

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

ACC

10000/109/1520

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

10000/109/1520

FACILITIES FOR PURCHASE, ALLIED FORCES
FEB. - OCT. 1944

0599

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

223/CA

FACILITIES FOR PURCHASE -

ALLIED FORCES

1568 1586

10000 / 109 / 1520

THIS FOLDER

CONTAINS PAPER

24

0519

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

FOR THE MASK

ALLIED FORCES

1568 1586

10000 / 109 / 1520

THIS FOLDER
 CONTAINS PAGES
 FROM FEB - 44
 TO OCT - 44
 CATALOGUE

Copy to
 PERS
 5/1/44
 Rev - 11

ACC/79-4/FOOD

VPAC/BI

AMENDMENT NO. 1 TO DIRECTIVE ON
LOCAL PRODUCE IN ITALY, REFERENCE
ACC/79-4/FOOD DATED 22 SEPT. 1944

19
18 OCT Recd

1. Reference Directive ACC/79-4/FOOD dated 22 September 1944 and to appendix "Memorandum for G-4 (A)".
2. Paragraph A of appendix should be deleted and the following substituted:

18
"Potatoes."

4. Owing to a failure of crop it will not be possible to meet the full estimated offtake which the Armed Forces should receive from the seed sown. The Chief Quartermaster, AFHQ, will make an agreed final bid for locally produced potatoes. Thereafter, paragraph 2(11) above will apply."

11/2/44
W. J. LADD
Colonel
Director, Food Sub-Commission

And

14/10/44

1586

X

22308

19

HEADQUARTERS
ALLIED CONTROL COMMISSION
COMMUNAL SECTION
A.P.O. 39A

MS/51
24 SEP Recd

660/705-4/7052

22 September 1944

[Handwritten signature]

DIRECTIVE ON FOOD REQUIREMENTS IN IMA I

At a meeting at AFHQ on 18th to determine policy and procedure in the allocation of local produce, surplus to civilian requirements, it was agreed as follows:

1. PRINCIPLE:

- a. Locally produced foods which can easily be stored, or transported within reasonable time should not be considered as available surpluses for the Armed Forces. Specifically, dried fruits, dried vegetables, and potatoes will always be in this category.
- b. The first claim of the Allied Forces shall be for hospital requirements. Certified minimum requirements for hospitals, British and American will be met and nothing in this directive is to be read as limiting the necessary minimum supply for hospitals.
- c. That portion of a locally declared surplus which cannot be transported for civilian requirements in good condition within reasonable time to be determined by the Allied Control Commission, shall become available to the Armed Forces under local arrangements. (A.E. if in area "A", say 500 tons of dry cabbage or cauliflower is declared surplus and only 300 tons can be transported for civilian consumption, the remaining 200 tons will become available for the Armed Forces). Root vegetables, green vegetables and fresh fruits are in this category.

- d. Certain small quantities of local produce are required for victualling troops. These will be made available as a second priority after meeting the requirements of hospitals.
- e. Where green or root vegetables of which there is not a surplus are required for the Armed Services at the Food Supply Committee, the amount will differ at the time of binding the equivalent, or some other provision, of preserved vegetables to the Allied Control Commission for use as directed by the Allied Control Commission in substitution of the green and root vegetables that may be made available for the Armed Forces.

2. PROCEDURE:

... (partially obscured text) ...

will always be in this category.

2. The first claim of the Allied Forces shall be for hospital requirements. Certified minimum requirements for hospitals, British and American will be met and nothing in this directive is to be read as limiting the necessary minimum supply for hospitals.

3. That portion of a locally declared surplus which cannot be transported for civilian requirements in good condition within reasonable time to be determined by the Allied Control Commission, shall become available to the Allied Forces under local arrangements. (A.S. If in area 'A', any 500 tons of any cabbage or cauliflower is declared surplus and only 200 tons can be transported for civilian consumption, the remaining 300 tons will become available for the Armed Forces). Root vegetables, green vegetables and fresh fruits are in this category.

4. Certain small quantities of local produce are required for victualling ships. These will be made available as a special priority after meeting the requirements of hospitals.

5. Where green or root vegetables of which there is not a surplus will be for by the Armed Services at the Food Supply Committee, the surplus will offer at the time of bidding the equivalent, or some other proposition, approved vegetables to the Allied Control Commission for use as directed by the Allied Control Commission in substitution of the green and root vegetables that may be made available for the Armed Forces.

2. PROVISIONS.

1. Regional Supply Officers will report monthly as at present the surpluses in their Regions.

2. If in the interim between the monthly reports, a surplus of perishables becomes apparent this surplus will immediately be reported to Allied Control Commission, Food Sub-Commission.

3. Representatives of Allied Forces Local Resources (L.R.) Board will co-operate with Regional Supply Officers of regions in the work of ensuring availability and surpluses.

3. DEFINITION OF SURPLUS:

1. surplus is that part of local produce which:

(1) is in excess of local requirements, and

Handwritten notes:
1/24/44
1/24/44
1/24/44
1/24/44
1/24/44

DIRECTIVE: Cont'd.

- (2) which is not required by AEC for consumption elsewhere, and
 - (3) which, in the case of permissibles, is not transportable in good condition to where it can be consumed.
4. Notes on meeting mentioned in paragraph (1) are attached as Appendix.

Handwritten signature

A. G. AMICLINI
Acting Head
Economic Section

DISTRIBUTION:

- 1 - RC Region 1
- 1 - RC Southern Region
- 1 - RC Region 4
- 1 - RC Region 5
- 1 - RC Region 6
- 1 - RC Region 8
- 1 - RC Region 9
- 1 - RC Region 11
- 1 - RC Region 12
- 1 - RC Liguria Region
- 1 - RC Piemonte Region
- 1 - SIAO 483 5th Army
- 1 - SIAO 481 8th Army
- 1 - AFHQ (G-5)
- 1 - RC & ND Section
- 1 - AFSA (Italian) Board

18

APPENDIX II

MEMORANDUM FOR THE JCS (A).

As a result of the meeting on 16 September 1944 concerning the recommendation that no local food should be made available to the Armed Forces for the period October onwards, the following is the agreed memorandum which should be issued by A.G. to:-

Extensibility:-	AGC	AAI	SAS	NATHUSA	ADL	ES	ADHQ
Intensibility:-	0-4(A)	2A	1(Maint)	ESB			

1. It is anticipated that the problem of feeding the Italian civil population will become increasingly difficult as the large centres in the North fall into our hands.

2. To meet this situation the following principles will govern allocation of locally produced foodstuffs by the Food-Corps of the Allied Forces Local Resources (Italian) Board:-

(i) In principle, locally produced foods which are readily stored or transportable will not be made available for allocation to the Armed Forces from 1st October 1944. Specifically, the following are not so available:-

- Dried Vegetables
- Dried Fruits

(ii) The local military and Allied Central Commission authorities shall consult together as to local surpluses, having regard to the possibility of moving the surplus to another area as directed by the AGC. That portion of the surplus which cannot be moved or as to arrive in good condition will be available to the Armed Forces under local arrangements. Specifically, the following fall in this category:-

- Root Vegetables
- Green Vegetables
- Hard Fruits

1986

(iii) Certain relatively small quantities are required for the victualling of units. These will be made available as a second priority after meeting the needs of hospitals (see below).

(iv) Where green or root vegetables are bid for by the Armed Services at the Food Supply Committee, of which there is no surplus, the Armed Services will offer at the same time the equivalent, or some other product of comparable value to the AGC for use as directed by the

4. To meet this situation the following principles will govern allocations of locally produced foodstuffs by the Food Committee of the Allied Force Local Resources (Italian) Board:

(1) In principle, locally produced foods which are readily stored or transportable will not be made available for allocation to the Armed Forces from Incl. October 1944. Specifically, the following are not available:

- Dried Vegetables
- Dried Fruits

(11) The local military and allied Control Commission authorities shall consult together as to local surpluses, having regard to the possibility of moving the surpluses to another area as directed by the ACC. That portion of the surplus which cannot be moved or as to arrive in good condition will be available to the Armed Forces under local arrangements. Specifically, the following fall in this category:

- Root Vegetables
- Root Vegetables
- Hard Fruits

(111) Certain relatively small quantities are required for the victualling of units. These will be made available as a second priority after meeting the needs of hospitals (see below).

1084

(12) Where green or root vegetables are bid for by the Armed Services at the Food Supply Committee, of which there is no surplus, the Armed Services will offer at the same time the equivalent, or some other provision, of preserved vegetables to the ACC for use as directed by the ACC in substitution of the green and root vegetables made available for the Armed Forces.

3. The ACC will not withhold from declared surpluses any commodities for use outside the area in which they are produced unless it has been established that they can be delivered in the areas in which they are required in good condition.

Principle

See Article 20.

4. ~~On the failure of any it will not be possible to meet the full estimated off-take which the Armed Forces should receive from the seed stock. The Chief Quartermaster, AFHQ and the Director of Supplies and Transport respectively, in consultation with AFHQ, will make an agreed final bid for locally produced potatoes. Only declared surpluses will be made available to the Armed Forces.~~

APPENDIX: Cont'd.

5. Citrous fruits, soft fruits and nuts will continue to be made available under existing procedures.

HOSPITALS.

6. The certified minimum requirements of hospitals, both British and American, will be met, and nothing in this instruction is to be read as limiting the necessary minimum supply of locally produced products to hospitals.

7. The American and British supply agencies respectively, in consultation with AHS AFHQ, will furnish such technical instructions as are necessary to give effect to this letter.

223 ✓

17

HEADQUARTERS
ALLIED CONTROL COMMISSION
RECORDS SECTION
APO 394

13001/P

10 September 1944

SUBJECT: Limitation of Soldiers' Expenditures.

13001/P

TO : Acting Chief Commissions.

H/R

16

1. Reference your A/OS 100-1 of 6 September, 1944.
2. The attached letter for your signature has now been agreed between Records Section and Finance Sub-Commission.
3. It is felt that in particular the Allied Control Commission should for its own protection receive an expression from the O-in-C on the question put in paragraph 5. The question is in the last analysis one to be decided on military grounds, and we should have some indication of the considerations involved.

(Signed) A. G. ARTHUR, SMITH

for

A. G. ARTHUR,
Executive Director,
Records Section.

WTR/gh

W. MA

1583

16

100/50

100-100

10 September 1944

SUBJECT: Limitation of soldiers' expenditures.

TO : Commander in Chief,
Headquarters, Allied Armies in Italy.

1. It is the purpose of this letter to place before you for consideration an extension of the Allied Forces' program for the limitation of soldiers' expenditures.

2. The elements of such a program are in effect at the present time. They may be summarized as follows:

- (a) Educational campaigns among troops to bring home to them the undesirable effects of their carefree spendings on the local economies and consequently on their own economic welfare.
- (b) Encouraging soldiers to save a substantial part of their pay and making available to them attractive savings facilities.
- (c) Providing a wide variety of goods and services through Post Exchange facilities, N.A.A.F.I., Special Services, and the Red Cross, in order to reduce the attraction of civilian establishments to the troops.
- (d) Where deemed necessary, placing retail establishments (including restaurants) off limits, with supervision of establishments permitted to sell to military personnel.

3. If all Italy is occupied, the opportunities for increased spending will be greater, due to the larger stocks of consumers' goods available. At the same time it is more imperative than ever that such goods be reserved for civilian use. Therefore, it is suggested that you may wish to consider the institution of a more vigorous program under the headings outlined in paragraph 2 above. In particular, the Allied forces' newspaper could usefully carry a series of articles showing the importance of troops' limiting their personal expenditures to avoid harmful effects on the economy of the countries we are liberating, and the desirability of their saving money for post-war activities. The American Expeditionary Radio Service Station and PWB could no doubt combine efforts to produce effective radio scripts on the same theme.

4. From time to time the Italian press has suggested the compulsory withholding of part of the pay of Allied soldiers in Italy. Our analysis leads us to conclude from the economic point of view that compulsory limitation would not reduce soldiers' expenditures. In May, 1944, U.S. personnel in the United States

- 2 -

Kingdom retained only 20% of their pay for expenditure in civilian channels. In the North African theatre, the corresponding figure for April 1945, was 15.2%. Lieut-General Clark, G3 5th Army, has recently announced that American troops in Italy retain only 17% of their pay in Italy. To produce a net reduction in soldiers' spending, the withholding of pay would have to be so drastic as to be unacceptable to everyone concerned.

5. Recent information we have received from G-5, USARP, indicates that it has been decided by 21st Army Group to revert to a complete prohibition of purchases by troops in civilian establishments. We should appreciate an expression of opinion as to the feasibility from the military standpoint of a similar measure for Italy.

HILTON W. SMITH
Captain, USAR
Acting Chief Commissioner

A/C C 100-1

HQ A.C.C. ECONOMIC SECTION

HQ ACC 410 349/3
 55 (Date)
 5 Sep 1972

From	per	To
ECONOMIC SECTION		
AGRICULTURE		
COMMERCE		
FINANCE		
FOOD		
INDUSTRY		
LABOUR		
PUBLIC WORKS & UTILITIES		
STATISTICAL DIVISION		
TRANSPORTATION		
SECRETARY GENERAL		
EXECUTIVE OFFICE OF THE DIRECTOR		<input checked="" type="checkbox"/>
ADMINISTRATIVE SERVICES BRANCH		

For: Signature

Special Recommendation

Information

Approval/Disapproval

Appropriate Action

Investigation & Report

Holding and Return

Noting and Retention

Dispatch

Remarks:

CAPTAIN STONE: (U.S.M.A.)

I AGREE IN PRINCIPLE WITH GRAFFROY BUT LT. ATKINS' POINTS ARE WELL TAKEN.

[Signature]

223 ~~8~~

14

OKA/bem

1 September 1944

MEMO:

TO : Executive Director

Reference attached draft letter forwarded under cover of Finance Sub-Commission, 15021/V to M/A Acting Chief Commissioner. I have the following comments to make:

Paras 1 - 3 No comment except that if propaganda is to be successful, it is essential that para 2 (c) be implemented to the greatest possible extent.

Para 4 I think it is very probable that less than 5% of soldiers' pay is expended on goods essential to civilians. Most of the troops' money is probably expended on wine, fruit, jewellery, souvenirs and signorina.

Para 5 To enforce such a prohibition in the closing stages of a campaign is likely to produce considerable resentment among the troops, much less than when such prohibition is in force at the commencement of a campaign. Would it not be better to omit this para?

C. W. Atkins

C. W. ATKINS, Lieutenant, R.A.
Staff Lieutenant
Economic Section

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
A.P.O. 394.

13021/f

31 August 1944.

TO : W/A Acting Chief Commissioner.

1. Attached is a draft letter which the Acting Chief Commissioner might care to consider with a view to writing to the C & C., A.A.I.
2. I feel strongly that in the Northern Regions, not yet liberated, shops will be better stocked and a larger supply of manufactured goods available than in any area yet occupied.
3. It is open to question whether General Alexander will wish to pursue such a drastic policy as that followed by 21st Army group in France.
4. It is however considered that a reminder of the dangers of soldier's expenditures is not untimely.

A.P. Grastey

Colonel,
Joint Director,
FINANCE SUB-COMMISSION.

Copy in folder 12
also sent (Hand)
DRAFT LETTER FROM ACTING CHIEF COMMISSIONER TO GENERAL ALEXANDER

1. It is the purpose of this letter to place before you for consideration an extension of the Allied Forces' program for the limitation of soldiers' expenditures.

2. The elements of such a program are in effect at the present time.

They may be summarized as follows:

(a) Educational campaign among troops to bring home to them the undesirable effects of their carefree spendings on the local economies and consequently on their own economic welfare.

(b) Encouraging soldiers to save a substantial part of their pay and making available to them attractive savings facilities.

(c) Providing a wide variety of goods and services through Post Exchange facilities, N.A.A.F.I., Special Services, and the Red Cross, in order to reduce the attraction of civilian establishments to the troops.

(d) Where deemed necessary, placing retail establishments (including restaurants) off limits, with supervision of establishments permitted to sell to military personnel.

3. If all Italy is occupied, the opportunities for increased spending will be greater, due to the larger stocks of consumers' goods available.

At the same time it is more imperative than ever that such goods be reserved for civilian use. Therefore, it is suggested that you may wish to consider

the institution of a more vigorous program under the headings outlined in para. 2 above. In particular, the Allied forces' newspapers could usefully

carry a series of articles showing the importance of troops' limiting their personal expenditures to avoid harmful effects on the economy of the

countries we are liberating, and the desirability of their saving money for post-war activities. The American Expeditionary Radio Service Station and

137

(b) Encouraging soldiers to save a substantial part of their pay and making available to them attractive savings facilities.

(c) Providing a wide variety of goods and services through Post Exchange facilities, M.A.S.P.I., Special Services, and the Red Cross, in order to reduce the attraction of civilian establishments to the troops.

(d) Where deemed necessary, placing retail establishments (including restaurants) off limits, with supervision of establishments permitted to sell to military personnel.

3. If all Italy is occupied, the opportunities for increased spending will be greater, due to the larger stocks of consumers' goods available. At the same time it is more imperative than ever that such goods be reserved for civilian use. Therefore, it is suggested that you may wish to consider the institution of a more vigorous program under the headings outlined in part. 2 above. In particular, the Allied Forces' newspapers could usefully carry a series of articles showing the importance of troops' limiting their personal expenditures to avoid harmful effects on the economy of the countries we are liberating, and the desirability of their saving money for post-war activities. The American Expeditionary Radio Service Station and PWs could no doubt combine efforts to produce effective radio scripts on the same theme.

4. From time to time the Italian press has suggested the compulsory withholding of part of the pay of Allied soldiers in Italy. Our analysis leads us to conclude from the economic point of view that compulsory withholding would not reduce soldiers' expenditures. In May, 1944, U.S. personnel in the United Kingdom retained only 21% of their pay for expenditure in civilian channels. In the North African theatre, the corresponding figure for April, 1944, was 15.8%. Lt.-Gen. Clark, 505th Inf. Div., has recently

announced that American troops in Italy retain only 17% of their pay in Italy. To produce a net reduction in soldiers' spending, the withholding of pay would have to be so drastic as to be unacceptable to everyone concerned.

5. Recent information we have received from G-5, SRAEF, indicates that it has been decided by 21st Army Group to revert to a complete prohibition of purchases by troops in civilian establishments. We should appreciate an expression of opinion as to the feasibility from the military standpoint of a similar measure for Italy.

APG/

21 August 1944.
BLLF/ada.

Elmer W. Stone

Captain USNR

Acting Chief of Administration

1577

C. ...
US, ...

... Administration

everyone concerned.

5. Recent information we have received from G-5, SHARP, indicates that it has been decided by 21st Army Group to revert to a complete prohibition of purchases by troops in civilian establishments. We should appreciate an expression of opinion as to the feasibility from the military standpoint of a similar measure for Italy.

APG/

31 August 1944.
HSLT/ada.

E. Berry W. Stone

Captain USNR

Acting Chief Administration

*Chief,
AS, HAI*

1577

Subject: Prohibition of Soldier's Expenditures

223 16 MAR Recd CA Br 10

Subject: Military Shops.

H.Q. A.A.I. (Adm Echelon),
GMP.

126/Q2.
15
14 Mar 44.

H.Q. Allied Control Commission.

1. Reference is made to this HQ letters of even reference dated 20 Feb and 6 Mar 44. No reply has yet been received to either of these letters.
2. As the letters in question refer to a matter of considerable importance to the Allied Forces as a whole, it would be appreciated if a reply could be sent as soon as possible to the above mentioned letters.

Jagan Lal
Jagan Lal

for Major General,
Chief Administrative Officer.

See 9
SI.

Ph

1076
②

HEADQUARTERS
ALLIED CONTROL COMMISSION
HQ. & 57 Section
APO 394

9

Ref/223/9/GA.

16 March 1944.

SUBJECT: Expenditure on Italian Merchandise by Allied Troops.

TO : H.Q. A.A.I. (Admin. Echelon).

1. Reference your 126/Q2 of 20 Feb 44 and of 6 Mar 44, and AFHQ's AG 331.3-2 1288-NM of 3 Feb 44.

2. Very careful consideration has been given to this problem by representatives from this Headquarters, Peninsular Base Section, and 57 Area, as a result of which the Base Section proposes to adopt forthwith the following measures:

- (a) To establish prices for luxury and souvenir goods offered for sale in Naples on the basis of prices two years ago, plus a percentage not yet finally determined which will represent the increase in prices of basic commodities during the two year period. In establishing these prices the Base Section will work in close consultation with Headquarters, Region III, and this Headquarters.
- (b) To inspect the shops frequently to determine whether prices higher than the maximum established prices are being charged.
- (c) To post notice "Off Limits to Military Personnel" on all shops which persist in charging more than the established prices.

3. The success or otherwise of these measures will be carefully watched with a view to their possible adoption in Rome and other large cities.

4. With regard to the establishing of Central Markets in which approved dealers would operate, and of which the patronage would be limited to personnel of the Allied Forces, it is felt that if the measures outlined in para. 2 above are vigorously handled, the problems will be largely solved. In any case the Base Section is unwilling to make further policing commitments at the present time.

1570

COPY TO
HQ AFHQ
57 Area
Region III
Chief Liaison Officer.

W. H. Fiske
WILLIAM H. FISKE
Colonel, Cavalry,
Deputy Executive
Commissioner.

16 MAR Recd 223

16 MAR Recd 94

8
/

HEADQUARTERS
ALLIED CONTROL COMMISSION
R.C. & M.G. SECTION
Liaison Division
APO 394

16 March 1944

SUBJECT: Military Shops; Re: File 223/CA.

TO : Major Drifffield-White.

The Executive Officer, Metropolitan Area, Peninsular Base Section, advised yesterday that that headquarters proposes forthwith to adopt the following measures in this matter:

1. To establish prices for luxury and souvenir goods offered for sale in Naples on the basis of prices two years ago, plus a percentage not yet finally determined which will in theory represent the "normal" increase in prices of basic commodities during the two year period.
2. To inspect such shops frequently to determine whether prices higher than the maximum prices so arrived at are being charged.
3. To signpost "Off Limits to U. S. Personnel" all shops which persist in charging more than the established prices.

This action is apparently the result of suggestions originally emanating from the R.C. & M.G. Section and pursued through the Regional Commissioner, Region III.

The file is returned.



ALFRED C. BOWMAN
Lieutenant Colonel
Chief, Liaison Division

1574

Subject:- Military Shows.

223

U-1445 CAB-7

Recd

ADM SCHMIDT,

358

HQ Allied Control Commission.

125/92.

5 Mar 44.

2.

Ref this HQ letter of even number of 20 Feb 44.

Can you now please say what action you can take in this matter.

HEADQUARTERS
8 MAR 1944

Latimer
for Major-General,
Chief Administrative Officer.

See 9

430

HEADQUARTERS
ALLIED CONTROL COMMISSION
R.C. & M.G. Section
AFO 394

Ref/223/6/GA

1 March 1944.

SUBJECT: Expenditure on Italian Merchandise by Allied Troops
TO : Regional Commissioner, Region III

1. Copies of letters from AFHQ and AFHQ Advanced Administrative Echelon are forwarded.
2. This Headquarters will be much obliged if you will study this problem and submit a plan for Naples which could be operated by the Allied and Italian personnel that you have at present available.
3. Your attention is in particular directed to paras. 2 (b) and 2 (c) of AFHQ letter of 3rd February.

NORMAN E. FIRKE,
Colonel, Cavalry,
Deputy Executive
Commissioner.

Incl
As above.

b/u.
S/S
1944

HEADQUARTERS
ALLIED CONTROL COMMISSION
R.C. & M.G. Section
APO 394

23 February 1944.

MEMORANDUM:

Reference attached:

Para 2b provisions were adopted with some success in ^{PALESTINE} Sicily, a card being displayed in shop windows saying either

- (a) OFF LIMITS TO U.S. PERSONNEL
- OR
- (b) AUTHORIZED TO SELL TO U.S. PERSONNEL

The latter card was certified by an inspecting officer of I.B.S. (P.M.G. Dept) at about monthly intervals according to the observations as to price display tickets and conduct of business.

Complaints against shopkeepers resulted in special inspections.

The "OFF LIMITS" signs were subject to removal after a period of good behavior and conformity with the regulations.

This is the practice evolved from the requirements of General Order No. 4, and it came more or less naturally to be applied to souvenirs and luxury items when these appeared on the market.

Setting standards for individual items of such things as jewellery involving handicraft or special machine craft will not be easy, but there are factors that can be taken into consideration,

- e.g. Weight of precious metal used,
- Time taken in manufacture,
- Precious or semi-precious stones employed,

in fact the usual factors of commerce and industry.

Supply and demand is a very different matter, and can best be covered by the Central market idea of para 2 (c) which has been in use for centuries in the East and is still used successfully.

Suggestions for action:

1. Explain to the troops in ABCA lectures the meaning of ¹³⁷² inflation, and its world-wide effects.
2. Explain to all Regions the Sicily methods and instruct their application.

4

3. Advocate the initiation of savings schemes and provide the machinery. (A local scheme might drain off some of the money that is available for local purchases.)
4. Make or charge for entertainments!! (The problem here is what to do with the money?)
5. AMG/AOC to make a canvass for officers with merchandising and price experience.
6. Instruct Regions to find suitable sites and buildings for Central Market schemes.
7. Introduce a licensing scheme for shopkeepers.

General Comments:

Two problems look large

1. Enforcement
2. Publicity

Whilst a third, the "Underground" market might assume considerable proportions in course of time.

Enforcement would require large staffs of officers and specially trained police, both civil and military.

Publicity - vigorous campaign in Union Jack and Stars and Stripes.

But how would the Italian papers react? They would have to be convinced that any campaign was in the final interests of the Italian people otherwise they might take the line that they were working against the said people in advocating a limitation of prices and "fair" trading.

B. D. Field White
man. G.

See also submit for *Union Jack & Stripes* 1971

*Extract from Mail Call 3
The Star & Stripes Feb 23 1945*

Exposes Black Market

Dear Editor:

The captain, writing about high prices is 1000 percent correct, what he said that we were not creating any good will by paying beyond the value of the merchandise. The sooner the army authorities handle this, the better for everyone concerned.

Several days ago I went into a store to buy a pocket watch of about the same grade as a "pocket Ben" back in the states. They demanded 25.00 dollars for it. I told them it was too much. A friend of mine who speaks Italian went to the same store later and purchased the watch for 4.00 dollars.

I was in the jewelry trade at one time and I will expose the biggest racket here—the selling of cameos. A good cameo is cut from a mottled shell and is quite thick. The shops here are filled with ones that are second and third grade. These are very thin, having been cut from soft young shells. The dealers will show you one of these and tell you it takes a month to carve the cameo. This is a bare-faced lie. A cameo is carved in a short time.

A good cameo in a jewelry store in the states will not cost more than 10.00 or 15.00 dollars and this includes gold mounting. This is for a first grade set. Yet over here they demand from 15.00 dollars up for second and third grade cameos. If you buy an unmounted cameo, you can figure another 10.00 dollars to have the necessary work done. The reason I mention this is that I hate to see people fooled by merchants who misrepresent their products.

-R. Anderson

570

Subject:- Military Shops.

AMHQ ADP ADM BUREAU
CAF.

125/02.

20 Feb 44.

HQ Allied Control Commission.

1. AMHQ have directed that consideration be given to the rising prices being paid by troops for souvenirs and articles purchased in Italy, to the detriment of both troops and Civil Population.
2. A copy of the AMHQ letter AG. 331.3-C MES-ADM of 3 Feb 44 giving in outline the action to be taken is attached.
3. In NAPLES the Army Exchange Service are already operating a shop and MFI have a similar proposal in hand. Such efforts however merely touch the fringe of the whole problem, and you will appreciate that to affect the scheme on the lines envisaged by AMHQ with any success will require the full support of your organisation.
4. In view of the importance of the question to the Allied Forces, will you please say what action you are prepared to take.

W. S. ...
Major-General, Army
Deputy Chief Administrative Officer.

Copy to:- C-4
A.
W. S. ...

See 9

1569

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COPY

ALLIED FORCE HEADQUARTERS
APO 512

22/35W

AG 311.3-2 1025-61M

1 February 1944

SUBJECT: Expenditures on Italian Merchandise by Allied Force Personnel.

To : Deputy Chief Administrative Officer,
Allied Force Headquarters Advance Administrative Echelon,
APO 400.

1. Indiscriminate and unguided purchases by the officers and men of the Allied Forces in ITALY, in their efforts to acquire souvenirs and articles, either for personal use or to send home, have two undesirable effects:
 - a. The purchasers are competing against one another and have little or no protection against increased prices or inferior quality. It is the opinion of some of the units having a small income that units having a larger income have an unfair advantage.
 - b. In general, prices are being driven up, to the disadvantage of both the Allied Forces and Italian population.
2. In order to correct this situation as much as possible, the following policy will be adopted:
 - a. The Army Exchange Service and the Expeditionary Service Institute should continue, and where possible expand, their program which call for the purchase of available local articles suitable for resale to the troops.
 - b. Designate certain local stores as "approved for Allied Force trade", establishing standards of quality and price, and making the necessary periodic inspections to ensure that these standards are maintained. In view of wide variations in quality of the types of merchandise in question, it may not be practicable to prescribe schedules of maximum prices; but requirements such as fair prices, clearly marked, can be established.
 - c. Study the possibility of establishing central markets in large cities such as Rome and Naples, in which approved dealers would operate stalls, and the patronage would be limited to the personnel of the Allied Forces.
3. In effecting the above policies, the Allied Control Commission or Allied Military Government officers, in the area concerned, and the Central Economic Committee will be consulted. Full advantage should be taken of available personnel with merchandising and pricing experience, such as those serving with AEC and EPI.
4. The utmost publicity should be given to the plans which are put into operation, and to the advantages of purchasing from authorized dealers.

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By command of General WILSON:

(Sgt.) H. V. ROBERTS,
Colonel, AECF,
Adjutant General.

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