chief Commissioner
Reg Div 2
Finance SC
Commerce SC
File 2
Flout

2250

SECRET

785017

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~~Handwritten signature~~
by *Loonmish*

4982

SEP 25

P/8891

BSE 250915

ROUTINE

WAR FROM CGS GITE COAC

ALLIED COMMISSION FOR ACTION FOR CLAC RPTD INFO AFHQ FOR PHGSO
AND UK BASE SECTION FOR CABINET SECRETARIAT.

SEP 26 1945

UNCLASSIFIED.

This is COM 223. Refer MOC 284, COM 205.

Designation of Italian ports.

GENOA is going to be used for planning purposes unless it is obvious goods are for use in a specific area, such as goods procured on YT-38 and other Sardinian mines supplies.

Accordingly all markings and papers will carry GENOA as destination and papers as described in FEA procedural instructions number 6 (forwarded to you with COM airgram 42) will be sent to ICE GENOA office.

You are therefore urged to give instructions in time for items destined elsewhere and involving sizeable tonnage such as petroleum coke, steel, pig iron and rails especially if you and ICE require proper markings and need papers in time.

While it is recognized that diversion of bulk cargo is possible, mixed cargoes will create a problem at your end. Knowledge of destination might also facilitate loading program HILDRING.

DIST

ACTION: REC BR 4
INFO: CHIEF COMMISSIONER
EX COMMISSIONER
CC TO BR NMB
CA TO US EMB
BOOK REC
FINANCE
FILE 2
FLOAT

HEADQUARTERS
25 SEP 1945
A. C

Emul

2249

W. L. 15

785017

4412
SECRET

Copy

161A

TELEGRAM RECEIVED

Confidential

FROM: SECSTATE WASHINGTON

DATE: Sept. 20 7 p.m. 1945

NO: 162A

CODE: PARAPHRASE

RECEIVED: Sept. 21, 3 p.m.

SEP 25 1945

A reply to LAC 1275, 1302, 1322 and MOC 215, 226, 282, 299, 292
outlining the administrative procedure after and military responsibility
for interim program supplies for Italy now in clearance and will be forth-
coming promptly. Procedure for supplies from the United States, for your
information, does not require by AC any calling forward. All details
shipment and allocation procurement are managed by FEA in Washington,
once a requirement is accepted. As availability and shipping allow,
cargoes are loaded and despatched.

For FEA, Merritt and McKinley.

ACHESON ACTING

25/9

From: Economic SECTION
(For info on CC)

Sum-162
+166

SECRET

(Copy White) Emu

785017

4412

160

25 September 1945.

MEMORANDUM TO: Executive Commissioner.

157

AFHQ letter AG 400.38/021 GEG-O of 9 September, copy attached, provides in para 5 for AG to establish contacts with the British Ministry of Supply Representative in this theater, the Office of ANLC (US) and G-4 AFUSA for the acquisition of theater surplus stocks in the fulfillment of its civilian supply responsibility.

Will you please check with the Economic Section and satisfy yourself, with report to me, that the proper procedure for acquisition of these surplus stocks has been provided.

Kindly return the attachment to this office for file.

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

B.1 for next Ex Com's meeting

W/0419

HV 28/9
Noted

COPY OF ABOVE SENT 25 SEP 45 TO
V.P. ECON SEC WITH REQUEST

SPEAK THEREON AT NEXT EX C MTG.

FW
20/9

BO 28/9 Noted

CSO. Ref. folio 3. ⁵ & see see folio 4 in reply. 389
Solan. 19/9

S. 20/9.

M. 1/5.

(160C)

(160B)

160A

785017

Denny: Use your subtle methods
to get Lusk out of the supply
business and back into **2245** will
affairs where he is better informed

785017

44.12 ✓

1603

Tel. 549

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION
Requisition Branch

HQ/VC:cl

Ref: IB-400.1

18 September 1945

SUBJECT: FRA Requisitions

CLY 1.1 (P)

TO : Executive Commissioner

1. Reference to attached:

- a. Your memorandum to this Office dated 8th Sept. '45.
- b. Copy memorandum to General J.T. McNamey dated 25 August 1945 from Deputy U.S. Polad.
- c. Copy of CAL 1484 of 5 Sept. '45.

2. Information contained in AFHQ memo (Ref. b above) does not constitute adequate information to inform CLAC of distribution by ports. Notice of completed procurement is needed on which to base call forwards.

3. This is the first information of this nature we have received through this channel, i.e., Polad AFHQ. Hitherto first information on the initiation of procurement of civil supplies other than food, coal and PCL has been received in the Economic Section in the form of YT Requisitions dispatched by CLAC. HQC 226 unanswered to date was dispatched 17 July 1945 requesting clarification of call forward procedure and was followed up by both AFHQ and AC in their respective cable channels.

4. Supplies referred to in CAL 1484 are not those covered in the AFHQ memorandum.


E. B. MCKINLEY
Brigadier General U. S. A.
Acting Vice President

(Capt. White)

52243

1604

11/21/9

785017

COPY

4412
HEADQUARTERS ALLIED COMMISSIC)

APO 394

Office of the Executive Commissioner

8th Sept 1945

MEMO TO: Economic Section
Attn: Col Denmore

Reference attached.

Does this give us firm enough information to inform CLAC of distribution by ports? In other words, is this the first information we have received under the new machinery and is this the way it is coming in the future, i.e., through Poland AFHQ?

Is this perhaps the information also referred to in CAL 1484 of Sep 6, also attached?

MSL/JG

(initialled) M.S.L.
Brigadier
Executive Commissioner

See File 4412
COPY 2242

785017

UNITED STATES POLITICAL ADVISER
ALLIED FORCE HEADQUARTERS

August 27, 1945

MEMORANDUM TO: General J.T. McNeerney

SUBJECT: PIA Requisitions

The Department of State has informed this office that PIA placed requisitions on August 20 with the Treasury Department covering 400,000 tons of wheat for last quarter 1945; also for September only, 7842 tons of sugar, 2533 tons of pulses, 229 tons of coffee, 3440 tons of dried milk, and 2146 tons of fats. The last five items were reallocations from the Army to PIA on items which had not been filled. The allocation for 367,000 tons of coal for September was received and the requisition placed. At present only 44,000 tons of coal appear to be available for September but it is hoped this may be raised to 58,000. The requisition on oil will be placed before the deadline.

PDA is making every effort to expedite this material to help aide and the Department will assist where possible in view of the extreme importance of supply situation.

The Department further informs us they have had an informal indication that both the British and Canadians are willing to participate through CILCO in agreed interim supply program provided agreement can be reached on sharing financial burden. The United States proposed on August 10 to the British and Canadians that Canada assume 6%, the British 21%, and the United States 73% of the financial losses on the interim program.

CC: Chief of Staff
Deputy Chief of Staff
Assistant Chief of Staff, G-5

G. Office
Deputy, U.S.
Political Advisor

Res Dist:
Info:

Chief Commissioner
VP, Econ Sec
Supply Div
Production Div
Food SC
Industry SC
Commerce SC, Coal & PCL SMO
PETSAC, AFHQ, RAC

Return to
Chief of Staff

2243

785017

The Department of State has informed this office that FEA placed requisitions on August 20 with the Treasury Department covering 400,000 tons of wheat for last quarter 1945; also for September only, 7342 tons of sugar, 2583 tons of pulses, 229 tons of coffee, 3440 tons of dried milk, and 2146 tons of fat. The last five items were reallocations from the Army to FEA on items which had not been filled. The allocation for 367,000 tons of coal for September was received and the requisition placed. At present only 44,000 tons of oil appear to be available for September but it is hoped this may be raised to 58,000. The requisition on oil will be placed before the deadline.

FEA is making every effort to expedite this material to ship side and the Department will assist where possible in view of the extreme importance of supply situation.

The Department further informs us they have had an informal indication that both the British and Canadians are willing to participate through UNRRA in agreed interim supply program provided agreement can be reached on sharing financial burden. The United States proposed on August 10 to the British and Canadians that Canada assume 6%, the British 21%, and the United States 73% of the financial losses on the interim program.

CC: Chief of Staff
Deputy Chief of Staff
Assistant Chief of Staff, G-5

U. Office
Deputy, U.S.
Political Adviser

See Dist:
Info:

Chief Commissioner
VP, Econ Sec
Supply Div
Production Div
Food SC
Industry SC
Commerce SC, Coal & POL SEC
FASIS, AFHQ, FASO

Return to
Chief Commissioner

2243

785017

F.C. Personal
To note
4/4

2925 U/C
DEPT 051925

1/6526
DEPT 060915
ROUTINE

WAR FROM CCS CITE CCAC

ALEXANDER FOR INFO INFO ALCOM AND UK BASE SECTION FOR CABINET SECRETARIAT

UNCLASSIFIED.

(This is CAL 1484. Refer LAC 1297)

Outstanding MGS requisitions.

Para 1. Expect to forward within 1 week, summary of supplies allocated for supply from the UNITED STATES on approved MGS requisitions not shipped prior to termination of military responsibility. This summary will cover those supplies approved by CCAC and actually called forward on Nype by MTUSA, identified also by MGS number

Para 2. Summary of supplies on requisition from UNITED KINGDOM sources but not shipped due termination military responsibility expected shortly and will be forwarded upon receipt

Para 3. No unshipped balances due from CANADA. BILLDING.

DIST

INFO ACTION REQ DR 2
INFO CHIEF COMMISSIONER
ECOM SEC 2
FINANCE SC
FILE 2
FICAT

Return to:
Chief Commissioner

2240

785017

COPY

441247

RAF/db

ALLIED FORCE HEADQUARTERS
APO 512

AG 400.36/021 GAG-0

9 September 1945

SEC 45

SUBJECT: Termination of Military Supply Responsibility in Italy

TO: Chief Commissioner
Allied Commission
APO 394

1. Combined Military responsibility for civilian supplies terminates upon completion of scheduled August loading, (September arrivals). TAM 667 refers.

2. It has been recommended by this headquarters to CC/S that military responsibility for the civilian supply of the disputed areas of VENEZIA GIULIA, UDINE and other small areas continue as long as these areas remain under Allied Military Government.

3. The Allied Commission is responsible for civil supplies for all of ITALY except as effected by approval of recommendation contained in paragraph 2.

4. The channel of communication for civilian supplies is the Allied Commission to the Combined Liberated Areas Committee (CLAC) through the COM/MOC cable and Airgram series.

5. The Allied Commission will consult with Foreign Economic Administration, the Ministry of Supply and the Italian Government in determining all requirements. Priority of consideration for procurement will be given to

- (a) local resources
- (b) local (Italian) manufacturing potentials
- (c) imports through normal commercial channels.

6. In order to utilize theater stocks to the maximum extent possible, the Allied Commission will ascertain theater surpluses from:

- a. The British Ministry of Supply Representative in the theater according to established procedure, or
- b. The Office of the Army Navy Liquidation Commission (US) and G-4 MTOUSA.

This will be accomplished by furnishing the agencies in paragraphs a and b with copies of all requirements either prior to dispatch of the requisition or by copies

(Copy Attached)

2233

Ltr AFHQ, file AG 7.38/021 GHD-0
dtd 9 Sept 45 (Con)

of the ROC Airgram or cable transmitting the requisition. Either of the agencies in paragraphs a or b having surpluses or excess stocks to meet the requirement will promptly notify the Allied Commission who in turn can notify GLAC either by attachment to the original requisition or a follow-up cable or Airgram. On notification to the Allied Commission of stocks in theater, the appropriate theater agency will seek approval, where necessary, to effect release to the Allied Commission on GLAC approval of the requirement.

7. With the completion of accounting for August loadings, (September arrivals), combined Civil Supply accounts will be closed. Instructions have been sought (LAC 1300) from the CCS as to

- a. the accounting procedure which will be followed and
- b. the agency that will be responsible for accounting.

BY COMMAND OF FIELD MARCHAL ALEXANDER:

B.H. FRENCH
Major, AGO
Asst. Adjutant General

Copy furnished
VIII Corps

12 September 45

Econ Sec Distribution

ACTION: Supply Division
INFO: Ch. Comma.
Ex. Comm.
A/VP, Econ Sec
Mr. Merritt
Commerce S/C
Eqn. Br.

2238

785017

4412

155

To : AFHQ FOR GEORGE DASH FIVE SECTION

5013

8 Sept. 1948

ROUTINE

RESTRICTED PD

PASSE TO AFHQ FOR GEORGE DASH FIVE SECTION FROM HQ AFHQ
SIX ZERO PASSE

REFERENCE YOUR FOI FOUR ONE FOUR SIX NINE OF SEPTEMBER
SIX ONE REPORT THAT CALL FORWARD ON EIGHT FIVE ZERO ZERO
ZERO TONE WHIST AND ONE FIVE ZERO ZERO ZERO TONE FLOUR
WAS TRANSMITTED BY HQ TWO NINE ONE DATED FOUR SEPTEMBER
ONE NINE FOUR FIVE

END

Copy to:
Executive Commissioner

From: ECONOMIC SECTION

pg 440

400

(Capt. Alford)

CHARLES W. BAYLOR, Col.

NICHOLAS FLORESINO
CWO, USA

12257
19

785017

SECRET

4412

by Comd 152

F 41469

SEPT 061921

7/6792

SEPT 071115

ROUTINE

FROM AFHQ SIGNS SIGNED CITE PRGEC

TO : AIDOM HOME

7-7 1945

Confidential

SECRET.

For Admiral STONE.

Ref ASROC 4836 of LAG 1302 COM 197 COM 208 MOG 226 and MOG 281

Gravity of lack of administrative procedure is appreciated and COAG have been requested in LAG 1302 to expedite answers to your MOG 226 and 281. See para 2 CAL 1475 reference civilian agencies.

General situation in regards subsistence requirements was given you in COM 197. COM 208 gave firm availability for September loadings of 85000 tons bulk wheat and 15000 tons flour. Noted that ALLIED COMMISSION has not furnished shipping instructions to CLAG for September loading wheat and flour vessels suggest this be done immediately.

DIST

ACTION SO to CG 2
INFO SEC COMMISSIONER 2
ECOM SEC 2
FILE

See 7/15/45
2154
155

HEADQUARTERS
2236

SECRET

(CAP. ARNOLD)

785017

101 AFH

4836

5 SEPT

PRIORITY

Confidential

SECRET PD

4412
4 E C 150

I MUST BRING TO YOUR PERSONAL NOTICE AND WOULD ASK YOU TO BEYOND SIGNED AS PRESIDENT OF COMMISSION THAT ALLIED COMMISSION HAS NOT YET RECEIVED FROM WASHINGTON THE ADMINISTRATIVE PROCEDURE TO BE ESTABLISHED BY CIVILIAN AGENCIES FOR CONTINUING SUPPLIES TO ITALY AFTER TERMINATION OF MILITARY RESPONSIBILITY AND THAT I LACK SUFFICIENT FIRM ADVICE ON SUPPLIES AFTER AUGUST LOADING SEPTEMBER ARRIVALS PD I HAVE NOT YET BEEN ADVISED EITHER AVAILABILITIES OR PROCEDURE FOR CALLING FORWARD SEPTEMBER LOADING OCTOBER ARRIVALS PD

143

PAREN TO AFH FOR CHIEF ADMINISTRATIVE OFFICER AND OFFICE FIVE SECTION FROM RO
ALCON FROM ADMIRAL STER CATE ADSCC PAREN

PARA THIS IS A MOST SERIOUS SITUATION AND HAS BEEN BROUGHT TO THE ATTENTION OF CLAC SINCE RECEIPT OF TELEGRAM CAL ONE FOUR SEVEN FIVE DATED TWO TWO AUGUST PD I WOULD ASK THAT THE GREATEST PRESSURE BE EXERTED ON CLAC TO EXTRACT NECESSARY ADVICE AND INSTRUCTIONS IN THE ABSENCE OF WHICH I AM MOST CONCERNED THAT NECESSARY SUPPLY OF ESSENTIAL FOOD STUFFS TO ITALY AFTER SEPTEMBER WILL NOT BE ASSURED

Chief Commissioner

222

cc: American Ambassador
British Ambassador
Political Advisor (A)
Political Advisor (B)
Executive Commissioner
Economic Section
CC Files

2235

see P1151

F152

2
(CART ARROW) (W)

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

785017

For 10149 transferred
to file 4210/32

Letter AGRPO dated 31 AUG 65.

Y. Middleton
Opl

Ext 546

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

CWN/lca

ES/20.02

31 August 1945

SEP - 3 1945

SUBJECT: Plan for Essential Imports for Italy for 1945.

TO : Office of the Executive Commissioner.

1. Reference is made to your memorandum dated 25 August 1945, Ref: 4412/145/EO.

2. Letter in question has been forwarded to Washington as an attachment to MOC Airgram 105 copy of which is attached.

Charles W. Walton
C. W. WALTON
Colonel
Chief Supply Division

Ino-

2 copies MOC Airgram 105

X MOC AIRGRAM 105
RECEIVED IN ITALY AND
COPY PASSED FOR CC FILES.

(Capt. General)

2237

785017

RECEIVED

RECEIVED

HEADQUARTERS ALLIED COMMISSION

EC ALGERIA 105: 30 August 1943.

FROM : ALBUM SIGNED STONE

SUBJECT : Transmittal of Ltr 145/2897 from the Italian Minister of Treasury.

1. Reference is made to EC Algeria 77 and the program of Bank of Italy for Italy (September-December 1943) and 12 July 1945 and its revisions.

2. Attachments A and B bearing upon the above are submitted for your information and appropriate action.

Attch: A and B.

DISTRIBUTION:

Combined Civil Affairs Comd. Sec
(For Combined Liberated Areas Committee)
3C-856 Pentagon Building
Washington 25, D.C.

15 cys.

The Directorate of Civil Affairs
War Office, Whitehall, London, S.W.1.

4 cys.

Allied Force Headquarters, AGO 512
(For Assistant Chief of Staff, G-5)

5 cys.

Secretary
Inter-Allied Committee for Reconstruction
Rome, Italy

10 cys.

Allied Commission

10 cys.

cc: Chief Commissioner
Economic Section (2)
Finance S/C
A Sub
B Sub

2233

785017

Ext 451

ABA/el

145

Ref: 4412/145/EC

25 August 1945

SUBJECT: Plan for Essential Imports for Italy for 1945

TO : Economic Section

141

May this office be apprised as to what action has been taken by your section on a letter dated 1 August from the Minister of Treasury ref. 148/Segr. referring to the "Plan for Essential Imports for Italy for 1945."

A. B. ARNOLDY.

A/Chief Staff Officer
To Executive Commissioner

2232

Noted

PA
22/2

785017

4412
R 1798
AUG 220049Z

B/4818
AUG 221415Z
ROUTINE
AUG 7 1948

WAH FROM CGS CITEC
ALEXANDER FOFHGGG INFO ALCON AND UK BASE SECT FOR CABINET
SECRETARIAT

UNCLASSIFIED

This is CAL 1475.

Termination of military supply responsibility.

Termination of military supply responsibility, ref LAC 1276.

Your paragraph one: CLAC has been requested to expedite reply to
MOG 226. Your paragraph 2: upon completion of military civilian
supply program for ITALY you will be relieved of all civilian supply
responsibility. Administrative procedures will be established by
civilian agencies. Your paragraph 3: CLAC has been requested to
expedite transmission to AC of advice requested. Your paragraph 4:
your assumption is correct HILLDRING.

Dist

Info-Action - Requisition Div
Info - Chief Commissioner
Exec Commr 2
Econ Section
Finance SC
Food SC 2
Tn SC 2
File 2
Fleet

(CAPT BRNOLDY)

2231

785017

SECRET

EXEC COMM
142

FX 36676
AG 191359B

F/4517
AUG 200900B
PRIORITY

SIGNED ALEXANDER CITE RICH

ACTION ALL MAT ADDRESSES INFO AIGOM

AUG 20 1945

Confidential
20 AUG 1945

SECRET.

This is MAT 881.

Termination of military responsibility for relief supplies for ITALY.

1. Assuming that August loadings have been completed, 1 September is acknowledged as termination date for military responsibility for relief supplies.

2. Desirability of excepting VEREZIA AQUILA and other small areas, your para 2 is being studied. Recommendations will be advised earliest.

3. Clarification is requested of "termination of military responsibility" as it applies to SAGMED, since AIGOM is under his command. Does TAM 667 in fact relieve SAGMED of relief responsibility or does it merely shift channel of requisition and procurement from G 5/CCAG channel to AIGOM/CCAG channel, leaving general responsibility for administration of relief with SAGMED?

DIST

DEFC-ACTION: Recn Sec 2
INFO: Chief Commissioner
Ex Commissioner 2
Requisition Div
Finance CO
File 3
Float

SECRET

2230

(M/C Note: No trace of TAM 667)

(Cite Alexander)

CP
A
22/8.

785017

Translation

The Minister of Treasury

n. 118/ sgr.

Rome, 13 August 1945

To Admiral Ellery W. Stone
Chief of the Allied Commission
Rome

AUG 14 1945

Referring to a letter dated 30 May 1945, sent to you by the
On. Bonomi on the occasion of the forwarding of the 'plan for Essential
Imports for Italy for 1945', immediately after the liberation of North
Italy, I take the liberty of asking you:

- 1) to include in the sum of 100 million dollars FEA the
greatest part of the items of MOC 77 referring to
 - products for food and agriculture;
 - fuel, gasoline and oils;
 - medicines
 - essential raw materials.
- 2) to have the remaining items of MOC 77 placed in 'category
B' and charged to the funds referred to in the letter sent
by the Italian Minister of Treasury to the American Se-
cretary for Treasury on January 20th 1945.

I remain, my dear Admiral,

Yours very truly,

THE MINISTER

s. Ricci

trans. e/o

EC 118 - 14 Aug 45

Action: Recd 2223

INFO: Chief Exec

Exec Comm

BU 20/8

785017

RESTRICTED

FX 93384
AUG 081604

SIGNED ALEXANDER CITE FIELD
ALL LAC ADDRESSEES INFO ALCON

EX-Comm
139
F/3234
AUG 091930
ROUTINE
AUG 10 1971

RESTRICTED.

(This is LAC 1276. Ref MOC 226 and MAT 830)

Termination of military supply responsibility.

1. Request answer MOC 226 be expedited so that maintenance procedures, in light of proposed date termination supply responsibility, MAT 830, can be established.
2. Recommend that AC deal direct with Civil Supply Agencies US/UK on all shipping matters without reference this HQ. This HQ will then be relieved of responsibility for calling forward category B items as at present per LAC 801 MOC 1.
3. It is requested that availability food requirements for October (LAC 1131 refers) arrival be advised AC direct so that requirements for October arrival can be called forward as in para 2.
4. Ref para 2 C CAL airmgram 39, it is assumed that all such items after August loadings will carry TOG or ICE markings for identification by receiving agency.

DIST

INFO-ACTION BOON SEC
INFO CHIEF COMMISSIONER
EXEC COMMISSIONER 2
REQUIS DIV 2
FOOD SC 2
TN SC 2
FINANCE SC
FILE

RESTRICTED

8
(MISS DL)

2228

F. 142

785017

4412
INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

138

Originator's Reference: F 32782

Message Centre No: F/2948

Date/Time of Origin: AUG 062014

Date/Time Rec'd: AUG 071125

FROM: AFHQ SIGNED SACRED

Precedence ROUTINE

AUG 7 1945

TO: ALLIED COMMISSION ROLE

SECRET

Confidential

ACTION

SECRET.

See MAF 1054 of 6th August in response to your 2996 of 3rd August.

HEADQUARTERS
7 AUG 1945
A.C.

DIST

ACTION EXEC COMMISSIONER 2
INFO CHIEF COMMISSIONER
ECON SEC
FILE

SECRET

2227

(MISS 21)

AB

785017

4412-11 Copy No 1-3
INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: FX 32555

Message Centre No: F/2894

Date/Time of Origin: AUG 061647B

Date Time Rec'd: AUG 070840B

FROM: ALEXANDER CITE FHGEG

Precedence: PRIORITY

TO: ACTION: AGWAR FOR CCS AND AMSSO LONDON FOR BRITISH CHIEFS OF STAFF

INFO: USFET MAIN FOR EISENHOWER, ALCOM FOR STONE

TOP-SECRET

NAF 1054.

TOP SECRET

I am gravely disturbed by the uncertainty which exists as to the means whereby the flow of essential supplies to ITALY will be maintained after the proposed cessation of combined military responsibility.

An alarming situation which may involve serious internal disorder faces us unless essential food, coal and petroleum products are delivered without interruption. As the result of reports that procurement of these items is not now taking place there is in prospect a damaging loss of confidence on the part of the Italian Govt, which is therefore unable to plan a sound programme of relief and rehabilitation.

I see no reason why the continuation of supplies to ITALY should not cease to be a military responsibility provided that a workable alternative is substituted without delay and without any break in the flow of supplies.

I therefore ask as a matter of urgency for assurance that these essential commodities will continue to be provided without interruption particularly as regards the portion of the programme not already guaranteed financially by the UNITED STATES Govt until the end of 1945; and that I be informed of the means by which the Allied Governments propose to meet the needs of ITALY during 1946.

Dist-over

TOP SECRET

(CSO)

see 11136-17

785017

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Dist

- Copy No 1 - 2 InfoAction - Exec Commr 2 ✓
3 Info - Chief Commissioner
4 - 5 Econ Section 2
6 O A Section
7 File

TOP SECRET

TOP SECRET

WAF 1034

I am gravely disturbed by the uncertainty which exists as to the means whereby the flow of essential supplies to ITALY will be maintained after the proposed cessation of combined military responsibility. An alarming situation which may involve serious internal disaster unless an urgent essential food, coal and petroleum products are delivered without interruption. As the result of reports that procurement of these items is not now taking place there is in progress a gathering loss of confidence on the part of the Italian Govt, which is therefore unable to plan a sound programme of relief and rehabilitation. I see no reason why the continuation of supplies to ITALY should not cease to be a military responsibility provided that a workable alternative is suggested without delay and without any break in the flow of supplies. I therefore ask as a matter of urgency for assurance that these essential commodities will continue to be provided without interruption particularly as regards the portion of the programme not already funded financially by the UNITED STATES Govt until the end of 1945; and that I be informed of the means by which the Allied Government propose to meet the needs of ITALY during 1946.

Dist-over

TOP SECRET

785017

SECRET

4412

133

AFHQ for G-5

2996

2 Aug 45

Confid

ROUTINE
AUG 3 1945

SECRET PD

I AM SERIOUSLY CONCERNED ABOUT THE POSSIBILITY OF A COMPLETE BREAKDOWN
IN ARRIVAL OF SUPPLIES FOR ITALY AFTER SEPTEMBER ARRIVALS PD THE FACT
IS THAT ON THE UNCLE SUGAR SIDE FOX EASY AILE AND WAR DEPARTMENT HAVE
REACHED NO DECISION PD ON THE BRITISH SIDE AN OVERCREDULOUS DEPENDENCE
APPARENTLY IS BEING PLACED ON UNGRA TAKING OVER IN FUTURE WITH THE RESULT
THAT FOOD AND SUPPLIES NEEDED AFTER SEPTEMBER ARE ACTUALLY NOT NOW UNDER
PROCUREMENT PD

PARSH TO AFHQ FOR GEORGE DASH FIVE SECTION FROM HQ ALCOM SIGNED STONE

CITE AGXIC PARSH

UNLESS THIS SITUATION IS REMEDIED IMMEDIATELY AND CONTINUITY OF SUPPLY
ASSURED GRAVE POLITICAL UNREST CAN BE EXPECTED FROM RESULTING COMPLETE
BREAKDOWN IN GOVERNMENT FEEDING PLANS

DISTRIBUTION

Econ Sec (2)
Exec Commr
CC

Chief Commissioner
222

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

SECRET

PA
4/8

785017

SECRET

FX 26038
JULY 21 1945P/721
JULY 22 1945
PRIORITY
JUL 22 1945From: SIGNED ALEXANDER NITE PHGEG
To: ALL NAT AMEMBERS INFO ALCON ROME

SECRET.

This is M T 830. Refer TAM 529.

Termination of military responsibility for relief supplies in ITALY.

Agreed military responsibility for civil supplies for ITALY should terminate. Propose to phase out in accordance with program FX 11336, 03 June (which states US military commitments for procurement terminates with August loadings (September arrivals). Consider 1 September is appropriate date towards which plans have been working pending establishment of CCS policy. This assumes that August loadings will arrive prior to end of September. Present supply accounts would be closed as soon as August loadings have been cleared thru them.

It must be repeated that the Italian economy is, and must remain for a considerable period largely dependent on imports of basic food and items essential for rehabilitation. The extent of the aid thought here to be necessary is known to you through our requisition of food supplies and the industrial program (Category A and B) recently submitted.

Since it is assumed that FEA in US and some agency in UK will procure supplies for ITALY for September through December loadings, recommend that procedure here be that ALLIED COMMISSION submit requirements direct to CLAC in COM/MOC series. New accounts would be opened for these supplies by AC.

SECRET

See M 6.129
12/2 3/7

CONFIDENTIAL / TOP SECRET 2

Confidential

In order to insure smooth transitional period of supply or arrivals period 1 October to end of year, it must be assured that;

A. There will be an uninterrupted flow of food, essential raw materials and coal.

B. The theater be advised of all items to be shipped from the II after August loadings.

C. Theater surpluses are applied against existent approved requisitions and future programs submitted by ALLIED COMMISSION. Recommend this be done in II by screening the program against declared surpluses.

DIST

INF - ACTION - ECON SEC 2

INFO - CHIEF COMMISSIONER

EXEC COMMISSIONER 2

SEC DIV

FINANCE SEC

FOOD SC 2

TH SC 2

COAL DIV

COMMERCE SC

FILE 2

FLOAT

Copy to file 4404/EC to be general

*seen by Capt Arnold
222 4404/EC*

SECRET

0 2 9 5 |