

1335

Declassified E.O. 12356 Section 3.3/NND No. 785016

ACC

10000/132/187

450

Supplies
June 1944

1330

Declassified E.O. 12356 Section 3.3/NND No. 785016

10000/132/187

450

Supplies

June 1944 Jan. 1945

1337

785016

CONFIDENTIAL 142

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RECEIVED AT THE DEPT. OF
STATE
JAN 12 1949

CONFIDENTIAL

8 January, 1949

1.01

SUBJECT: Report on local procurement *for supplies*

- 1. Agriculture sub-commission
- Commerce sub-commission
- Industry sub-commission
- Food sub-commission
- U.S. sub-commission
- U.S. Government for purchasing *and*
- ~~U.S. Government~~ contracting of items.

1. Attached is copy of a report dated 18 October 1948 on the subject "The Effect of Italy's Changing Needs From Co-Belligerent to Ally Upon Local Procurement".
2. We have collected documents from their procurement officials concerning the Italian attitude towards transactions with agents of the Allied Forces.
3. C-3, 1948 was requested to comment on this matter and proposed calling a meeting between C-4, C-5, and C-6 to discuss this trend of attitude.
4. Will you please report by 18 January, 1949, as to whether officers of your sub-commission who have dealings with Italian officials, vendors and others, have noticed any difference of attitude.

C. J. *WMA*
 ASSISTANT SECRETARY
 Economic Section

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Enc. 1 copy report dated 18 Oct. 48.

CC: 1 to U.S. Section
 1 to Political Section ✓

CONFIDENTIAL

CONFIDENTIAL

Inter-Office Memorandum, USA Officer, 25, 100 1st Street, Washington 10 Oct. 1944

The effect of Italy's changing status from Co-Belligerent to Ally upon local procurement.

1. Ever since the Casablanca Conference, reports, news broadcasts and US Memoranda have constantly stressed the greater aid which Italy will receive from the Allies with emphasis upon the more complete economic and political freedom which the Italians will receive as a result of this Conference.

2. The first and greatest effect has been felt in the attitude of local Italian Government Officials. In the past they have worked very willingly with us, assisting us greatly to procure local items, but recently, since they have been informed that they will gain economic as well as political freedom, they have tended to hold back supplies and local resources which they are able to use for their own purposes, and only in cases where pressure is brought to bear will they release these items, instances of which are leather and potatoes.

3. The second effect has been felt on the part of the contractors who have taken a more independent stand with the contracts we are making now as compared with those made previously. They have taken the attitude that if we do not meet their terms they will work on civilian contracts where greater profit is forthcoming and where they might take advantage of the black market and also to procure themselves for the working needs of the newly liberated people in Northern Italy where supplies are short, or they will go to the US and most likely get a contract to work for them making items for the civilian population under US supervision. Two recent cases of this have been, first, the new coffee roasting and grinding contract which price had to be set at 1.10 cents per lb. instead of the figure of 5/4 cents per lb. felt to be reasonable by this office. This price was forced upon us due to our inability to furnish the necessary technique and personnel to operate our plant ourselves, and therefore, had to rely on the local contractors to do this work. The second case is that of our glass factory which we put into production approximately 10 months ago, and has been selling exclusively to the Undersecretary, PM. This factory has now found that due to the scarcity of these items they can get from 3 to 4 times the price the Army pays them, on the black market.

4. The black market which, according to reports has been cleaned up by the US, has benefitted tremendously by this change in the status of the Italian people and is now flourishing on a big scale. In fact, you can buy almost any item of Army foodstuffs on this market as well as clothing, and all civilian items produced or manufactured locally.

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5. The extent to which the Italians will go to withhold local resources from the Allies has been shown by the recent killing of a British Officer working for the US, on his assignment of making potato crop surveys, and killed in the neighborhood of Naples. However, most of the opposition has been in the conversation and attitude of the contractors dealt with.

6. This information is presented in order to keep you up to date on local procurement and its problems, and your suggestions and recommendations are requested.

J. C. Ward, Jr.
Major, U.S.A.
USA Officer

CONFIDENTIAL

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Ref: 150

10 December 1944

SUBJECT: Shipping of food supplies and garments
to Italy from Spain.

TO : C-5 Section, Allied Force Headquarters
Copy to: U. S. Political Advisor
British Resident Minister

1. Reference Transportation Sub-Commission's Memorandum No.
AG Th(a)24 dated 23 November 1944, copy of enclosure to which is
attached.

2. There is submitted herewith a copy of the reply of the
Italian Ministry of Foreign Affairs to a suggestion made by C-5
Section, AGF, on the above subject (6/1194/513 dtd 7 Dec 44).

For the Chief Commissioner:

WILLIAM W. SCHOLT
Vice President, Political Section

2 Encls:

- 1 - C-13 dtd 6 Nov 44.
- 2 - 6/1194/513 dtd 7 Dec 44.

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Ministero degli Affari Esteri

6/1194 513

WS

PP

MEMORANDUM FOR THE POLITICAL SECTION A.S.

Ref: Your Memorandum n.450 of November 30th, 1944.

The Ministry for Foreign Affairs request the Political Section A.S. to inform G-5 Section A.F.H.Q. that the Italian Government agree that the hundred cases of food and clothing be shipped from Spain on the Vatican vessels not being loaded in that country.

Alternatively, they have no objection to the shipment of the cases on the wheat ships mentioned in the A.S.'s memorandum, but on this point they wish to state that they are not aware that any such vessels will shortly be dispatched by Spain to Italy.

Should it not be possible to practically carry out these solutions of the question, the Ministry for Foreign Affairs suggest that the cases be transported to Italy with the first available Allied means, so as to avoid that their contents be even further deteriorated.

The following is the translation of the telegram of instructions sent to the Italian Embassy in Madrid on the subject:

"A.S. have suggested that 100 cases food and clothing be shipped on vessels destined Italy loaded with food for Vatican. This Ministry agree and request you to make necessary arrangements with that Runcio and competent local authorities."

Rome, 7th December, 1944.



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HEADQUARTERS ALLIED COMMISSION
POLITICAL SECTION
APO 394

Ref: 450

20 November 1944

MEMORANDUM TO : Italian Ministry for Foreign Affairs

SUBJECT: Shipment of Food Supplies and Cements to Italy
From Spain.

1. Reference Ministry of Foreign Affairs Memorandum 6/814/363 dated October 20, 1944.

2. The Chief of the Economic and Supply Division, A.F.H.Q. has suggested that the Italian Authorities in Spain be asked to arrange for the hundred cases of food and clothing to be shipped in the Vatican ships now being loaded in that country. Alternatively, these cases could be loaded on the wheat ships which shortly will be dispatched by Spain to Italy.

3. The G-5 Section, A.F.H.Q. has requested Political Section to advise it of your attitude regarding this matter. In consequence, I should appreciate an expression of your views thereon.

450

WILLIAM W. SCHUTT
Vice President, Political Section

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EF/fa

HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION SUB-COMMISSION

AC Tn/S/24

13 November 1944

TO : Political Section ✓

SUBJECT : Shipment of Food Supplies and Garments
to Italy from Spain.

Further to our letter ACC Tn/S/24 dated 25 October
copy to you.

Attached is copy of letter C-13 dated 6 November from
G-5 for your information and necessary action.

K. Feansides

J/Indr. ATS.

for D.S. ADAMS
Colonel, C.E.,
Director, Tn. S/C.

Copy to : Economic Section

Enclosure : 2 (Copys of letter)

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1 3 4 3

/fd

C O P Y

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

Ref. C-13

6 Nov. 44

SUBJECT : Shipment of Food Supplies and Garments
to Italy from Spain

TO : Headquarters, Allied Commission, APO 394
(attn. Transportation Sub-Commission)

1. Ref. your letter ACC/Tn/S/24 of 25 October.
2. It is now suggested that the Italian authorities in Spain be asked to arrange for the 100 cases of food and clothing to be shipped in the Vatican ships now being set up. Alternatively they could be loaded to the wheat ships which Spain is shortly despatching (see Civil Sups report to MEDBO Oct. 22 para 34).
3. Please consult with the Italian Ministry of Foreign Affairs and advise.

For the Assistant Chief of Staff, G-5:

J.E. BUTTERWORTH
Colonel, G.S.C.
Chief Economic & Supply Division

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SECRET*Political**9328*~~*HC*~~
~~*WS*~~

INFO ACC PERSONAL FOR MURON C TAYLOR

193/27

AFH, PROS GENRAL CLARE SIGNED TISON

T 12720

PRIORITY

OCT 27/1959

CITE: PHRO

FOR INFORMATION ONLY

SECRET. Your 5461 of 26 October not understood. Foreign Office informed Sir D'ARCY
 OSBORNE on 25 October that US Consul General at BARCELONA was being instructed to authorize
 shipment of the goods. C-140 was approved routing of ships direct to HAVRE and VATICAN
 authorities were so informed about 10 Oct by OSBORNE.



Dist
 Act: Myrme Taylor (2)
 (CMA AMBASSADOR)

450

inf: A/CC
 C.O.S.
 Gen. Sec.
 Political Sect. ✓
 Liaison Div.
 File (m)

SECRET

Informative to
Citation
 Od. 20 259
(cont)

EF/h1

HEADQUARTERS
ALLIED CONTROL COMMISSION
Transportation Sub-Commission
APO 394

29 October 1944

Tel: 473704
Our Ref: ACC.TN/S/24

SUBJECT: Shipment of food supplies and garments
to Italy from Spain.

TO: C - 5 ARHQ (2 copies)

Further to your letter C - 13, date unknown,
enclosed is a copy of a memo from the Italian Ministry
of Foreign Affairs supplying the details you require.

We should be grateful for anything that can be
done to expedite the shipment of these 100 cases of food
and garments for distribution in Italy.

R. Farnables
for D.S. ADAMS
Colonel, C.B.
Director, Tn.Sub.Comm.

Copy to: Economic Section
(ref.your ES/13 of 22 Sept)
Political Section ✓
(ref.your 450 of 22 Oct)

Enclosure: 1.
(copy of Memo fr.Min.of
Foreign Affairs)

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HEADQUARTERS ALLIED CONTROL COMMISSION
POLITICAL SECTION
APO 394

Ref : 450

22 October 1944

SUBJECT: Food and Garments collected in Spain for
Distribution in Italy.

TO : Economic Section.
(attn: Lt. Col. Glenville, Transportation Sub-Commission).

1. Your Memo ES/13 of 22nd September. We attach a copy of a
communication No. 6/SD/363 from the Italian Ministry of Foreign Affairs
supplying the details you requested.

2. We should be grateful for anything that can be done to expedite
the shipment of these 100 cases.

H. A. GAGGIA
Vice President, Political Section

1 Encl: Memo No. 6/SD/363 dtd 20.10.44

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6/814/363

*Ministero degli Affari Esteri*MEMORANDUM FOR THE POLITICAL SECTION A.C.

With reference to the Political Section's memorandum dated 25th September, please note the following details concerning the 100 cases to be shipped from Spain to Italy:

- 1) - CONTENTS : foodstuffs and clothing.
- 2) - DISTRIBUTION : to be distributed to needy families in Rome through the Ministry for Foreign Affairs.
- 3) - PORTS OF ORIGIN AND OF DISCHARGE: Royal Italian Embassy in Madrid should consider together with the Allied Diplomatic Missions there the most convenient port of embarkment. As for the port of discharge Naples would seem the most con-

./.

4) DEADWEIGHT
TONNAGE:

variant as it would be easy to forward the cases from there to Rome.

: The Ministry lacks information on this point; it is however known that the total volume of the cases would be of about 100 cubic metres.

5) CONSIGNOR

: Royal Italian Embassy in Madrid.

CONSIGNEE

: Royal Ministry for Foreign Affairs -Rome.

With the opportunity the Ministry for Foreign Affairs would much appreciate if the Political Section would kindly use its good offices in order that the above mentioned cases might reach Rome with the least possible delay in view also of the forthcoming winter and the well-known shortage of clothing and foodstuffs in Rome.

The Ministry for Foreign Affairs would be glad to receive an early reply on the matter. *Relly*

Rome, 20th October, 1944.



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HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

LDD/rb

ES/13

22 September 1944

SUBJECT: Food and Garments collected in Spain for Distribution
in Italy.

TO : Political Section

1. Refer NR 6/85/39 Ministero degli Affari Esteri
31 July 44. and C-13 AFHQ - G5 copy attached.

2. Please procure the information requested by AFHQ and
forward to Economic Section, Att. Lt. Col. Glanville, Transport-
ation Sub-Commission, who will also require the following to com-
plete arrangements:

- a. Name and address of Consignor and Consignee
- b. Port of Origin and of Discharge
- c. Name and address of distributing agent in Italy.

L. D. Densmore
L.D. DENSMORE,
Col., Sig. C., C.S.O.,
Economic Section

From Bureau

Enc. as per

asked today
HAZ 25/9

450

CONFIDENTIAL

CONFIDENTIALALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

GHW/1136/ea

Ref. G-13

3 September, 1944

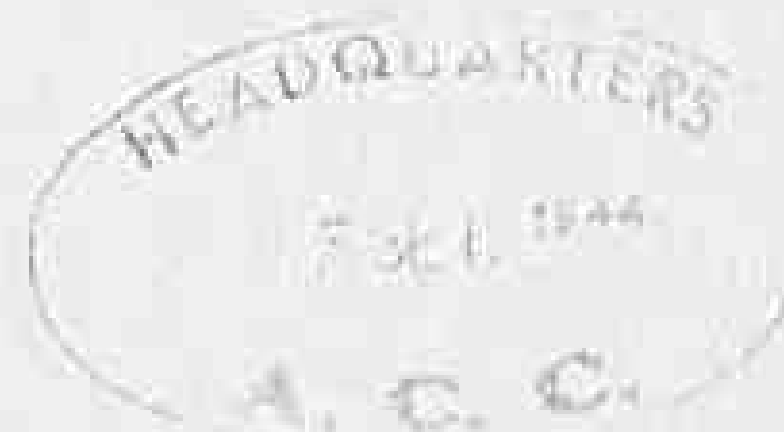
SUBJECT: Shipments of Food Supply and
Garments to Italy from Spain.TO : Headquarters, Allied Control Commission, APO 394.
(Attn. Executive Director, Economic Section)

Ref your ACG/Tn/SS/1 dated 26 August.

1. To enable justification of the tonnage involved to be made by AFHQ, further details are requested as to the contents, the proposed method of distribution of these supplies, the desired port of discharge and the deadweight tonnage.

2. Will the Italian Embassy be responsible for the movement in Spain and delivery to Gibraltar Port?

1
R.H. RULF
Lt. Colonel, RASC
Economics & Supply Division.



CONFIDENTIAL

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COPY

Nr. 6/85/39.

Ministero degli Affari Esteri

Ufficio Collegamento

MEMORANDUM FOR THE POLITICAL SECTION, A.C.C.

The Italian Embassy in Madrid is in possession of 100 cases (total cubature 100 cubic metres) containing food supplies and garments collected by Italians residing in Spain, to be distributed in Italy.

In view of the fact that it is impossible for the Italian Government to provide for the necessary transportation of the above mentioned cases, it would be appreciated if the Allied Control Commission would approach the competent Allied authorities in order to make arrangements for the shipment from Gibraltar with an Allied merchant vessel.

The Italian Ambassador in Madrid has already brought the matter to the attention of the American Embassy.

The Ministry of Foreign Affairs thanks in advance for the kind attention given in the matter by the Allied Control Commission and beg to be informed, in due course, of the decision that shall have been reached.

ROME, 31 July, 1944.

1352

O.F.O.

London.

Washington state that they are not clear as to how many of the shiploads in Barcelona have been navigated. In a Vatican Note of September 4th, which I fear that I quoted incomplete in my telegram No. 627, it is stated that one of the two ships waiting at Barcelona to transport the goods, the "Cabo Espartel", is already navigated. As regards final sentence, I trust that A.F.H.Q. will shortly suggest some workable plan for the transport of the goods (at least those which are already at Barcelona) to the Vatican City.

OSBORNE.

~~He~~

W.S.

Copies to:

- Sir W. Charles.
- Mr. Macmillan.
- Mr. Caccia.

Shipments of supplies to Rome

HEADQUARTERS ALLIED CONTROL COMMISSION
POLITICAL SECTION
APC 324

Ref 4450

9 September 1944

MEMORANDUM TO: C-5 Section, Allied Forces Headquarters;
Copies to: U. S. Political Adviser,
British Resident Minister.

SUBJECT: Shipments of Supplies to Rome from Abroad.

A memorandum dated August 25 has been received from the Italian Ministry of Foreign Affairs stating that the Vatican, in its relief work on behalf of the people of Rome, was arranging to obtain supplies of food and medicinals from abroad. The Spanish ship, "Cabo Rapartel", it was said, already was loaded with foodstuffs at Barcelona; a second vessel (subsequently identified as the "Tarifa") was being loaded at Barcelona with foodstuffs purchased in Lisbon on behalf of the Hospital Puente at Madrid; and a third shipment was to be made from Buenos Aires by A.S. "Centrosuaveza Casado", also of Spanish registry. The Vatican was reported to have applied to the competent Allied authorities for the issue of navicerts to cover the voyages of these vessels from Barcelona and Buenos Aires to an Italian port but, to the date of the note, to have received no reply. In consequence, the Ministry requested the Political Section, A.C.C., to use their good offices with a view to effecting the granting of the navicerts.

It is presumed from information received by the Political Section from the U. S. Charge d'Affaires to the Vatican that this matter already has been made known to the Political Section, A.C.C. However, under date of September 4th, a second note in the premises was received from the Ministry affording further information and urging that the matter receive early attention. Hence the matter is hereby made a matter of record as concerns this Section.

It is realized that the granting of navicerts for neutral vessels to enter ports in the Mediterranean theatre of operations remains a question for decision by the Allied Governments.

WILLIAM E. SCHOTT
Vice-President, Political Section

Copies to:
U. S. Rep., A.C.I.
British High Commissioner
U. S. Charge d'Affaires to Holy See

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under the with Ed. who has been
 visiting your mother & family
 because of a bad ship in the harbor
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 report of my job of business
 before we requested some help
 - about 1000 at 10,000 the way
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 to be put in the harbor to have
 in detail of the ship. left!

(Faint handwritten signature or initials)

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relief payments

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of Gov. Council of People
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Not Comm. and by

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sub. the as in
Cable and ref

Sept 6

Major Gifts - Allis for 1st Agency
Bank of Italy

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Nr. 6/418/190

*Ministero degli Affari Esteri*MEMORANDUM FOR THE POLITICAL SECTION, A.C.C.

With reference to memorandum of August 15th, N.6/243/119 the following are the requested particulars of the other two ships engaged in the transportation of foodstuffs for Rome on account of the Holy See:

1. SS. "Tarifa", Spanish flag- port of sailing Barcelona.
2. SS. "Centraalmirante Casado"- Spanish flag - port of sailing Buenos Aires, 4,000 tons.

This Ministry should be extremely grateful if the Political Section of the A.C.C. would see to it that the necessary navicerts be granted as soon as possible in the case of the above mentioned vessels.

Rome, September 4th, 1944.



C O P Y

MINISTERO DEGLI AFFARI ESTERI

Nr. 6/418/190

MEMORANDUM FOR THE POLITICAL SECTION, A.C.C.

With reference to memorandum of August 15th, N. 6/243/119 the following are the requested particulars of the other two ships engaged in the transportation of food-stuffs for Rome on account of the Holy See:

1. SS. "Tarifa", Spanish flag - port of sailing Barcelona.
2. SS. "Contralmirante Casado" - Spanish flag - port of sailing Buenos Aires, 4,000 tons.

This Ministry should be extremely grateful if the Political Section of the A.C.C. would see to it that the necessary navicerts be granted as soon as possible in the case of the above mentioned vessels.

/s/ C.D.B.

Rome, September 4th, 1944.

(Seal)

C O P Y

MINISTERO DEGLI AFFARI ESTERI

Nr. 6/413/190

MEMORANDUM FOR THE POLITICAL SECTION, A.C.C.

With reference to memorandum of August 15th, N. 6/243/119 the following are the requested particulars of the other two ships engaged in the transportation of food-stuffs for Rome on account of the Holy See:

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This Ministry should be extremely grateful if the Political Section of the A.C.C. would see to it that the necessary navicerts be granted as soon as possible in the case of the above mentioned vessels.

/s/ C.D.B.

Rome, September 4th, 1944.

(Seal)

TRANSLATION:

Outgoing Telegram
by Courier
M. 336 p.r.

29 Aug 44

TO: Italian Embassy, Madrid

SUBJECT: Issue of navicert
for Spanish vessels
to Vatican City.

Following request by this Ministry, Allied Authorities have issued 'navicerts' for the vessel "Cabo Espartal" with cargo of food destined to Holy See.

This ship will leave shortly Barcellona for Civitavecchia.

The same facilities have been requested from Allied Authorities for another ship, also at present in Barcellona, which is loading commodities acquired in Lisbon by the Apostolic Nuncio there.

ZCFPI

451

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785016

HEADQUARTERS ALLIED CONTROL COMMISSION
POLITICAL SECTION
APO 394

Ref 451

31 August 1944

Dear Harold,

I enclose a memorandum received from the Italian Ministry of Foreign Affairs regarding shipments of food stuffs from abroad to Italy by the Holy See. I understand that this matter was taken up with you directly by the Vatican and I presume that the matter has been taken in hand by you and that this note is only the exertion of additional pressure.

Please advise us if there is anything that we should do about this matter and return the enclosure at your convenience.

Sincerely yours,

WILLIAM W. SCHOTT
Vice-President, Political Section

Encl
Memo 6/843/119 fr IIPA
15 Aug 44.

Harold H. Pittman, Esq.
American Charge d'Affaires to Holy See,
Vatican City.

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R. MINISTERO
DEGLI
AFFARI ESTERI

Nr. 6/243/119.

MEMORANDUM FOR THE ALLIED CONTROL COMMISSION

POLITICAL SECTION

As the Allied Control Commission is aware, the Vatican, continuing their praiseworthy work of bringing relief to the Roman population in its present difficulties, have also arranged for the arrival from abroad of supplies of food and medicinals for distribution to the people of Rome.

At the present moment, the ship "Cabo Espartel", loaded with foodstuffs is ready to leave Barcelona. Another vessel is also at Barcelona and is loading foodstuffs purchased at Lisbon on behalf of the Apostolic Nuncio in Madrid. A third vessel is at present loading, at an Argentine port, foodstuffs purchased by the Argentine Episcopate.

Owing to the particularly difficult situation in the Capital, due to the unproductiveness of the Roman countryside and to the lack of means of transportation which precludes foodstuffs from reaching Rome from Southern Italy, the arrival of these three vessels with their cargoes would be of paramount importance.

The Holy See have already applied to the competent Allied Authorities for the necessary navicert, but up to date have received no reply.

The Ministry for Foreign Affairs, in the intent of facilitating the initiative of the Holy Father, take leave to ask the A.C.C., Political Section, to use their good offices in order that the requested navicert be granted with as little delay as possible.

The Ministry for Foreign Affairs is confident that no difficulties will be raised by the Allied Authorities to an initiative which, owing to the High Personality promoting it and to its humanitarian purpose, is worthy of the greatest support.

Lastly, the Ministry for Foreign Affairs wish to point out that in the case of the vessel "Cabo Espartel", the authorization to sail for Italy is particularly urgent as the cargo has been loaded for some time and is of a perishable nature.

A favourable and early reply will be much appreciated. *Adk*

Rome, August 15th, 1944.

POLITICAL SECTION

As the Allied Control Commission is aware, the Vatican, continuing their praiseworthy work of bringing relief to the Roman population in its present difficulties, have also arranged for the arrival from abroad of supplies of food and medicinals for distribution to the people of Rome.

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Lastly, the Ministry for Foreign Affairs wish to point out that in the case of the vessel "Cabo Espartel", the authorization to sail for Italy is particularly urgent as the cargo has been loaded for some time and is of a perishable nature.

A favourable and early reply will be much appreciated. *Redd*

Rome, August 15th, 1944.



1363

C O P Y

ACTION: PENBASE, INFO: ALCOM DGMRS RPT ALCOM, DGMRS,
MOV NAPLES
N96/24

AFHQ SIGNED SACMED

FX57157

NOV 241111

PRIORITY

CITE PHTPN

SECRET PD

Expected at some future date are Spanish Wessels with supplies for the Vatican.

Attempt will be made to obtain manifest details. Meantime, should nay Spanish ship arrive with cargo or personnel, instructions are to be obtained from this Headquarters before disembarking or discharge.

PENBASE is particularly requested to guard against pilferage before and during discharge, as well as loading out of port area.

DMRS also requested exercise maximum security, avoiding pilferage when cargo transported by rail. Possibility exists of transshipping to coasters, for delivery through CIVITAVECCHIA. Spanish ships however, are not be permitted sail north of NAPLES by CINC Med mling.

*Additional dist:-**Political Sect. ✓**Security Div.**Warehousing Sub Div.**Info-Action
Info**Acc distribution**Tn S/C (L)**Chief Commissioner
Econ Sect.**Liaison Div. 247
File*

CONFIDENTIAL

RMS/lfe

A/CC 400.38

13 October 1944

Subject: Financing of Civilian Supplies for Italy

To: Allied Force Headquarters, APC 512
(Attention: G-3 Section)

1. There is enclosed herewith copies of communications received from the American Representative of the Advisory Council for Italy dated October 11 and October 12 respectively together with a copy of my letter with attachment to the Prime Minister dated 13 October.

2. There is also enclosed a copy of my letter of October 13 to the American Representative on the Advisory Council for Italy, who is, I understand, calling the State Department along the lines indicated in my letter.

3. For your information, no steps are being taken to request the Italian Government to draw up a program of essential civilian requirements jointly with this Commission, as set forth in paragraph 7 of the attachment above referred to until instructions to this effect are received from AFHQ.

ELBERT W. STONE
Commodore, USNR
Acting Chief Commissioner

4 Incls:

- 1 - Ltr, 11 Oct 44, fr Am. Rep. on Advisory Council
- 2 - Ltr, 12 Oct 44, fr Am. Rep. on Advisory Council
- 3 - Ltr, A/CC 400.38, 13 Oct 44, to Prime Minister
- 4 - Ltr, A/CC 100, 13 Oct 44, to Am. Rep. on Advisory Council

cc: Sir Noel Charles
Hon. Alexander Kirk

~~Chief of Staff, A/C~~
Economic Section
Finance Sub-Commission
'A' Files

- Inclosures 1 & 3 previously sent to you.

CONFIDENTIAL

*Supplies to Italy**Falls
Japan*C O P Y

President said that General O'Dwyer was coming in to see him this afternoon to give him a report on the general economic situation in Italy, adding that it should be realized that the situation is serious. He pointed out that the Germans in fleeing northward had destroyed many public utilities, and that north of Rome they had wiped out 94 percent of the electric power plants. Mr. Roosevelt related that roads and bridges have also been torn up, and as a result there has been a shortage of food, clothing, and medical supplies, and a problem of distribution to prevent starvation. He said that military authorities were moving into Italy substantial quantities of civilian goods, which are being put in ordinary channels of trade and are being sold for Italian Lira with a view to eventual repayment by Italian government to Allies. President stated that from the United States and the United Kingdom, more than a hundred million dollars worth of all kinds of supplies have been sent into Italy, explaining that most of the fuels came from England, and most of the agricultural products, and food from the United States. He emphasized that such supplies are not gifts, and that such civilian goods being moved in were incident to military situation. He pointed out to correspondents that it must be remembered that in Italy there are 45 million people in a land area less than that of California with every poor natural resources. Mr. Roosevelt asserted that Italy will need considerable assistance if it is to end on its own feet. And the United States and the United Kingdom are studying the problem of sending additional supplies to Italy to supplement Italian agriculture and industry. Asked about the possibility of UNRRA moving into Italy, President indicated it was being considered, but had not been decided yet.

*450**244*C O P Y

1366

22 September 1944

Dear Office,

Thanks for your letter of September 11 advising me of the decision of the Economic Sub-Committee of JCS's Political Committee concerning the shipment of relief supplies to the Vatican.

I am delighted that this matter now has received consideration so that the movement of the goods can be effected. However it seems absurd to reduce the supplies entering the Vatican from Allied resources to an extent comparable with the amount of supplies brought in from Argentine resources because the latter, as we understand it, are for the relief of the population of Rome and not for consumption in the Vatican City. This would appear to defeat the object of the proposal which is to afford relief of the population of Rome by supplying additional food.

I have discussed this matter with Mr. Kirk who agrees with the above view and you may wish to take it up with him on his next visit to Caserta.

Sincerely yours,

WILLIAM T. SCOTT
Vice-President, Political Section

General Office, Esquire
Office of the United States Political Adviser
Allied Force Headquarters

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UNITED STATES POLITICAL ADVISE
ALLIED FORCE HEADQUARTERS

WS

September 11, 1944

CONFIDENTIAL

Dear Bill:

You probably will be receiving shortly from G-5 a formal reply to your memorandum of September 9 (Ref. No. 450) concerning the shipment of relief supplies to the Vatican.

For your information in the meantime, this subject was discussed at a meeting of the Economic Sub-Committee of SAC's Political Committee on September 8, on the basis of a memorandum submitted by the British Resident Minister to the Committee.

It was agreed at this meeting that the relief goods despatched from Argentina and now at Barcelona would be brought to Italy in Allied vessels --meeting military objections to entry of neutral ships into Italian ports-- and transported to Rome under supervision of the Allied military authorities, on the understanding that the Allied authorities will reduce those supplies entering the Vatican from their own resources to an extent comparable with the amount of supplies brought in from Argentine resources.

With best regards,

Sincerely yours,



C. Office

William W. Schott, Esquire,
Vice President, Political Section,
Allied Control Commission,
Rome.

242

CONFIDENTIAL

September 11, 1944

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C. Office

William W. Schott, Esquire,
Vice President, Political Section,
Allied Control Commission,
Rome.

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PolSec #

ACTION: AGC ADV

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APHA SOO CING

17/15

3-22287

SECRET
ROUTINE
LHM ENCL

JUL 14 1923

INTERNATIONAL

DESIRED SUBMIT YOUR AGREEMENT THAT THE EXTEN, ~~THE~~ AID DIVISION WAR
DEPT, APPROXIMATE BY THE BUREAU OF A 15 WAR OFFICE AND THE BUREAU OF
U. S. STATE DEPT, AND OF WHICH ARE ATTACHED HERE FOR REQUEST, VISIT
TO OBTAIN INFORMATION FROM THE EXCHANGE VISIT WITH YOU CONCERNING
MATTERS INVOLVED IN CRIMINAL VIOLATIONS RELATIONSHIP FOR
CIVILIAN SUPPLY IN SICILY, SARDINIA, AND SOUTHERN ITALY FROM MILITARY
TO CIVILIAN HANDS. WENT TO CONSIDER ALSO WITH AMBASSADOR WINK.

THE PURPOSE OF VISIT IS TO OBTAIN YOUR VIEW AS EARLY FOR REPORT
AND RECOMMENDATION BY THIS HQ, WHICH REPORT WILL BE SUBMITTED TO YOU
FOR FINAL REVIEW AND COMMENT.

SEE IF YOU AGREE 17 JULY.

REQUEST THAT COMANDER DORLINGTON AT AGC TO ASSIST THIS MISSION
ENDING COMPLETION IN ABOUT 3-5 TO CANADA.

RECEIVED
15 JUL 1944
A.C.C.

DIST

- ACTION - Secy Gen
- INFO - C S O
- JA Br
- Econ Sec
- Pol "
- Admin "
- File

2

240

June 7, 1944.

MEMORANDUM TO: Lt. Colonel Legg, Food
Sub-Commission.

RE: Joint U.S.-U.K. Supply Mission

1. An inquiry has been received from the office of the U. S. Representative on the Advisory Council for Italy with regard to the joint Anglo-American Supply Mission which is understood recently to have visited Naples.

2. Can you say:

- a - what were the "terms of reference" or other bases of the mission's work in Italy?
- b - what was the mission's composition?

Many thanks.

Och

SECRET

Ministry of Supply

AFHQ RPTD AFHQ ADV RPTD HQ AAI

HQ ACC

S-293

17 JUL

SECRET

PRIORITY

ACTING CHIEF COMM.

YOUR AUTHORIZATION REQUESTED FOR RECOMMENDATION TO THE ITALIAN GOVERNMENT TO FORM A MINISTRY OF SUPPLY WHICH IS URGENTLY NEEDED UNDER EXISTING WARTIME CONDITIONS PD FARMER TO AFHQ FOR GEORGE FIVE RPTD AFHQ ADV RPTD HQ AAI FROM HQ ACC FROM STONE PERSONAL FARMER HE STRONGLY RECOMMENDED IT TO BE A COORDINATE AUTHORITY ON ALL PHASES OF SUPPLY BOTH DOMESTIC AND EXPORT AND EXPORT PD IT SHOULD BE THE MEDIUM THRU WHICH THE ITALIAN GOVERNMENT WOULD ASSUME CRITICAL CONTROL OF FOOD DISTRIBUTION AS SOON AS POSSIBLE AND SOONESTLY ASSUME CRITICAL CONTROL OF ALL IMPORTED SUPPLIES PD IT SHOULD BE THE MEDIUM FOR THE ACCOUNTABILITY AND FINANCIAL RESPONSIBILITY FOR IMPORTED FOODSTUFFS AS SOON AS POSSIBLE AND SUBSEQUENTLY FOR ALL IMPORTED SUPPLIES PD IT SHOULD BE THE MEDIUM FOR THE ABSORPTION AND REACTIVATION OF SEVERAL GOVERNMENTAL ORGANIZATIONS WHICH EXERCISED ECONOMIC CONTROLS UNDER THE FASCIST REGIME AND WHICH NOW HAVE NO FUNCTION PD MANY OF THEIR TRAINED STAFFS ARE BOTH TECHNICAL AND ADMINISTRATIVE AND ARE AVAILABLE AND BARELY NEEDED PD ALSO IT WOULD BRING INTO NEW MINISTRY RELATED FUNCTIONS NOW BEING INEFFICIENTLY HANDLED IN OTHER MINISTRIES PD IT SHOULD BE THE MEDIUM FOR THE ABSORPTION OF THE ITIME CHARLES EASTMAN INSTITUTE, COMMERCE ESTER, FARMER WITH HIS STAFF OF THREE HUNDRED TRADE EXPERTS FOR THE NECESSARY FIELD WORK IN DEVELOPING REPORTS PD IT SHOULD BE THE MEDIUM FOR THE ESTABLISHMENT OF AN EFFECTIVE PRICE CONTROL AND RATIONING ADMINISTRATION PD IT SHOULD BE THE MEDIUM TO COORDINATE ALL OTHER MINISTRIES PLANS AND PROGRAMS OF REQUIREMENTS OF CIVILIAN SUPPLIES FOR ESSENTIAL

450

258

- 1 -

SECRET

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SECRET

MESSAGE NO. 293 To AFHQ for G-5 Rptd AFHQ Adv Rptd AAI, dated 17 July 44, cont'd:

REHABILITATION FOR CURRENT NEEDS PD WE ARE IN COMPLETE ACCORD THAT THE FORMATION OF SUCH A MINISTRY WOULD CONTRIBUTE TO THE SOLUTION OF THE PROBLEM OF TRANSFERRING GREATER RESPONSIBILITY TO THE ITALIAN GOVERNMENT AND ITS ESTABLISHMENT SHOULD ENABLE US TO ASSUME MORE FULLY OUR SUPERVISORY ROLE WHICH IS OUR BASIC FUNCTION IN TRANSFERRED TERRITORY PD THE FORMATION OF THE MINISTRY WOULD GO FAR TOWARDS MEETING SEVERAL OF THE RECOMMENDATIONS OF THE ANTI HYPER INFLATION COMMITTEE THAT THE ITALIAN GOVERNMENT SHOULD MORE EFFECTIVELY CONTROL PRICES AND RATIONING AND DISTRIBUTION PD THE PROPOSED NEW MINISTRY WILL NOT ACT AS A TRADING AGENCY EITHER IN DOMESTIC OR EXPORT MARKETS PD GRATEFUL FOR EARLY AUTHORIZATION:

AUTHENTICATED:

WILLY M. STONE
Captain, USAR
Acting Chief Commissioner

DISTRIBUTION:

The Hon. Alexander Kirk
Sir Noel Charles
Political Section (for Advisory Council) (3 cys)
Economic Section
VP Float File

