

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

ACC

10000/109/859
(VOL. 2)

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

10000/109/859
(VOL. 2)

NEW DEAL, FINANCE POLICY
JAN. 1946 - JAN. 1947

No. 785017

140

folio 133 and min 134. Handwritten at.
 folio 139 per Separation please
 Ch. 3/2

145

Financial Admin.

Ref folio 144. Ex Comm would like
to have any comments you may have - 2520
and to know if any action is necessary
by this H. Q.

133, 139, 142 and minute 134 also refer.

L. W. Wood Smith
St. Col.

C. L. O. to Dr. Lamm.

10 Jan 46

126

C. S. C. to Ex Comm

Ref. 145.
We agree with you that there is nothing much we can do about it. However, now in Commission of the House the matter and I think, will come in the part of H.C. way as any more in the deliberations, but the members that I understand, but the value of work is afterwards. Now, in the value of trade of exchange.

785017

Financial Advice

Ref folio 144. Ex Comm would like to have any comments you may have - 2520 and to know if any action is necessary by the H.Q.

Johns 133, 139, 142 and minute 134 also refer.

L. K. Hest. Smith
St. Col

10 Jan 46 126
C.S.O. to Ex Comm

Ref 145. By 5/5 have used about this. There is nothing available we can do about it. Presumably, the Commission of the Four Powers, now in Africa, will consider the matter and as any move on the part of H.Q. may be necessary. Their deliberations, but the news is otherwise political, but the state of exchange. We are the value of change made in Zone B. Met. has in Zone B.

V.H. is a condition of another Government. The nature of a Paris Commission. For a number of

10 Jan 47. If you do not have 7 will draft signal. H.S. 10/11

F.C. I concur in proposed signal
WJ
14/1/47 cc

Ex Comm:

115

cc: Please see for 114 for info.

115-413

2/13/41

115-410

115

cc: Please see for 117. A.F.H. Camp to cc: 117-413

at 493 111

115-413

115-413

115-413

C.S.O.

Ref. 133. SFO. V.G. showed me to say that he is pending full appreciation of situation by letter to G-5 other Commission. There may be some action when report arrives. Please keep file forward.

115-413

7/11

115-413

137

cc: Ex Comm:

Ref 136 for info please. CC has no objection

138

C.S.O.

Re para 4 of 135. CC + Col. Battinsky agreed that no draft directive was required at this

785017

#134

C.S.O.

Ref. 133. S/O. V.G. showed me to say that he is pending full appreciation of situation by letter to G.S. & other concerned. There may be some action when report arrives. Please keep file forward.

7/11

M. and Guy

V.C. noted 8/11

137

C.S.O. by Comm.

Ref. 136 for info. plan. CC has assigned

138

noted 8/11

C.S.O.

Ref. para 4 of 135. CC + Col. Battensby agreed that no draft directive was required at this stage.

An Executive & other order appointing Col. B. will have to be cut also Room & Phone No etc. furthered. I asked Col. B. to let me have details as soon as possible.

M. and Guy

12/11/46

noted 12/11
V.C. noted 13/11

104
In Comm
250. Holies 101-103 for info. JHS 4/2 5/2/46

105
Follow with C&A. N/ (6/2)

113
In Comm
250. Holies 108-112 are for information
Reference Min 105, Holies 106-109 is the action taken
on the Gold division at Los Hartegon.
Holies 110-112 for info.

JHS 7/2 5/2/46

N/ (8/2)

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

144

Originator's Reference: 5/135
Date/Time of Origin: JAN 051130

Message Centre No: B/2552
Date Time Recd: JAN 051100
Precedence: IMPORTANT

FROM: HQ AMB VENEZUELA GUILLA
TO: ACTION U-5 AFHQ ALCON FOR EXECUTIVE COMMISSIONER
POLAD (ER) POLAD (US)

~~SECRET~~ CONFIDENTIAL

FURTHER TO MY 5/134 OF DECEMBER.

JUGOSLAV LIRE HAVE NOT BEEN WITHDRAWN BY JUGOSLAV MILITARY GOVERNMENT
ZONE E FROM CIRCULATION PRIME DISTRICT SUBSTITUTING THEM WITH
DINAR AT 30 DINARS TO 100 JUGOSLAV LIRE. 150 DINARS TO 100 METROPOLITAN
LIRE IS THE METROPOLITAN LIRE EXCHANGE RATE. MAY I REMIND YOU THAT
IN THE TERRITORY ADMINISTERED BY THE ANGLO AMERICANS JUGOSLAV LIRE
DO NOT CIRCULATE.

EC. Dist: *cal/la*
Info: *Romania/Colombia*

AC DIST
ACT: EX. COMN.
IMPO: C. COMN.
POLAD (A)
POLAD (B)

ACTION

2517

FILE
SILENT

copy to

785017

PRECEDENCE

PRECEDENCE

FROM:
TO:

HQ ANG VENEZIA GIULIA

ACTION 3-5 AFHQ ALCON FOR EXECUTIVE COMMISSIONER
POLAD (BH) POLAD (US)~~SECRET~~

133

FURTHER TO MY 5/134 OF DECEMBER.

JUGOSLAV LIRE HAVE NOT BEEN WITHDRAWN BY JUGOSLAV MILITARY GOVERNMENT
ZONE B FROM CIRCULATION PRIME DISTRICT SUBSTITUTING THEM WITH
DINAR AT 30 DINARS TO 100 JUGOSLAV LIRE. 15 DINARS TO 100 METROPOLITAN
LIRE IS THE METROPOLITAN LIRE EXCHANGE RATE. MAY I REMIND YOU THAT
IN THE TERRITORY ADMINISTERED BY THE ANGLO AMERICANS JUGOSLAV LIRE
DO NOT CIRCULATE.

EC. Dist. 10/1/47

Info. Financ. Admin.

AC DIST

ACT: EX. COMM.

INFO: C. COMM.

POLAD (A)

POLAD (B)

2517

FILE

SKELETON

ACTION

Cody's
F. A. A. A.~~SECRET~~

Capt. K. S. S.

785017

4601 91

3 JAN 1947 143

~~SECRET~~

ALCOM ACSEC FROM ADMIRAL STONE

041000A JANUARY 1947

AFHQ FOR GEORGE FIVE

5949

~~SECRET~~

GOLD FOUND AT LA FORTEZZA IS SUBJECT PD

PARA ONE PD RECOMMEND THAT CHARLIE CHARLIE SUGAR BE ADVISED THAT JUST BEFORE HIS DEPARTURE FOR UNCLE SUGAR DEGASPERI INFORMED ME THAT WHILE IN WASHINGTON HE INTENDED TO RAISE QUESTION OF RELEASE OF THIS GOLD WITH AMERICAN AUTHORITIES PD

PARA TWO PD AMERICAN AND BRITISH EMBASSIES INFORMED BY COPY THIS SIGNAL PD

PARA THREE PD MAT NINE NINE FOUR MAT ONE ZERO THREE NINE AND TAM SEVEN FOUR SEVEN REFER

NR 126 NR

DISTRIBUTION:

US Embassy
BR Embassy
A.F.A.
Economic Div.
Ex Comar
CC Files

CONFIDENTIAL

~~SECRET~~

PRIORITY

Chief Commissioner

222

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

JOHN R. HAYNE
MAJOR AGO
ADJT

2518

Capit 4

W/1/4/47

785017

46018
O HEADQUARTERS
ALLIED MILITARY GOVERNMENT
FINANCE DIVISION
VENEZIA GIULIA

DEC 27 1946

142

TELEPHONE N. 29701/EXT 13

REF VG/ASG/FIN/SSOR/MTB
TO Executive Commissioner
HQ. A.C. - APO 794.
SUBJECT Yugoslav devaluation of the
Italian Lire.

20 December 1946

~~CONFIDENTIAL~~

139

Reference your letter 4601/139/EC
dated 3 December.

Subsequent to my conversation with
the Chief Executive Officer I sent him a copy of
a signal that I addressed to G-5, AFHQ, Executive
Commissioner for information to British U.S. Polad.

I have nothing further to add to
my comments as the Yugoslav members of the Joint
Economic Committee were not disposed to give us
any further information.

H.T. BEARD, Lt. Colonel
Chief Finance Officer

Enclosure

ME

See 7.139

HS 18/12

Capt K

P/A.

PA 28
12

785017

C O P Y

FROM: HQ AMG VENEZIA GIULIA

TO: G-5, AFHQ.
ALCOM for EXECUTIVE COMMISSIONER.

for info: POLAD (Br) for transmission to Mr. Sullivan and
for information of Mr. Culpin.

POLAD (US)

5/19(.) ~~SECRET~~ (.) JUGOSLAV MILITARY GOVERNMENT ZONE B HAVE
ISSUED A DECREE DEVALUING ITALIAN LIRE MAKING ONE JUGOSLAV LIRA
EQUAL TO TWO ITALIAN LIRE (.) THIS WOULD CAUSE FLIGHT OF ITALIAN
LIRE FROM ZONE B (.) UNDER PROPOSED BASIS OF PEACE TREATY JUGOSLAV
GOVERNMENT RESPONSIBLE FOR REDEMPTING LIRE CIRCULATING IN TERRITORY
CEDED TO IT (.) FREE MARKET PRICE OF BOTH LIRE IN ZONE B IS APPROX-
IMATELY SIXTEEN HUNDRED JUGOSLAV LIRE EQUALS ONE THOUSAND ITALIAN
LIRE (.) JUGOSLAV LIRE DO NOT CIRCULATE IN ZONE A

2515

17A 28/25
17A

785017

File 139

Ref. : 4601/139/20

3 December 1946

SUBJECT: Yugoslav Devaluation of the
Italian Lira.

TO : CINC
Venetia Office.

133

Reference is made to your cable no. 5/13, dated
2 Nov. 46.

During a telephone conversation between Brig. Carr
and Lt. Col. Beard it was understood that a full appreciation
of the situation was being sent by letter to AFHQ and this
Commission.

To date no such document has been received; will you
please state when this may be expected.

BY ORDER OF REAR ADMIRAL STONE:

N. W. HIND-SMITH

Brigadier,
Executive Commissioner.

Copy to: Polad A
" B
CFA

See m 134
See 7 142

2514

B/mt 12/12

01/12
CP 8

785017

Free Copy

46019

136

NOV 7 1946

CC has original

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

G-5: 210.3-52

5 November 1946

SUBJECT: Financial Advisor.

TO : Chief Commissioner,
Allied Commission,
APO 794.

1. The shortage of trained personnel has made it impossible to assign a full time financial advisor to the Allied Commission. In order that the services of such talent, as is available, may be utilized to the maximum, it has been decided that the services of the Director of the Allied Financial Agency shall be made available to all Civil Affairs Agencies. The present Director, Colonel L. R. Battensby, is being directed to report to you, in person, to discuss details concerning his new responsibilities.

2. The new duties assigned the Director, Allied Financial Agency, are in addition to his normal duties. They should be of an advisory nature, not involving extensive executive or administrative functions, nor so extensive as to serve to divert his attention from his present and principal duty. As soon as practicable, he should familiarize himself with financial problems confronting the Commission and particularly those facing AMG Venezia Giulia. On his own initiative, he should bring to your attention any financial situation which in his opinion displays unsound policy or administration. He should also make early contact with AMG Venezia Giulia with a view to exchanging views on financial matters and to bring to the attention of higher authorities matters which are beyond the scope of local action.

3. So far as is practicable, it is desired that the new duties of the Director, Allied Financial Agency, shall be kept separate and distinct from his present duties. To this end, it is desirable that he be furnished an office in Allied Commission with minimum essential part time office assistants.

2513

[Handwritten signature]
Capt K

[Handwritten notes]
19
14 Nov 46

4. Should it be decided by either you, the Director, Allied Financial Agency, or by AMO Venezia Giulia, that a definite directive or terms of reference is required, a draft of such a directive will be forwarded to APHQ for approval and issue.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

A. L. HAMBLEN
Colonel, O.S.C.
Assistant Chief of Staff, GCS

Copy to:

Col. L.R. Dattensby, Allied Financial Agency.

SCAG, AMO Venezia Giulia.

2512

0 5 8 4

4601 **INCOMING MESSAGE** *Ex Comm 133*

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: 5/134
Date/Time of Origin: NOV 021035A
Message Centre No: H/7618
Date Time Recd: NOV 041005A
Precedence: ROUTINE

FROM: HQ AMG VENZIA GIULIA
TO: G-5 AFHQ ALCOM FOR EXECUTIVE COMMISSIONER
INFO: ^{LEAD} (B) FOR TRANSMISSION MR SULLIVAN AND FOR INFORMATION MR CULPIN POLAD (A)

~~SECRET~~

Yugoslav Military Government Zone B has issued a decree devaluing Italian Lire making one (one) Yugoslav Lire equal to two (two) Italian Lire. This would cause flight of Italian Lire from Zone B. Under proposed basic peace treaty Yugoslav Government responsible for redeeming lire circulating in territory ceded to it. Free market prices of both lire in Zone B is approximately 1600 Yugoslav equals four (four) thousand Italian Lire. Yugoslav lire does not circulate in Zone A.

RAAC Message Center Note/

This message received corrupt please advise us if any check is required.

AC DIST

Action: Executive Commissioner (2)

Info: Chief Commissioner

Polad (A)

Polad (B)

File

Skeleton

See 4.139

EC Dist 10/1/57

Info: Franklin Oliver

001-1-1040

FROM: HQ AMG VENZA GIULIA

TO : G 5 APHQ ALCON FOR EXECUTIVE COMMISSIONER

INFO: PLAD (B) FOR TRANSMISSION MR SULLIVAN AND FOR INFORMATION MR

CULPIN POLAD (A)

~~SECRET~~~~SECRET~~

Yugoslav Military Government Zone B has issued a decree devaluing Italian Lire making one (one) Yugoslav Lire equal to two (two) Italian Lire. This would cause flight of Italian Lire from Zone B. Under proposed basis peace treaty Yugoslav Government responsible for redeeming lire circulating in territory ceded to it. Free market prices of both lire in Zone B is approximately 1600 Yugoslav equals four (four) thousand Italian Lire. Yugoslav lire does not circulate in Zone A.

RAAC Message Center Note/

This message received corrupt please advise us if any check is required.

AC DIST

Action: Executive Commissioner (2)

Info: Chief Commissioner

Polad (A)

Polad (B)

File

Skeleton

EC Dist 10/1/57

Info: Foreign Office

~~SECRET~~

134, 144

(Capt H)

NOV 4 - 1946

2511

785017

HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

132

Ref. : 4601/80

5 October 1946.

SUBJECT: Currency Agreement.

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

1. Copies of the correspondence requested on this subject are forwarded for your information.

For the Chief Commissioner:

A. W. Kinsley.

Brigadier,
Executive Commissioner.

Encls.

2513

785017

131

copy

copy

13242/P

30 January 1946.

SUBJECT: Currency Agreement.

TO : Assistant Chief of Staff,
G-5 Section,
AFHQ.

1. I refer to paras. 13, 14, 15, 16, and 17 of PAN 583, and my letter 13242/P of 1 November, 1945 to the President of the Council of Ministers, in which the proposed Currency Agreement was put to the Italian Government.

2. Attached hereto are copies, and translations thereof, of the President of the Council of Ministers' reply, in which the Italian Government accepts the Currency Agreement as of 1 February, 1946. In our view, the Italian Government's reply meets the requirements of PAN 583. The U.S. and British Embassies concur in this view.

3. I assume that you will wish to forward copies of the attached documents to OCS for their information.

4. The technical details referred to in para 7 of my reference letter, and para 9 of the reply from the President of the Council of Ministers are now in process of being worked out with the Italian Treasury and the Banca d'Italia. We shall keep you closely advised of all technical arrangements made.

/s/ KILBRY W. STONE
Rear Admiral, USNR
Chief Commissioner

Copies to:

Executive Commissioner,
Acting Vice-President
Economic Section
U. S. Embassy (Dr. H. J. Tasca)
British Embassy (Mr. S. Simmonds).

2503

785017

130

COPY

TRANSLATION

COPY

From: The President of the Council
of Ministers.

To : Admiral Ellery W. Stone,
Chief of Allied Commission,
Rome.

Ref. No. 44/02423/4

Rome, 24 January 1946.

Dear Admiral,

I refer to your letter of 1 November, 1945, to Prime Minister
Parri.

1. I am pleased to hear that the Allied Governments are of the
opinion that all lire issued should be unified under the authority of the
Italian Government; this represents a further step towards the restoration
of the Italian Government's normal powers.

2. In accordance with your wishes, the Italian Government state
that they will appoint for the purpose the Banca d'Italia, which will be
recognized as the authority issuing the Am-Lire, including the ones at
present in circulation.

The Italian Government reserves the right to discuss the question
of ultimate compensation with respect to the issue of Am-Lire directly
with the Government of the United States and of the United Kingdom through
diplomatic channels.

3. I understand that the Allied Governments have discontinued
the printing of Am-Lire.

4. The Italian Government will see that the Metropolitan notes
and Lire credits necessary for the requirements of the Allied Forces in
Italy, and the ones in Venezia Giulia, will be regularly supplied by
the Banca d'Italia. On the other hand, it is agreed that the Allied
Authorities will give adequate notice in advance, possibly of 15 days,
to the Italian Government of their monthly requirements, besides any
eventual extraordinary request. We repeat also for said notes and credits
what stated at the second part of para 2 above.

5. For technical reasons of currency control, all the stock of
Am-Lire now with AFA will remain physically in the custody of the Banca
d'Italia, but at the disposition of AFA. It is agreed that the Allied
Armed Forces will fall back on the use of said stock, after the enactment
of the present agreement, only if the Italian Government is not in a
position to supply the necessary Metropolitan Lire; the drawing will be
made giving full information to the Banca d'Italia. For said drawings a special

785017

129

- 2 -

accounting system will be kept, to be agreed upon, between the Banca d'Italia and the Allied Commission. We beg to inform you that the AFA has already physically consigned to the Banca d'Italia some sealed boxes containing stock of Am-Lire.

6. In case of drawings from the above-mentioned stock of Am-Lire, the Italian Government undertakes to reimburse the printing and transportation cost of notes drawn in this manner. This reimbursement will be made by debiting at the end of each month in a post-liberation dollar account the amount equivalent to the cost of the notes drawn during the month, in the proportion mentioned in your letter of 7 December, 1945, and the Italian Government reserves the right to discuss the question of the reimbursement of the production and transportation cost of all the other Am-Lire notes.

7. The Italian Government also undertakes, in the event of a conversion of the present Metropolitan notes and Am-Lire in circulation, and only in case the said Government should not be able to meet the Allied requests in the new currency, to issue in due time a decree recognizing the legal tender of the Am-Lire or of any other currency which the Allies might issue. Also for the foregoing we repeat what previously stated in the second part of para 2 above.

8. I assure you that also for that period of time in which the Am-Lire will remain legal tender in Italy, the provisions which at present rule the reimbursement of the original value of counterfeited notes, the exchange of damaged and torn notes and the destruction of those that cannot be placed again in circulation, will be kept in force. In the event of a conversion of the notes at present in circulation, the above-mentioned provisions will be extended to the new notes, as far as Allied Military Offices are concerned, in accordance with the general provisions which will rule their circulation.

9. It is agreed that the procedure and the supplementary details of the agreement which will be enacted on 1 February, 1946, will be settled, as suggested in your letter of 1 November, 1945, between the Finance Sub-Commission of the Allied Commission, the Italian Ministry of the Treasury, and the Banca d'Italia.

I beg you to accept, dear Admiral, my most cordial regards.

Sincerely yours,

/s/ Alcide De Gasperi

Distribution:

Action: Finance S/C

Info: Chief Commissioner

Executive Commissioner

Acting Vice-President

Economic Sec

British Embassy

American Embassy

2507

785017

COPY

COPY

128

IL PRESIDENTE DEL CONSIGLIO DEI MINISTRI

44/02423/4

Roma, 24 gennaio 1946.

Caro Ammiraglio,

Mi riferisco alla Sua lettera inviata in data 1 novembre s.m. al Primo Ministro Parri.

1. Sono lieto che i Governi Alleati siano entrati nell'ordine d'idee che tutte le emissioni di lire vengano unificate sotto l'autorità del Governo Italiano, ciò che rappresenta un ulteriore passo nel ripristino dei normali poteri dello Stato Italiano.

2. In relazione a quanto da Lei esposto, il Governo Italiano dichiara di designare per l'oggetto la Banca d'Italia, che sarà riconosciuta come autorità emittente delle anlire, comprese quelle attualmente in circolazione.

Il Governo Italiano si riserva il diritto di discutere la questione del regolamento definitivo dei rapporti di debito e credito per quanto riguarda l'emissione delle anlire, direttamente con i Governi degli Stati Uniti e del Regno Unito per via diplomatica.

3. Mi risulta che i Governi Alleati abbiano cessato di stampare anlire.

4. Il Governo Italiano provvederà a far fornire regolarmente dalla Banca d'Italia i biglietti metropolitani e i crediti in lire necessari al fabbisogno delle Forze Armate Alleate in Italia comprese quelle dislocate nella Venezia Giulia. Resta inteso che le Autorità Alleate faranno conoscere al Governo Italiano con un congruo preavviso, possibilmente 15 giorni, i loro fabbisogni mensili nonché ogni eventuale richiesta di carattere straordinario.

Si ripete anche per tali biglietti e crediti quanto è detto al capoverso secondo del paragrafo 2.

5. Per le esigenze tecniche del Governo della moneta, tutte le scorte di anlire di cui dispone l'APA rimarranno materialmente custodite dalla Banca d'Italia, ma a disposizione dell'APA. È inteso che le forze Armate Alleate ricorreranno all'impiego di tali scorte, dopo l'entrata in vigore del presente accordo, soltanto nel caso che il Governo Italiano non sia in grado di fornire le lire metropolitane occorrenti; il prelievo verrà effettuato dandone specifica comunicazione alla Banca d'Italia. Per siffatti prelevamenti sarà tenuta una contabilità speciale secondo un sistema da concordare fra la Banca d'Italia e la Commissione Alleata. Si fa notare che l'APA ha già materialmente consegnato alla Banca d'Italia delle cassette chiuse contenenti scorte di anlire.

- 2 -

6. Nel caso di prelievi delle suddette scorte di anlire, il Governo Italiano si impegna di rimborsare il costo di stampa e di trasporto dei biglietti così prelevati. Tale rimborso sarà effettuato mediante addebitamento alla fine di ogni mese di un conto in dollari post liberation per l'ammontare corrispondente al costo dei biglietti prelevati durante il mese secondo la misura indicata nella Sua lettera del 7 dicembre c.a. e il Governo Italiano si riserva il diritto di discutere la questione del costo di produzione e di trasporto di tutti gli altri biglietti anlire.

7. Il Governo Italiano si impegna anche ad emettere tempestivamente, nell'eventualità di una conversione degli attuali biglietti metropolitani e delle anlire in circolazione, un decreto che riconosca il corso legale delle anlire e di altra moneta da emettere dagli Alleati, soltanto nel caso che vengano meno l'adempimento delle amministrazioni in nuovi biglietti metropolitani. Anche per questi si ripete quanto già detto al secondo capoverso del paragrafo 2.

8. Le assicuro anche che, durante il periodo in cui le anlire conserveranno valore legale in Italia, saranno mantenute in vigore le note disposizioni che regolano attualmente il rimborso del valore originario di emissione dei biglietti contraffatti, il cambio dei biglietti danneggiati e logori e la distruzione di quelli indecifrabili. Nell'eventualità di una conversione dei biglietti in circolazione, le suddette disposizioni verranno estese ai nuovi biglietti, nei confronti delle intendenze militari Alleate, compatibilmente con le norme generali che ne regolano la circolazione.

9. Resta inteso che le modalità di attuazione e i dettagli supplementari dell'accordo di che alla presente lettera, che entrerà in vigore il 1° febbraio p.v. saranno definiti, come da Lei suggerito nella Sua lettera del 1° Novembre c.a., tra la Sottocommissione Finanziaria della Commissione Alleata, il Ministero del Tesoro e la Banca d'Italia.

Gradisco, caro Ammiraglio, gli atti della mia doverosa osservanza e i più cordiali saluti.

f.to AMICIDE DE CASPERI

All'Ammiraglio Killery W. Stone
Capo della Commissione Alleata,
Roma.

2505

FX 71417

SKP, Q41215R

4601 Q
~~SECRET~~

126
W/ 6313

SEP 051230B

ROUTINE

SACRED CITE PHCEG

AGWAR FOR CCS FOR CCAC INFO CABINET OFFICES WHITEHALL FOR ECS, ALCOM ROME,
APA ROME (ALLIED FINANCIAL AGENCY)

~~SECRET~~

THIS IS MAT 1039.

~~SECRET~~

Subject is Gold found at LA PORTEZZA.

See MAT 994 and TAM 747.

1. Owing to recent much publicised return by American Government of gold from FRANKFURT to HUYIUZITH National Bank BRDAPEST on 6 August 46 anticipated that Italian Government may become restive concerning gold found at LA PORTEZZA and now in custody of Allied Financial Agency.
2. Therefore requested that information be given as to when decision concerning disposal of LA PORTEZZA gold can be expected.

AC Dist

Info-Action : A.P.A.
" : Econ Sec (2)
Info : Chief Commissioner
File
Skeleton

Exec Commr copy as requested.

~~SECRET~~

ME 124-5, 143,

2503

785017

4601

90

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

OCT 1

G-5: 970.34

3 September 1946

SUBJECT: Gold Found at LA PORTEZZA.

TO : Chief Commissioner,
Allied Commission,
APO 794.

124

(29th 87)

126

Ref your 13012/F of 21 Aug.

1. A further enquiry under ref MAT 1039 copy to you for information has been made of the Combined Chiefs of Staff. As soon as a reply is received, you will be informed of the latest position.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

A. L. HAMBLIN
Colonel, G.S.C.
Assistant Chief of Staff, G-5.

(Capt. R. J. V. H.)

2503

785017

4601

124

AUG 29 1946

Ref.: 13012/F

29 August 1946

SUBJECT: Gold Discovered at La Fortezza

TO : Allied Force Headquarters, G-5 Section

123

1. Reference your G-5/004.2 of 21 February 1946.

2. I should be glad to be informed at a very early date as to how this matter stands. I understand from Press reports that captured gold discovered in the American zone of Germany has already been returned to the Hungarian Government. If this is so, it is difficult to understand why there should be so much delay in coming to a decision in the matter of the return to the Italian Government of captured gold actually recovered in Italian territory.

3. Can this matter please be treated as urgent?

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USN
Chief Commissioner

cc: Executive Commissioner

See 126

2502

(Capt L)

See 7-125

PA 1/10

785017

copy

ALLIED FORCE HEADQUARTERS
G-5 SECTION
APO 512

copy

FILE : G-5/OCM 2

21 February 1946.

SUBJECT: Gold discovered at La Fortezza.

TO : Headquarters Allied Commission APO 594.

Reference is made to your 13012/F dated 5 Feb and MAT 994 above subject.

1. We are informed by the CCS that the matter is still under consideration by the UK and US Governments, and that a combined reply will be dispatched as soon as possible.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

/s/ for

F.G.A. PARSONS

Brigadier.

Acting Assistant Chief of Staff, G-5.

124
2501

29/8

785017

CIPHER

FX 66510
211128 B

N/3132

MAY 22 0900

~~SECRET~~

ROUTINE

AFHQ SIGNED SACRED CITE PHRO

AGWAR WASHINGTON FOR COSER CABC:

MAY 22 1946

INFO: CABINET OFFICES WHITEHALL FOR BRITISH CHIEFS OF STAFF; ALCOM ROME FOR AFA:

~~SECRET~~

THIS IS MAT 1024.

REFERENCE OR MAT 1009. REUR STAM 765.

1. CONFIRM ITALIAN GOVERNMENT'S ABILITY TO MEET ESTIMATED LINE REQUIREMENTS FOR NEXT 6 MONTHS COMPRISING LINE ~~22~~ 31868000000 (THIRTY ONE BILLION EIGHT HUNDRED SIXTY EIGHT MILLION). BREAK DOWN LINE 18,000,000,000 (EIGHTEEN BILLION) BRITISH REQUIREMENT AND LINE 13868000000 (THIRTEEN BILLION EIGHT HUNDRED SIXTY EIGHT MILLION) AMERICAN REQUIREMENT.

2. NO OBJECTION RAISED TO DESTRUCTION OF INCOMPLETE LINE SHEETS OR TO DESTRUCTION OF COMPLETED 50 LINE NOTES REFERRED TO IN YOUR PARA 2 (TWO).

AC DIST

INFO: ACTION: A F A

INFO : CHIEF COSER

ECOS 2

FINANCE

EX COSER

FILE

SECRET

CIPHER TELEGRAM

This message will not be distributed outside British or U.S. Government Departments or Headquarters and is transmitted even in Cipher without being enciphered. (Messages marked O.T.P. need not be enciphered).

HEADQUARTERS

MAY 22 1946

~~SECRET~~

2503

(deg)

558

(30)

23
3
2

785017

OTHER

FA 62820

151215A

~~SECRET~~

6/757

MAR 16 0930

ROUTINE

MAY 22 1946

FREEDOM SIGNAL BACCEL

ACTION AGENT WASHINGTON FOR COS FOR ROAD INFO: CABINET OFFICES WHITEHALL
FOR BRITISH CHIEFS OF STAFF OBJECT DATA ALDOM ROAD.

~~SECRET~~

REFERENCE MAT 751

1. IT CONSIDERED HERE THAT IT WOULD BE ADVISABLE TO HOLD TEMPORARILY THE AM
LIVE NOTES MADE BY TREASURY DEPARTMENT PENDING DETERMINATION OVER AN INITIAL
PERIOD OF OPERATION OF BANCO D' ITALIA'S ABILITY TO MEET ALL REQUIREMENTS UNDER
PROVISIONS NEW CURRENCY AGREEMENT. THIS IS MAT 1069.
2. FOR YOUR INFORMATION THE BANCO D' ITALIA NOW HAS AVAILABLE APPROXIMATELY
12,000,000,000 METROPOLITAN LIRE FOR ALLIED MILITARY REQUIREMENTS AND ANTICIPATE
A PRINTING RATE OF 8,000,000,000 LIRE PER MONTH FOR ALLIED AND ITALIAN
REQUIREMENTS. EXTENT OF ITALIAN REQUIREMENTS WILL DETERMINE WHETHER THIS
PRODUCTION RATE IS ACTUALLY ADEQUATE TO MEET COMBINED NEEDS FOR INDEFINITE
PERIOD.
3. AFA RESERVE HOLDINGS ARE 27,000,000,000 AM LIRE REPRESENTING APPROXIMATELY
4 MONTHS SUPPLY AT PRESENT USAGE UNDER EXISTING CIRCUMSTANCES.

AD DIST

INFORMATION: FRANK

INFO: CHIEF COMER

ECOM SEC 2

FILE

BRITISH

OTHER TELEGRAM

This message will not be distributed outside
British Government Departments or
Headquarters without being consulted even in cipher
O.T.P. need not be used. (Messages marked
as per phrase).

~~SECRET~~

(CAPTION)

785017

⁴⁶⁰¹
~~SECRET~~

120

13018/P

5 March 1946

MAR 5 1946

My dear Sir Noel:

I refer to my letter 13018/P of 16 January 1946, to AFHQ entitled "Reorientation of Allied Financial Policy Towards Italy", a copy of which I handed to you on 16 January.

I have now received a reply to my letter from the Chief Administrative Officer, AFHQ, and I attach hereto a copy of such reply, dated 28 February, 1946. You will note that in the view of the Chief Administrative Officer my recommendation for the reorientation of Allied financial policy towards Italy is one which should be placed before the Allied Governments through Embassy channels rather than presented to CCS by SACMED. Therefore, if you are in agreement with my recommendation I should be grateful if you could bring it to the attention of your Government.

I should also appreciate being advised in due course of what action you are taking in forwarding the recommendation under reference, as well as any covering recommendation you may make to the Foreign Office.

Very truly yours,

~~ELLERY W. STONE~~

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

2493

His Excellency Sir Noel Charles
British Embassy,
Rome.

~~SECRET~~

BELT/gv

(MAR 4)

785017

~~SECRET~~

5 March 1946

13018/P

My dear Mr. Ambassador:

I refer to my letter 13018/P of 16 January 1946, to AFHQ entitled "Reorientation of Allied Financial Policy Towards Italy", a copy of which I handed to you on 16 January.

I have now received a reply to my letter from the Chief Administrative Officer, AFHQ, and I attach hereto a copy of such reply, dated 28 February, 1946. You will note that in the view of the Chief Administrative Officer my recommendation for the reorientation of Allied financial policy towards Italy is one which should be placed before the Allied Governments through Embassy channels rather than presented to CCS by SACMHD. Therefore, if you are in agreement with my recommendation I should be grateful if you could bring it to the attention of your Government.

I should also appreciate being advised in due course of what action you are taking in forwarding the recommendation under reference, as well as any covering recommendation you may make to the State Department.

Very truly yours,

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

The Hon. Alexander Kirk,
U.S. Embassy,
Rome.

~~SECRET~~

BELT/gv

(MAJ H)

SAH
7/9/46

2438

PA 1/3

785017

4601

117

Copy

28 February 1946.

SUBJECT: Reorientation of Allied Financial Policy Towards Italy.

TO : Headquarters, Allied Commission,
APO 394.

1. Reference is made to your letter No. 13618/P of 16 January 1946.
2. The question of the co-ordination of military procurement in Italy with the Allied Civilian Supply Programme, referred to in your letter of 14 December 1945, was the subject of a separate communication.
3. In regard to the proposal made in paragraph 3 of your letter under reference, the desirability from the point of view of the Italian economy of reimbursing the Italian Government for the full cost of the maintenance of the Allied Forces in Italy is appreciated. It is considered, however, that the matter is one which should properly be represented to the Allied Governments through Embassy channels rather than that it should be made the subject of a recommendation to the Combined Chiefs of Staff by the Supreme Allied Commander. In this connection, it is noted that copies of your letter have been sent to the British and United States Ambassadors who will no doubt bring the matters raised therein to the notice of the Foreign Office and State Department.
4. You will note that in paragraph 4 of this Headquarters' signal PX 67602 of 6 October 1945, to which you refer in your letter, the Supreme Allied Commander in connection with the same subject expressed the opinion that it was not within his competence to offer his views. This opinion was based upon the evident fundamental difference between the policies of the British and the United States Governments and upon the fact that insufficient knowledge of the factors affecting the problem was available in this theatre.

67602
File
1615/EC
15

See 7-118-119

Colon Sec. Dir.

ACTION: FINANCE BR.

INFO: CHIEF COMM.
✓ EXEC. COMM.
POLAD (A)
POLAD (B)
A/VP

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AY 9/3

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(NAN#)
6/2/46

1/6

- 2 -

5. It is considered moreover that the Combined Chiefs of Staff are already fully aware of the implications of the problem and that it would be inappropriate to ask them at this stage to consider any change of policy which would inevitably prejudice the terms of the Peace Treaty with Italy and of any Civil and Military Affairs agreements arising therefrom.

BY COMMAND OF LIEUTENANT GENERAL VERNON:

Sgd.: A. C. LUFF
Major General,
Chief Administrative Officer.

Copy to:

UNCLAS
EXCLUDED
Fiscal Director
F A Brit.

2498

1001 *Exp. Comm.*
114
INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Message Centre No: 949346

Date Time Rec'd: FEB 28 1946

Precedence: ROUTINE MAR 1 1946

Originator's Reference: ZA 61669

Date Time of Origin: FEB 28 0940A

FROM: AFHQ SICHEL CLAMED

TO: ACTION AGENT FOR COS PER COLC, INFO: CAINEST OFFICES WHITFIELD FOR HONORARY

CHIEFS OF STAFF UNITED NATIONS ALLIED COMMISSION

RESTRICTED:

This is MAT 1002. Reference MAT 987.

1. The following request has been received from the Italian Government. They refer to their acceptance of the currency agreement.
2. The Italian Government requests that current payment for printing and transport cost of the Lire notes be delayed and that billing begin from the date when Allied Forces shift over from the use of the Lire to the use of Metropolitan Lire.
3. The Minister of the Treasury has advanced the following reasons in support of the request for your consideration: (A) The Italian Government has proposed to begin supplying Metropolitan Lire immediately after 1 February 1946 but the necessity of working out Administrative arrangements with the Allied pay authorities has delayed the change over date until 15 March 1946. (B) The application of the new Military rate of exchange has resulted in extra heavy drawings of the Lire notes by the Allied Forces in early February. (C) A shortage of 500 Lire notes had forced AFHQ to issue notes of smaller denominations this has increased the dollar cost since the printing and transport cost is quoted on a per box basis.
4. This request is considered reasonable and no objections are raised here.

15 DIST

2493

785017

CHIEFS OF STATE VISIT MAIN ALCON HOME

RESTRICTED:

This is MAT 1002. Reference MAT 987.

1. The following request has been received from the Italian Government. They refer to their acceptance of the currency agreement.
2. The Italian Government requests that current payment for printing and transport cost of ~~an~~ lire notes be delayed and that billing begin from the date when Allied Forces shift over from the use of new ~~an~~ lire to the use of Metropolitan ~~an~~ lire.
3. The Minister of the Treasury has advanced the following reasons in support of the request for your consideration. (A) The Italian Government was prepared to begin supplying Metropolitan lire immediately upon 1 February 1946 but the necessity of working out Administrative arrangements with the Allied pay services has delayed the change over date until 15 March 1946. (B) The application of the new Military rate of exchange has resulted in extra heavy drawings of ~~an~~ lire 2,495 by the Allied Forces in early February. (C) A shortage of 500 lire notes had forced ~~an~~ lire to issue notes of smaller denominations this has increased the dollar cost since the printing and transport cost is quoted on a per box basis.
4. This request is considered reasonable and no objections are raised here.

AC DIST

INFO ACTION - FINANCY 2

INFO - CHIEF COMING OVER

EA COM

20312

FILE

See M.115

HEADQUARTERS
28 FEB 1946

PA. 1/3

28 Feb 1946

785017

EX 60022

PAS 032215 A

0/3629

PAS 040900 A

ROUTE

MAR 1 1946

FREEDOM SIGNED SAVED

AGMAR WASHINGTON FOR COS FOR CCAC

INFO : CABINET OFFICES WHITEHALL FOR BRIT COS AND ALCON ROM

RESTRICTED.

This is MAT 987. Italian Government have accepted all provisions under currency agreement as of February first 1946 called for in PAN 583 PAS 13 to 17 copy of document containing formal acceptance being forwarded.

AC DISTRIBUTION

INFO ACTION FINANCE

INFO CHIEF COMMISSIONER

EX COMMISSIONER

COMPTON

FILE 2

NOTE

2493

113

by Com.

ACMAR WASHINGTON FOR COS FOR COMAC

INFO : CABINET OFFICES WHITEHALL FOR BMT COS AND ALCON ROME

RESTRICTED.

This is MAT 987. Italian Government have accepted all provisions under currency agreement as of February first 1946 called for in PAN 583 PARAS 13 to 17 copy of document containing formal acceptance being forwarded.

AC DISTRIBUTION

INFO	ACTION	FINANCE	2495
INFO		CHIEF COMMISSIONER	
		EX COMMISSIONER	
		COMMISSIONER	
		FILE	2
		FLOAT	
		ECOM SECTION	2

see 114

785017

4601-251

112

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Tel: 550

4 February 1946

Ref: ES/2002/0

Subject: \$900,000,000 Loan Requested by Italy

To : The Chief Commissioner
Thru: Executive Commissioner

Attached for information is a record of three recent conversations held with representatives of the Italian Government about the reported nine-hundred-million-dollar loan request by the Italian Embassy in Washington to the U. S. Export-Import Bank.

Harlan Cleveland
HARLAN CLEVELAND
Acting Vice President

Incl: 1
m/a

cc: Executive Commissioner
U. S. Embassy
Col. C. W. Walton
Lt. Col. B. E. L. Timmons
Lt. Col. F. W. Tooby

See M. 113 2493

98 5/2/46

(MAY 11)

14/2/46

MEMO ON THE 900 MILLION DOLLAR LOAN REQUESTED BY ITALY

Acting on instructions received from Mr. Cleveland with a view to obtaining clarification and as detailed information as possible on the report Mr. Cleveland had been given over the transatlantic phone about the above-mentioned loan, I contacted with the following officials of the Italian Government:

Dr. La Malfa - Minister of Foreign Commerce;
Comm. Di Nola - Ministry for Foreign Affairs;
Gen. Sarracino - Interministerial Committee for Reconstruction.

Gen. Sarracino - 25/1

The request for a loan has been presented by Sacerdoti in Washington to the Export Import Bank so as "not to lose Italy her place in the queue"; it should take the form of a blanket loan to cover the total import requirements over and above the UNRRA 450 million dollar allocation. The 900 million dollars should cover freight charges and include the purchase of 50/60 Liberty ships. Copies of the "Import Requirements" book had been, in the meantime, despatched to Washington while the total import requirement program is being broken down by consumer branches with detailed justifications and specifications of the materials requested: it was with a view to this that the rough breakdown into commodities of each consumer branch was drafted in tabular form.

2492

Minister La Malfa - 29/1

The Minister said he had vaguely heard of the request for a loan presented by Sacerdoti; he seemed to consider it an autonomous move following on old instructions Sacerdoti had received from ex-Minister Ruini and the old Ministry of Reconstruction organisation. He stated out that it appeared that the step had been

Dr. La Malfa - Minister of Foreign Commerce;
Comm. Di Nola - Ministry for Foreign Affairs;
Gen. Sarracino - Interministerial Committee for
Reconstruction.

Gen. Sarracino - 25/1

The request for a loan has been presented by Sacerdoti in Washington to the Export Import Bank as "not to lose Italy her place in the queue"; it should take the form of a blanket loan to cover the total import requirements over and above the UNRRA 450 million dollar allocation. The 900 million dollars should cover freight charges and include the purchase of 50/60 Liberty ships. Copies of the "Import Requirements" book had been, in the meantime, despatched to Washington while the total import requirement program is being broken down by consumer branches with detailed justifications and specifications of the materials requested; it was with a view to this that the rough breakdown into commodities of each consumer branch was drafted in tabular form.

2492

Minister La Malfa - 29/1

The Minister said he had vaguely heard of the request for a loan presented by Sacerdoti; he seemed to consider it an autonomous move following on old instructions Sacerdoti had received from ex-Minister Ruini and the old Ministry of Reconstruction organization. I pointed out that it appeared that the step had been taken jointly by Sacerdoti and Ambassador Turchiani, whereupon the Minister called Comm. Di Nola on the telephone. Di Nola stated that action had been taken with the authorization from the Ministry for Foreign Affairs and promised to send Minister La Malfa the relevant documents. Minister La Malfa told me that the situation arising from the ex-Ministry for Reconstruction, Ministry for Foreign Commerce and Interministerial Committee for Reconstruction was extremely confused and that he was

trying to "gather the threads in order to unravel them".

Comm. Di Nola - 30/1

Mr. Di Nola told me that it was quite some time that Sacerdoti and Tarchiani had been sounding the Export Import Bank with a view to presenting a request for a loan and that they had been encouraged to do so by U.S. officials (I tried to discover who these officials were and gathered that probably they were members of the State Dept.). Di Nola says he does not know what form the loan was to have, whether it was to be a blanket loan for the difference between the UNRRA subsidy and the total Italian Import requirements or if it was to be represented by a series of definite reconstruction projects (e.g. railways, ports and harbours, power production and distribution, telecommunications, etc.).

A cable from Tarchiani had been received a few days before by the Ministry for Foreign Affairs in which the Government's authorisation to present the request for the loan had been requested: the competent Ministries had been advised (Di Nola specifically mentioned the Treasury) and authorisation had been cabled to negotiate this loan, the amount of which now appears to be \$ 950 million.

Di Nola said that the authorisation was given even though the Government had no idea as to the form the loan was to have. A cable had been received from Tarchiani in which he informed the Government that the "conditions" of the loan had been despatched to Rome: it is not clear whether the "conditions" refer to the form of loan or to the conditions the Export Import Bank would place on such a loan. Di Nola promised to inform AC as soon as the information announced in Tarchiani's last cable arrived in Rome: he moreover stated his deep regret at the involuntary omission on the part of the Government in not informing AC of the steps being taken in Washington.

Import Bank with a view to presenting a request for a loan and that they had been encouraged to do so by U.S. officials (I tried to discover who these officials were and gathered that probably they were members of the State Dept.). Di Nola says he does not know what form the loan was to have, whether it was to be a blanket loan for the difference between the UNRRA subsidy and the total Italian Import requirements or if it was to be represented by a series of definite reconstruction projects (e.g. railways, ports and harbours, power production and distribution, telecommunications, etc.).

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2/2/1946

for
(F. Consolo)
Program Coordination Branch

785017

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109

13012/F

5 February 1946

FEB 6 1946

My dear Mr. Prime Minister:

I write to acknowledge receipt of your letter 59364/32151.10/6.1 of 31 January, 1946, regarding the gold presently in the custody of the Allied Financial Agency.

The various statements which the Banca d'Italia was requested to prepare to substantiate its claim to the gold which was found at La Portezza were passed by us, in accordance with instructions, to Allied Force Headquarters for onward transmission to the Combined Chiefs of Staff for consideration. We advised the Banca d'Italia in our letter FAH/1.20 of 21 July, 1945, that the Combined Chiefs of Staff had been informed by AFHQ of the discovery of the gold at La Portezza. It was stated to the Combined Chiefs of Staff that a substantial portion of the gold was believed to have constituted a part of the Banca d'Italia's reserve and that a careful investigation on the facts respecting its removal north was under way.

I am bringing your letter and that of Governor Einaudi to the attention of Allied Force Headquarters, and I will ask that they enquire of the Combined Chiefs of Staff whether any decision has yet been reached on the disposition of the gold discovered at La Portezza.

You also refer in your letter to gold removed from Italy to Germany. We have been advised by Allied Force Headquarters that questions of this nature should not be referred through military channels, but rather should be raised by the Italian Government directly through diplomatic channels with the other Governments concerned, in this case the four Governments represented on the Allied Control Council for Germany.

2490

See M. 113

PA 1/3

MAJ H/ 5/2/46

- 2 -

108

I am sending a copy of this letter to the
Governor of the Banca d'Italia for his information.

Very sincerely yours,

ELDER W. Stone

ELDER W. STONE,
Rear Admiral, USNH,
Chief Commissioner.

Onorevole Alcide De Gasperi,
President of the Council of Ministers
Italian Government,
Rome.

Copies to: Executive Commissioner
Acting Vice-President,
Economic Section
U.S. Embassy (Dr. H.J. Tasca)
British Embassy (Mr. S. Simmonds)

2483

785017

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21

107

13012/P

5 February 1946

SUBJECT : Gold discovered at
La Fortezza.

TO : Assistant Chief of Staff,
G-5 Section,
AFHQ.

1. I refer to extensive correspondence between our respective Headquarters on the subject of the gold discovered at La Fortezza, and the claim of the Banca d'Italia thereto, including our 13012/P of 16 May, 1945; your unnumbered letter of 23 May, 1945; our 13012/P of 29 June, 1945, (containing the information called for in your letter of 29 June); your unnumbered letter of 8 July, 1945; our 13012/P of 16 July, 1945; and our 13012/P of 3 October (transmitting the additional information requested in your letter of 8 July).

2. I attach hereto translations of two letters, one from the President of the Council of Ministers dated 31 January, 1946, and the other from the Governor of the Banca d'Italia dated 22 January, 1946, in which they inquire whether any decision relative to the disposition of the gold discovered at Fortezza has yet been made, and request that such gold be consigned to the Banca d'Italia.

3. It is realized that any decision on the disposition of the gold in question may raise difficult political and legal questions. However, I should be grateful to learn whether any decisions on the disposition of the gold and the other non-lira property now in the custody of AFI is likely to be taken by SCG in the near future. Information on such decisions has been requested by us in several letters to your HQ, the last of which was our 13012/P of 16 January, 1946.

(MAY H)

SMA
7/2/46

L. H. H.

12/2/46

785017

- 2 -

106

4. With respect to the question of gold removed from Italy to Germany, I have informed the President of the Council of Ministers, in accordance with the instructions contained in G-5 letter of 19 September, 1945, entitled "Italian Claims to Property in Germany and Austria", that this question should be raised by the Italian Government directly through diplomatic channels with the four Governments represented on the Allied Control Council for Germany.

/s/ Ellery W. Stone

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

Copies to: Executive Commissioner
Acting Vice-President,
Economic Section
U.S. Embassy (Mr. H.J. Tasea)
British Embassy (Mr. C. Diamonds)

2487

785017

Translation

The President of the Council of Ministers
59364/32151.10/6.1

Rome, 31 January 1946

Dear Admiral,

the reconstitution of the gold reserve is an indispensable condition for the rehabilitation of our currency circulation.

The Minister of Treasury and the Directors of the Bank of Issue consider it particularly necessary to settle this matter without delay in a final and tranquillizing way, so that no cause for uncertainty may jeopardize the renewed trust in the currency of which the country gives encouraging proofs, in spite of the serious difficulties of the present moment.

Thanks to the Allied Forces, part of the gold which the Germans intended to take to Germany was, as you are aware, recovered near the Northern frontier and taken back to Rome, ever since last May, where it remained under the control of the A.F.A.

At the same time, the Bank of Italy was asked to supply some particulars to evidence its right to claim ownership; this was duly done, and the required informations were forwarded at several intervals.

In consideration of the time that has gone by, it is getting more and more urgent that the consignment should no longer be postponed, according to what the Director of the Bank explains to you directly and with more particulars in the enclosed letter.

On my side, I want to add that the considerations hereby expressed are fully shared by the Government, and I therefore beg you, my dear Admiral, to intervene thus to hasten the re-consigning of the recovered gold, and also to forward whatever information you may have about the finding of what gold was actually removed into German territory.

Believe me,

Sincerely yours,

E/ De Gasperi

Admiral Hilary W. Stone
Chief Commissioner
Allied Commission
Rome

Distribution

Action - Finance Sub Commission
Info - Chief Commissioner
Executive Commissioner
Polad (A)
Polad (B)
A/VP, Economic Section

See M. 104 105

F. 107 109

Page 2

(MMS H) 5/2/44

785017

Translation

Bank of Italy
The Governor

Rome, 22 January 1946

Dear Admiral,

You will remember that, last May, the part of the gold of the Bank of Italy which was found still in custody, in the Fortezza gallery, under the supervision and management of the Bolzano Branch of this Institute, was transferred back to Rome, by the Allied Financial Agency, but that the gold itself wasn't returned to the Bank but deposited in a vault of the Institute and placed at the disposition of the A.F.A. under the sole control of the latter.

On the instructions of the Commission (letter dated May 28th and memorandum dated May 28th, 1945), the A.F.A. asked us to send a detailed report on the right of the Bank of Italy to claim the ownership of the gold.

In a letter dated 21st June, 1945, forwarded by the Minister of the Treasury, the Bank gave a detailed answer to the Commission on these various matters, proving its right to obtain the restitution of the gold found in Fortezza, and asking for the intervention and help of the Allied Authorities to find and recover such gold as had formerly been transferred from Fortezza to Berlin by the Allies.

Shortly afterwards, the A.F.A., in a letter dated July 21st, 1945, asked the Bank of Italy to supply further particulars about the circumstances in which the gold had been transported first to Milan, then to Fortezza and Germany, about the law suit against the former Governor Assolmi, and the previous statement of the Bank that the gold found at Fortezza never went out of its possession. In a letter n. 74243, dated September 7th, 1945, addressed to A.F.A., a detailed answer was supplied, as well as full particulars and copies of the documents requested.

Since that time, the Bank of Italy received no message, either about the restitution of the Fortezza gold, or about the recovering of what gold had been transferred to Germany.

Being well aware of the economic and financial situation of Italy, you will fully appreciate the urgent necessity to re-establish without delay the gold reserve if the monetary rehabilitation of the Country on which depend all our reconstruction program as well as Italy's orderly and fruitful return in the new international and economic system, is to take place.

Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
R o m e

2485

See 103 107

785017

101

I therefore take the liberty to ask for your intervention in the most efficacious way, with the Authorities concerned, to obtain that the gold reserve of the Bank of Italy be returned without delay.

Needless for me to repeat the motives already fully explained in letters dated June 21st and September 7th, 1945, or emphasize the reasons of a juridical, technical and moral character proving the full right of the Bank of Italy to recover its gold, for I trust that in the present circumstance too, yourself and the Allied Governments will show the comprehension, which, in former occasions, they showed for the legitimate rights of Italy.

I shall most gratefully appreciate it if you kindly let me know what informations you may receive on such a matter, and I am at your disposition to supply whatever information you may need to handle the matter mentioned in this letter.

Thanking you for your kind personal interest, I remain
my dear Admiral,

Sincerely yours,

S/ Luigi Einaudi

Distribution

Action - Finance Sub Commission

Info - Chief Commissioner
Executive Commissioner
Polad (A)
Polad (B)
A/VF, Economic Section.

2483

0 6 1 8