

ACC

10000/136/367

ITALIAN EXPORT ARRANGEMENTS
NOV. 1944 - APR. 1946

4008/CC

Q. M. C. Form 353 (Old No. 400)
Revised July 20, 1918**LIST OF PAPERS**Office of the
Chief CommissionerFile under No. ~~4008~~ ITALIAN EXPORT ARRANGEMENTS

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B-17708

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
51	Cbl FX 74532 <u>MAP 1060</u>	24 Jan 47	AGWAR	Re exports from Italy to Allied con

3101

INSTRUCTIONS.—When papers on a subject become numerous they will be numbered serially and brief entries made on this form.

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43	Cbl 335 HQ ALCOM MOC 473	17 Jan 46	AGWAR	Proceeds of sales of Italian exports to the U.S.
44	Cbl F59200 SACMED	22 Jan 46	ALCOM Rome	Policy on Italian exports
45	Ltr AC/5127/A/Commerce	CC 28 Jan 46	De Gasperi	Foreign Trade
46	Ltr AC/5127/A/Commerce Saul	29 Jan 46	CC	Foreign Trade
46a	Ltr F-10 Parsons	15 Feb 46	CC	Co-ordination of Mil Procurement in Ita wth Allied Civil Supply Program
47	Ltr F-10 Parsons	25 Feb 46	HQ Alcom	Military Exports from Italy; Incl Memo
47a	Ltr 13018/F Walton	5 Mar 46	UNRRA	Co-ordination of Mil Procurement in Ita wth Allied Civil Supply Program
48	Ltr 13091/F Stone	8 Mar 46	AFHQ G-5	Military Exports from Italy
48a	Ltr F-10 Hamblen	21 Mar 46	HQ Alcom	Problem is exports of the British
49	Ltr 13091/F Stone	29 Mar 46	G-5 AFHQ	Military Exports from Italy
50	Ltr 4827/14/EC Lush	24 Apr 46	AFHQ G-5	Export of wines etc fm Italy; Incl ltrs

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27a 28	ES/1.06, Anderson Memo, Dr. Tasca	20 Aug 45 21 Aug 45	CC	Travel of Maj Gent to London. Statutory & Proclaimed List.
29	AC/5127/A/Commerce, Gent	22 Aug 45	M.F.A.	Termination of export activities of AC
30	Ltr, Alex Kirk	23 Aug 45	CC	State Dept views on Italian-Polish coal negotiations, Ital exports to Poland.
31	5127/A/Commerce, Walton	23 Aug 45	CC	Termination export activities of AC.; Reserved Commodity List.
32	Ltr, Stone	24 Aug 45	Smolaka	Termination export activities of AC; Reserved Commodity List.
33	Ltr, Smolaka	24 Aug 45	Stone	Reserved Commodity List; export activi- ties of AC.
34	Greek Del, AGI, Exintaris	27 Aug 45	CC	Matches for Greece, ex-Italy.
35	Ltr, Stone	31 Aug 45	Parri	Termination of export activities of AC
36	21.12/ES, Stone	4 Sep 45	Exintaris	Matches for Greece, ex-Italy.
37	AC/5127/A/Commerce, Gent	15 Sep 45	Dist	Termination export activities of AC.
38	Cbl AC, MOC-299	17 Sep 45	GCS	Termination export activities of AC.
39	Ltr AC/5127/A/Commerce	13 Oct 45	Dist	Termination export activities of AC.
40	Cbl 14408, WAR	19 Oct 45	AC,	Sup. by AC of Export activities I. Gov.
41	Ltr 20.00/ES Stone	14 Dec 45	AFHQ G-5	Military Export from Italy
41a	Cbl 9619 MOC 420	22 Dec 45	AGWAR AFHQ	RCL
42	Ltr F-10 Hamblen	28 Dec 45	CC	Military Procurement in Italy

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SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
13	Memo, Stone	24 Apr 45	VP Econ	Gronchi to advise Greek Rep on ACI of Ital Category A and Category B items available for export.
14	Cbl AC Commerce 6143 TAP-70	26 Apr 45	Troopers, CCS	Italian exports accounting, and generally.
15	Cbl Troopers, PAT 71	3 May 45	AC, CCAG	It exports to UK.
16	Cbl Troopers, PAT-79	8 May 45	AC	It exports to UK.
17	5127/A/Commerce, McKinley	10 May 45	Gronchi	Gronchi to advise Greek Rep, ACI, of It Category A & B items available for expt
17a	AC/5127/UK/Commerce	6 Jul 45	M Ind Com Lab	Trade with the U.K.
18	Cbl AC Com, 1481, TAP-111	9 Jul 45	Troopers, CCS	Trade with U.K.
19	Cbl CCS, COM-155	14 Jul 45	AC	Farm machinery for Italy.
19a	13242/F, Stone	18 Jul 45	Parri	New Financial Directive for Italy.
19b	Cbl CCS, TAM-640	22 Jul 45	AFHQ, BCS	Termination export activities of AC.
20	Ltr, Stone	31 Jul 45	Parri	Termination of export activities of Alcom (TAM-640).
21	AC/5127/A/Commerce	31 Jul 45	Dist	Termination of export activities of Alcom (TAM-640).
21a	Parri, 589	1 Aug 45	Stone	Russian-Italian non-transactional business communications (telgr & ltr).
21aa	Cbl AFHQ, TAM-608	5 Aug 45	CCS	Procedure for export of goods from Italy to the U.S.A.
22	USIS Special Article	6 Aug 45	Press	Ital Econ Mission to Poland.
22a	5127/P/Commerce, Gent	4 Aug 45	M.F.A. ,	Shipping messages outward from Italy and Greece.
23	Cbl AFHQ, MAT-871	7 Aug 45	CCS	
24	AC/5648/IND, Stone	10 Aug 45	Exintaris	Matches for Greece, ex-Italy.
24a	AC/5127/A/Commerce	15 Aug 45	AFHQ	Termination export activities of AC.
25	Ltr, Stone	16 Aug 45	de Gasperi	Meeting AC-IG on Italy's foreign trade
26	Memo, Stone	18 Aug 45	Econ Sec	Termination of export activities of Alcom (TAM-640).
27	Cbl CCS, COM-198	18 Aug 45	AC, AFHQ	Statutory & proclaimed list.

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SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
1	Ltr Kirk	26 Nov 44	Stone	Enclosing (Conf) State Dept telegram on Ital Export Arrangements INCL: Tel State Dept 23 Nov 44
2	Ltr Stone	28 Nov 44	Spofford	State Dept telegram on Ital Export arrangements forwarded.
3	Cbl CCS fr CCAC	15 Jan 45	AFHQ, AC, etc.	Direct comm. on Ital exports authorized between AC-Washington & AC-London.
4	Cbl Troopers PAT 1	25 Jan 45	AC	Use of PAT/TAP communications series in connection exports.
5	Cbl AC MOC-6 576 (Commerce)	27 Jan 45	CCAC for CLAC	Exports to United States
6	Cbl CCS, Fan 487	31 Jan 45	SACMED	New CCS Directive. Extent to which exports to be stimulated to be determined by It Govt.
7	CCS, COM-37 WAR 40649	20 Feb 45	Alcom	Pricing of goods to be exported from Italy.
8	Aide Memoire, Macmillan	24 Feb 45	Bonomi	New CCS Directive. Extent of stimulation of exports determ by IG.
3097 9	Cbl Troopers, PAT 46 78312, CA 16	20 Mar 45	AC, CCAC, AFHQ	Exports of Category B supplies fr Italy to U.K.
10	Cbl CCS, COM-58 WARX-58991, AGWAR	26 Mar 45	AC, AFHQ, UK Base	Tomatoes added to commodities exported fr It on supply grounds.
11	Cbl AFHQ, MAT 615	1 Apr 45	CCS	Italian exports to Balkans.
12	Cbl Troopers, PAT 51	<u>29 Mar 45</u>	AC	MOF officials to rpt London; MOF mess Catania to be closed, etc.

SECRET

CONFIDENTIAL

FX 74532
JAN 24 1227A

W/9365
AJN 251000

ROUTINE

AFHQ SIGNED SACKED CITE FHEG

AGWAR WASHINGTON FOR COS AND COAC ,INFO; WESTERN DEFENSE BASE PAIRS FOR OGALA
FOR MCINTOSH. WAR OF LONDON FOR CA. ALCON RONE FOR ASAA .MINISTRY OF DEFENSE
LONDON FOR DCS.

CONFIDENTIAL:

This is MAT 1060. Subject is exports from Italy to Allied Countries. Rear TAM 640 196
dated 22 July 1945.

1. ASAA statements from UK GO and ASOC.
2. May these be expedited in order that this account may be closed down.

AO DIST

INFO ACTION - ASAA

INFO - CHIEF COMMISSIONER

EX COMAR

ECOM DIV 3

FILE

SKELETON

3096

CONFIDENTIAL

4002/c

Ref. : 4327/14/50

24 April 1946.

SUBJECT: Export of wines etc from Italy.

To : G-5 Section,
A.P.H.Q.

I enclose for your information copies of two letters received from my Chief Liaison Officer, Bolzano.

As is stated in these letters, currency regulations are broken in each instance and the whole business is detrimental to Italian Economy.

A notice, signed by the military commander has been erected at the frontier posts of BRESCIA and SAN CARLO, but it is felt that this will not stop the traffic.

In consequence, I must ask you to take up this matter with the appropriate authorities in Germany, with a view to having such journeys and transactions regularised.

M. S. LUSH

Brigadier,
Acting Chief Commissioner.

Copy to: Alcon LG Bolzano.

4008/cc

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COPY

ALLIED COMMISSION
Office of Chief Liaison Officer
BOLZANO

ALIA/EE/21.

8 April 1946.
JWW/ee.SUBJECT : Report of wines and liquors
from Italy.TO : Brig. M.S. LUTTI, CB, MC,
Executive Commissioner,
Allied Commission, Rome.

1. Reference my letter ALIA/EE/106.2.1 of 1st April 1946.
2. I attach hereto a further report showing that the American Army in Germany is obtaining Lira for the purpose of purchasing cognac in this Province for use by the troops in Germany.
3. In this case the officer concerned stated that he had received the Lira from his own Finance Officer.
4. It will also be seen that the Vice-Prefect, Mr. Walter ARSIZI, is concerned in this transaction.
5. It is urgently requested that a policy may be laid down and instructions be issued to prevent soldiers coming from Germany for this purpose.
6. I understand the President and a number of members of the Chamber of Commerce are leaving to-morrow for Rome in order to obtain a policy regarding the export of wine etc. and I should be glad to be notified of the result of their visit in due course.

(sgd) S.W. MILLAR, Colonel,
Chief Liaison Officer
BOLZANO

2 encl.

COPY to H.E. The Prefect of Bolzano,
Dr. Silvio BERTOLINI.

10 A/C. Food & Agriculture Branch.

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COPY

ACLO/DE/100.2.1

5 April 1946
WEE/nabSUBJECT: Report of wine and spirits
from Italy.

SO : G.I.G., Bolzano.

1. On the 5th April 1946 Mr. W.R. Terry, W.O. of the American Army, from 489, AAA, AW, IN, (SP), 3rd Army Leave Center, 130 467, which is at Garmisch, Germany, called at this Office and requested permission to export 2,250,000 Lire worth of Cognac, which he had purchased from Mons Martino of Via San Giovanni, 17, Bolzano.

2. Mr. Terry informed the undersigned that he had obtained the 2,250,000 Lire from the American Finance Office in Munich for this transaction and had already completed the purchase.

3. The Mons was called to this Office and he informed the undersigned that, although he was conducting the transaction, the Cognac etc. was really the property of Mr. Walter Anson, the Vice-Prefect. In fact Mons telephoned Anson from the Office of the undersigned and from the conversation around it appeared that Anson was more interested in whether the money had been paid by the Americans than the fact that he had participated in an endeavour to export Cognac etc. out of Italy, contrary to the Italian law respecting same.

4. Mr. Terry was informed of the regulations respecting the export of wine etc. from Italy and also that he could not take this consignment out.

5. The man Mons was ordered to refund the money to Mr. Terry, which he agreed to do.

6. Forwarded for your information.

(sgd) W.R. HINE,
Major,
L.G. (P.A.)

570

COPY

ALLIED COMMISSION
Office of Chief Liaison Officer
ROMA

ACLO/108.2.1

1 April 1946
WHY/mab

SUBJECT: Report of wines and liquors
from Italy.

TO : Brigadier D.B. LUSH, CB, MC,
Executive Commissioner,
Allied Commission, ROMA.

1. During the last month there have been four different parties of American soldiers from various parts of Germany who arrived in this Province to purchase large quantities of wine and liquors to take back for consumption by the Officers and men of their Units.

2. No effort had been made by any of these American military personnel to ascertain whether or not this could be done and it has placed this Office in an embarrassing situation. Fortunately, in only two of the cases did the American soldiers take the wine and liquors out of Italy, the other two were discovered before they had made their purchase and informed that they were not allowed to buy wine and liquors in Italy except through the proper channels, which were explained to them. Apart from the four cases already mentioned, reliable information has reached this Office that many such parties of American military personnel have entered Italy and taken large quantities of wine into Germany.

3. The first incident that came to the notice of this Office during the month of March was that of six American soldiers with three large trucks, who purchased 1,110.3/8 lire worth of wine and spirits. The travel order of the party stated that they were proceeding to Italy on temporary duty and described the men as from the 232.D., INF. and bore the divisional stamp. The orders were signed by a Leonard S. Lamb, WOJG, USA Asst. Adjt. Gen. 4th Inf. Div., Salzburg.

4. Permission was obtained from the Italian Authorities for this large consignment of wine and spirits

3093

5-2

- 2 -

to leave Italy.

5. A few days later an American soldier called at this Office and asked where he could exchange German Marks for Italian Lire and, when asked for what reason, he said he was in Italy on behalf of an American Unit in Germany to purchase wine and spirits.

6. When asked if he had the necessary permission from the Italian Authorities, he said he did not think it was necessary. The American soldier was informed that wines and spirits could not be exported from Italy, except through the proper channels against payment by free foreign currency or gold required by Italy and the American soldier returned to Germany empty-handed.

7. A few days later Sgt. Oscar Seymour, 810th Military Police Company, 9th Div. (USA), Lansing, Germany, APO 177, called at this Office and stated that he had purchased in Venice, Champagne to the value of 500,000 Lire, Cognac to the value of 100,000 Lire and Vermouth to the value of 40,500 Lire, and asked for the necessary permission to take this wine and spirits out of Italy.

8. In view of the fact that he supplied documents showing that he was purchasing it for an American Unit and had expended Unit funds, permission was obtained for him to take this consignment to Lansing.

9. Sgt. Seymour handed to this Office attached 'Bolletta di Accompagnamento' in respect of this consignment and despite the fact that the Sergeant had informed the people in Venice that he was taking it to Germany, it will be seen from the 'Bolletta di Accompagnamento' that the consignment is purported to have been sold to the Allied Military Troops in Trieste. It would appear that this was done to show an alleged legitimate reason for releasing such a large stock from Venice.

10. On the 1st of April 1946, 2nd Lt. Thomas D. Manning, OH355324, HQ 1st, 9th Div., APO 9, called at this Office and stated that he had come from Germany to purchase wine. A copy of his travel orders is attached.

11. This Officer had no permission from the Italian Authorities to export the wine and he was informed that

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(52)

- 3 -

such permission could not be obtained through this office and he has returned to Germany empty handed.

12. There were two men accompanying Lt. Manning, Mr. Ludwig Feller of 50 Grossmarkthalle, Munich, and Mr. Gerhard Hoyer of Stoulen No. 6, Trion an Chiesece, Landkreis Rastbach, Germany, and Lt. Manning informed this office that it was these two men who were arranging the deal.

13. Both the civilians were German nationals and the only documents they had in their possession were their German identity cards and an authority to travel on American Army vehicles. A copy of this authority is attached. Neither of these civilians had any authority to enter Italy and they were handed over to the Gestapo, Bolzano, for interrogation.

14. At the request of this office the Gestapo did not detain them, as Lt. Manning was returning to Germany at 1400 hrs on the 1st April 1946 and undertook to take the two civilians back to Germany. However, it is hoped that the Gestapo interrogation of the two men will lead to the source of the supply for this clandestine trade in wine and spirits.

15. In an endeavor to prevent further similar transactions, which it will be remembered are not only confined to this Province, it is proposed to have the following notice placed at the frontier posts at Brenner and San Candido:

" - NOTICE TO ALL ALLIED FORCES ENTERING ITALY -

You are now entering Italian Government Territory and the export of wine, spirits, food etc. is prohibited, except with proper authority, which can only be obtained from the Italian Government in Rome. Any Allied Military personnel found infringing this order will have such good, as he may have purchased in contravention of this order, confiscated."

16. I would like your observations on this notice and whether or not you have any objection to me signing same.

17. Apart from the undermining effect these transactions have on the economic position of Italy, currency

3091

(52)

- 4 -

regulations are broken on each occasion.

18. In the first case mentioned in this report, the whole amount of 1,210,575 Lire was obtained by the American soldiers in Munich and brought into Italy.

19. In the case of the 600,000 Lire worth of wines and spirits purchased in Venice, the American troops brought in Military Government German Marks and exchanged them at the Field Cashier in Venice for Italian Lire.

20. It is quite obvious that certain Italians are encouraging these transactions, which are purely black market deals, and the notice of the Italian local officials has been drawn to this aspect of the matter.

21. It would be appreciated if the Military Commands in Allied Occupied Germany and Austria could be drawn to this matter in an endeavour to prevent further waste of time on the part of their men coming to Italy and returning empty handed.

(sgd) R. W. MILLER,
Colonel,
C.I.O.

COPY TO: Allied Commission,
Food and Agriculture Sub-Commission, Rome

Consigliere di Stato, rogante la Prefettura
di Bolzano, DR. DEBOSTER.

3090

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B O D E

IMPOSTE DI CONSUMO

Comune di VENEZIA

Ufficio di Scalo

BOLLETTA DI ACCOMPAGNAMENTO

No. 1

28 Marzo 1946, ore 17^{1/2}

Il sig. MARIO DALLA PASQUA

ha dichiarato di trasportare dal (2) Mag. In. Marz.

situate nel comune di VENEZIA di pertinenza del sig (3)

.....nel (4).....dal (5).....

sig. (6) GIUSEPPE MONTAGNA ALBERTO situate nel comune

di Trieste le merci appresso indicate:

25 casse, Spumanti Bott. 300

1 " Verrani Bott. 12

Il tempo fu sera in arrivo il giorno oggi,

Si fece per mezzo di cartone ondulato dal sig. - -

secondo strada ord. e dovrà compiersi nel termine

di Rosa trascorso il quale la presente bolletta non

sarà più valida.

La bolletta stessa dovrà essere presentata durante il

trasporto agli agenti incaricati dei rincontri,

ad ogni loro richiesta.

L' INCARICATO

F. to RABUFFA

3085

(50)

C O P YHEADQUARTERS, NINTH INFANTRY DIVISION
A.P.O. 9

AG 300.4

17th March 1946

SUBJECT: Letter Orders No. 50.

TO : Personnel Concerned.

The fol named O and EM organ indicated are placed on TDY for five (5) days for the purpose of travel to Tyrol Italy to carry out orders of the Commanding General. WP O/a 28 March 46 by unit 7 to destination. Govt motor 2 is atnd. Upon compl of TDY O and EM will ret to proper orgn and sta. EM. EXER 28 Mar 46. VOCE Tided US Army 27 Mar 46.

20 THE CHIEFS D MARCHING 04335327 JTF Hq 9 Inf Div

Lt Colonel A Gage	3572411	9 Inf Co
Pvt Ray Herubarger	3438648	9 Inf Co

IN O ORDER OF MAJOR GENERAL MERRITT

Signed: A. H. COOK,
Lt. Col., 400,
Adjutant General.

Stamp

Hq 9th Inf Div

3088

DISTRIBUTION:

3 Lt. Manning
1 CO Hq Sp. Type.
1 CO 9 Inf Co.
2 Files
1 AG Sec
1 G-1 TUSA APO 403

Stamp: British Control, Bremer

28.3.46

(50)

COPY

Headquarters

9th ID DIV

A.F.C. 9

Munich, Germany 27 March 1946

To whom it may concern:

Mr. Ludwig Weber, Marbach 50 Grossmarkthalle and
Mr. Gerhard Hoyer Prison Division 6 are authorized
to travel in this U.S. Government vehicle from
Munich to the Bolzano - Merano area. They are to
purchase merchandise for this organization.
The two civilians have American registration cards.
An American officer will guard these civilians the
whole travel and will bring them back to Munich.
The frontier post are begged to let them pass.

3087

Signed: F.C.M.H.

Col. G.S.C.

Asst. G.O.S. C-3

(50)

13091/W

29 March 1946

SUBJECT : Military Exports from Italy.

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

1. I write with reference to your letter F-10 of 21 March, 1946, subject as above.

2. I am in full agreement with the statement in your paragraph 1 that the question of payment is one for ultimate decision by the U.S. and U.K. Governments. However, the immediate question raised in my letter 13091/W of 6 March, 1946, related rather to the keeping of adequate records, and I pointed out in my paragraph 4 that the financial treatment of military exports from Italy involved Peace Treaty considerations. The question of records would appear to be a matter of combined interest and therefore of concern to GCS. If the final decision of your Hq is that no records prior to 1 September, 1945, are to be kept, I would recommend that paragraph 1 of the draft Administrative Memorandum be revised to state such decision as a fact, and that all reference as to the ultimate financial settlement be omitted.

3. As regards your paragraph 2, I was not aware that any military exports effected at the present time by U.S. forces in Italy are paid for by dollar credits. I am under the impression that the only current dollar credits the Italian Government receives from the U.S. Government on military account arise from U.S. net troop expenditure and the encashment of dollar checks held by repatriated Italian ex-POW. Since U.S. military purchases of Italian goods and services are not at the present time reflected in dollar credits, but rather are chargeable as occupation costs, I should be grateful for information as to

what procedure is used, either within the Theatre or in Washington, to segregate military export expenditure, in order that such expenditures are matched by current dollar credits.

4. I have one further general comment on the draft memorandum. As regards paragraph 4 (a) (iv), inasmuch as U.N.R.R.A. has had from 1 January, 1946, the responsibility for the United Nations supply program for Italy, I feel that where the Italian Government state in the case of any commodity that no surplus above essential civil needs exists, the Service desiring to effect the purchase should include in its presentation of the case the recommendation of U.N.R.R.A. rather than that of the Allied Commission.

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

3065

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ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

Ref: F-10

21 March 1946

SUBJECT: Military Exports from Italy

TO : Headquarters, Allied Commission
APO 394

Reference your letter 13091/F dated 6 March 1946.

1. It is considered that the question of payment for their respective military exports from Italy is one for independent decision by the British and U.S. Governments rather than by the Combined Chiefs of Staff.
2. Exports for U.S. purposes have greatly diminished and those that are continuing are being paid for by dollar credits. It is understood that no question is raised in respect to U.S. purchases.
3. The problem therefore only concerns exports by the British. War Office advise has been sought as to whether or not records should be kept of military exports and as to whether or not the Italian Government should receive any compensation for such exports. War Office have advised that, while records should be kept of military exports, the question of financial settlement should be left open for the Peace Treaty. There is no intention therefore to provide in the administrative memorandum for anything more than the keeping of records of exports being made by the military.
4. In regard to the comments in para. 3 of your letter, from a military point of view it is very doubtful whether accurate records even as far back as 1 September 1945 can be provided, and, if an earlier date were selected, the records would be even more inaccurate. Further, as prior to 1 September 1945 civil supplies were a combined military responsibility, it would be impracticable to work out how much of the excess of exports over imports is a legitimate credit to the Italian Government.
5. The draft memorandum forwarded with our letter F-10 dated 25 February 1946 had not been agreed by other staff branches prior to despatch and it is likely to be modified considerably before publication. It would be appreciated, therefore, if you would forward any further comments or proposed amendments to the draft in light of the policy outlined above, so that these can be considered when the memorandum is re-drafted.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

/S/ A. L. HAMBLIN
Brigadier General, GSC
Assistant Chief of Staff, G-5

Copy to: CAO

4008/1

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

Ref: F-10

21 March 1946

SUBJECT: Military Exports from Italy

TO : Headquarters, Allied Commission
APO 394

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BY COMMAND OF LIEUTENANT GENERAL MORGAN:

/S/ A. L. HAMBLIN
Brigadier General, GSC
Assistant Chief of Staff, G-5

Copy to: CAO

4008/21

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

Ref: F-10

21 March 1946

SUBJECT: Military Exports from Italy

TO : Headquarters, Allied Commission
APO 394

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3. The problem therefore only concerns exports by the British. War Office advise has been sought as to whether or not records should be kept of military exports and as to whether or not the Italian Government should receive any compensation for such exports. War Office have advised that, while records should be kept of military exports, the question of financial settlement should be left open for the Peace Treaty. There is no intention therefore to provide in the administrative memorandum for anything more than the keeping of records of exports being made by the military.
4. In regard to the comments in para. 3 of your letter, from a military point of view it is very doubtful whether accurate records even as far back as 1 September 1945 can be provided, and, if an earlier date were selected, the records would be even more inaccurate. Further, as prior to 1 September 1945 civil supplies were a combined military responsibility, it would be impracticable to work out how much of the excess of exports over imports is a legitimate credit to the Italian Government.
5. The draft memorandum forwarded with our letter F-10 dated 25 February 1946 had not been agreed by other staff branches prior to despatch and it is likely to be modified considerably before publication. It would be appreciated, therefore, if you would forward any further comments or proposed amendments to the draft in light of the policy outlined above, so that these can be considered when the memorandum is re-drafted. (D)

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

/S/ A. L. HAMBLEN
Brigadier General, GSC
Assistant Chief of Staff, G-5

Copy to: CAO

(G)

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MAR 30 RECD

ALLIED FORCE HEADQUARTERS
G-5 Section
AFC 512

Ref: P-10

21 March 1946

SUBJECT: Military Exports from Italy

TO : Headquarters, Allied Commission
AFC 354Reference your letter 13091/P dated 6
March 1946.

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1. It is considered that the question of payment for their respective military exports from Italy is one for independent decision by the British and U.S. Governments rather than by the Combined Chiefs of Staff.

2. Exports for U.S. purposes have greatly diminished and those that are continuing are being paid for by dollar credits. It is understood that no question is raised in respect to U.S. purchases.

3. The problem therefore only concerns exports by the British. War Office advice has been sought as to whether or not records should be kept of military exports and as to whether or not the Italian Government should receive any compensation for such exports. War Office have advised that, while records should be kept of military exports, the question of financial settlement should be left open for the Peace Treaty. There is no intention therefore to provide in the administrative memorandum for anything more than the keeping of records of exports being made by the military.

4. In regard to the comments in para. 3 of your letter, from a military point of view it is very doubtful whether accurate records even as far back as 1 September 1945 can be provided, and, if an earlier date were selected, the records would be even more inaccurate. Further, as prior to 1 September 1945 civil supplies were a combined military responsibility, it would be impracticable to work out how much of the excess of exports over imports is a legitimate credit to the Italian Government.

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- 2 -

5. The draft memorandum forwarded with our letter F-10 dated 25 February 1946 had not been agreed by other staff branches prior to despatch and it is likely to be modified considerably before publication. It would be appreciated, therefore, if you would forward any further comments or proposed amendments to the draft in light of the policy outlined above, so that these can be considered when the memorandum is re-drafted.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

(Sgd) Parsons, Brigadier

for A. D. HANBLEN
Brigadier General, GSC
Assistant Chief of Staff, G-5

Copy to: CAO

CC (2)

Chf

Fin s/c

Cen Sec

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13091/P

6 March 1946

SUBJECT : Military Exports from Italy

TO : Assistant Chief of Staff
G-5 Section
AFHQ

①
47 1. I write with reference to your letter
F-10 of 25 February, 1946, regarding military
exports from Italy.

2. Analysis of the draft Administrative
Memorandum attached to your letter reveals the
following different points of view:

(a) Allied Commission's recommendations to
you for suggested forwarding to CCS:

(i) the Italian Government, to offset
its obligations to the Allied
Governments, should receive credit
for supplies exported on a military
basis prior to 1 September, 1945,
the date of termination of the
combined military responsibility
for civilian supply imports into
Italy;

(ii) for military exports from Italy after
such date, the Italian Government
should receive current reimbursement
in foreign exchange.

(b) AFHQ's preliminary views:

(i) military exports prior to 1 September,
1945, are deemed to be a proper charge
against the Italian Government, and no
records of such exports are to be kept;

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⑦

- ((ii) after that date the Italian Government would be credited with the value of all military exports as an offset against the Italian debt to the Allied Governments.

3. You indicate in your paragraph 2 that the immediate need is for a clear-out accounting procedure whereby all military export costs can be segregated to allow of ultimate adjustment.

(A) I am in accord with this view and the draft Administrative Memorandum attached to my letter 20.00 of 14 December, 1945, entitled "Coordination of Military Procurement in Italy with Allied Civilian Supply Program" suggested an accounting procedure which would record all military exports prior to 1 September, 1945, as well as ones subsequent to that date. The memorandum attached to your letter would not if issued provide any record for the period prior to 1 September, 1945, and thus would not appear to constitute the "proper accounts" mentioned in your paragraph 3. The question of maintaining suitable records is, I suggest, separate from the question of the type of credit (current or eventual offset) that Italy should receive for military exports.

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4. I would also suggest that a decision at this time on the financial treatment of military exports from Italy involves high policy questions which may be considered in connection with the Italian Peace Treaty. Paragraph 3 of your draft Administrative Memorandum seeks to make a determination within the Theatre which, in my view and that of the U.S. and British Embassies, can only be made by CCS. You may therefore wish to reconsider my recommendation that the whole question be laid before CCS for decision.

/s/ Ellery W. Stone

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

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(F)

Mar 10 1946

COPI

HEADQUARTERS ALLIED COMMISSION
ECONOMIC SECTION
APO 354

13916/2

3 March 1946

SUBJECT: 1. Coordination of Military Procurement
in Italy with Allied Civilian Supply
Programmes.

TO: 2. Deputy Chief of Mission
Bureau of Requirements and Distribution
U.S. M.A., Italian Mission.

1. I refer to our letter to G-5, AFHQ, 20.30,
dated 14 December, 1945, a copy of which is attached.

2. I also attach a copy of AFHQ's reply, 7-10
of 15 February, 1946. You will note that AFHQ have
requested a list of those local resources and indigenous
production which form an essential part of the Italian
rehabilitation program, to include in a "restricted list".
It is our view that your mission, which is now responsible
for the United Nations' civilian supply program for
Italy, is in the best position to compile the list of
essential items.

3. It has been suggested that the list for
AFHQ be given in a few broad categories inasmuch as
practically all domestic production and local resources
are affected by imported coal and POL. While this point
of view is undoubtedly technically correct, we feel it
would not be wholly realistic to make such a suggestion
to AFHQ, as the Allied Forces in Italy will undoubtedly
continue to procure certain types of supplies locally.
It would appear better to concentrate on a selected
list of critical items and attempt to secure AFHQ coop-
eration in limiting Allied Force procurement of such
items.

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HEADQUARTERS ALLIED COMMISSION
REQUISITION SECTION
APO 394

13010/P

5 March 1946

SUBJECT : Coordination of Military Procurement
in Italy with Allied Civilian Supply
Programmes.

TO : Deputy Chief of Mission
Bureau of Requirements and Distribution
U.S.A.M.A., Italian Mission.

1. I refer to our letter to G-5, AFHQ, 20.00,
dated 11 December, 1945, a copy of which is attached.

2. I also attach a copy of AFHQ's reply, 1-10
of 13 February, 1946. You will note that AFHQ have
requested a list of those local resources and indigenous
production which form an essential part of the Italian
rehabilitation program, to include in a "restricted list".
It is our view that your mission, which is now responsible
for the United Nations' civilian supply program for
Italy, is in the best position to compile the list of
essential items.

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are affected by imported coal and POL. While this point
of view is undoubtedly technically correct, we feel it
would not be wholly realistic to make such a suggestion
to AFHQ, as the Allied Forces in Italy will undoubtedly
continue to procure certain types of supplies locally.
It would appear better to concentrate on a selected
list of critical items and attempt to secure AFHQ coop-
eration in limiting Allied Force procurement of such
items.

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4. I should be glad to learn if you will
under take the preparation of the list requested by
AFHQ.

(Sgd) CHARLES E. WALTON, Col.
ACTING VICE PRESIDENT
Economic Section

Encls:

Copy letter 20.00 of 14 Dec 45
Copy letter P-10 of 15 Feb 46

EDLT/mc.

MAR 12 REC

COPY

HEADQUARTERS ARMED COMMISSION
ECONOMIC SECTION
APO 324

13018/R

5 March 1946

SUBJECT : Coordination of Military Procurement
in Italy with Allied Civilian Supply
Programmes.

TO : Deputy Chief of Mission
Bureau of Requirements and Distribution
U.N.R.R.A., Italian Mission.

1. I refer to our letter to G-5, AFHQ, PO.00,
dated 14 December, 1945, a copy of which is attached.

2. I also attach a copy of AFHQ's reply, F-10
of 15 February, 1946. You will note that AFHQ have
requested a list of these local resources and indigenous
production which form an essential part of the Italian
rehabilitation program, to include in a "restricted list".
It is our view that your mission, which is now responsible
for the United Nations' civilian supply program for
Italy, is in the best position to compile the list of
essential items.

3. It has been suggested that the list for
AFHQ be given in a few broad categories inasmuch as
practically all domestic production and local resources
are affected by imported coal and POL. While this point
of view is undoubtedly technically correct, we feel it
would not be wholly realistic to make such a suggestion
to AFHQ, as the Allied Forces in Italy will undoubtedly
continue to procure certain types of supplies locally.
It would appear better to concentrate on a selected
list of critical items and attempt to secure AFHQ coope-
ration in limiting Allied Force procurement of such
items.

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4. I should be glad to learn if you will
under take the preparation of the list requested by
AFHQ.

(Sgd) CHARLES S. WATSON, Col.
ACTING VICE PRESIDENT
Economic Section

Encls:

Copy letter 20.00 of 14 Dec 45
Copy letter 3-10 of 15 Feb 46

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COPY

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

Ref: F-10

25 February 1946

SUBJECT: Military Exports from Italy

TO : Headquarters, Allied Commission, APO 394

Reference your letter 20.00 dated 14 December (paras 7 - 9) and 10c) and your letter 20.00/ES of even date (Financial Problems).

1. The problem of military exports is now largely a matter of accounting for the past. At present all such exports have ceased on American account and are much reduced on British account. A British Administrative Instruction is about to be issued which will minimize procurement from Italian sources both for use within ITALY and for military export. This instruction will further ensure that the interested agency (e.g. Allied Commission or UNRRA) will in all instances have an opportunity of screening such requirements against the Italian civil import programme before procurement is authorized.

2. While it is agreed that ITALY should not bear the ultimate cost of military exports it is difficult to justify the placing of dollar/sterling credits to the value of such exports at her disposal. The Italian debt to the Allies is enormous and, with the contribution to UNRRA, is continually increasing. Thus the equitable course is to allow the value of these exports as a paper credit to ITALY thereby reducing her total indebtedness. The immediate need is a clear cut accounting procedure whereby all military export costs can be segregated to allow of ultimate adjustment.

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3. In order to ensure that proper accounts are available, an Administrative Memorandum will be published in the near future. A preliminary draft, not yet cleared at AFHQ is attached for your information and for such comments as you may wish to make.

4. It is not considered feasible to place future military exports on a commercial basis. British Administrative Instruction and the AFHQ Administrative Memorandum about to be published should have the effect of reducing the volume of military exports to almost negligible proportions.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

(Sgd) F. G. A. PARSONS,
Brigadier,
Acting Assistant Chief of Staff, G-5.

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Copy to: CAO.

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COPYD R A F T

ALLIED FORCE HEADQUARTERS
G-3 Section
APO 512

ADMINISTRATIVE MEMORANDUM)

March 1946

NUMBER

SUBJECT: Military Exports from Italy

1. Local Italian purchases, which have been paid for either in lire or charged directly to the Italian government, have been made and are being made by Allied Service Procurement Agencies for export for the direct support of naval, air and ground forces. Some of these commodities are exported directly and others are stockpiled for general military use and are subsequently exported as a normal service issue. All such military exports are a double burden on ITALY in that they are a money charge against the Italian treasury and a commodity loss to the economy of the country.

2. It is contrary to the instructions of the Combined Chiefs of Staff for ITALY to export commodities which are being imported under the Italian Import Plan, or which are manufactured from commodities imported under that plan without approval of the Allied Commission. These restrictions will apply to Military Exports. In order to comply with these instructions it is necessary for procuring agencies to be kept currently informed concerning those commodities which may not be exported.

3. Military exports prior to 1 September 1945, the date of termination of Combined Military responsibility for the provision of essential civil supplies, are deemed to be against the Italian Government.

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commodities are exported directly and are subsequently exported for general military use and are subsequently exported as a normal service issue. All such military exports are a double burden on ITALY in that they are a money charge against the Italian treasury and a commodity loss to the economy of the country.

2. It is contrary to the instructions of the Combined Chiefs of Staff for ITALY to export commodities which are being imported under the Italian Import Plan, or which are manufactured from commodities imported under that plan without approval of the Allied Commission. These restrictions will apply to Military Exports. In order to comply with these instructions it is necessary for procuring agencies to be kept currently informed concerning those commodities which may not be exported.

3. Military exports prior to 1 September 1945, the date of termination of Combined Military responsibility for the provision of essential civil supplies, are deemed to be a proper charge against the Italian Government. After that date, however, the Italian Government will be credited with the value of all military exports as an offset against the Italian debt to the Allied Governments.

4. The following restrictions will govern the military export from Italian territory of any commodity procured in ITALY.

(a) With effect from the publication of this Instruction all local procurement by Services will be dealt with according to the procedure in ATHQ Adm Memo No. 54 of 1945, Section II, para 4. If the Italian Ministry states that no surplus above essential civil needs exists and it is still desired to make the purchase, the Service concerned will forward to the CAO through G-5 Section ATHQ a full justification for the procurement which will include:-

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(II)

- 2 -

- (i) Extent to which items form part of the Italian Civil Import Programme.
- (ii) Project for which required and urgency.
- (iii) Availability from Military or other sources.
- (iv) Recommendations of appropriate relief agency in ITALY (Allied Commission or UNRRA, as the case may be).

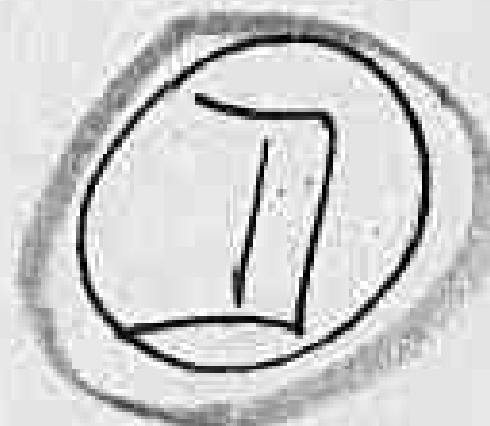
(b) Upon export, the procuring agency will notify the Chief Accountant, Allied Supply Accounting Agency of the actual quantities exported and the price paid therefor (or the lire value if not a cash transaction).

5. In order to ensure that records of such military exports are complete, procuring agencies will notify the Chief Accountant Allied Supply Accounting Agency of all military exports effected between 1 September 1945 and the present time.

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ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

Ref: F-10

15 February 1946

SUBJECT: Co-ordination of Military Procurement in ITALY
with Allied Civilian Supply Programmes.

TO : Chief Commissioner,
Allied Commission.

Reference your letter 20.00 dated 14 December paras 1-6 and 10(a) and (b).

1. AFHQ has seen no evidence to show that military procurement in ITALY is causing "grave damage" to the Italian economy. It is doubtful whether, even during hostilities, such procurement (entirely admissible under the armistice terms) was ever on a scale large enough to injure Italian economy seriously; and now that such procurement is dwindling it is an economic inconvenience rather than an economic danger. Moreover, it should be noted that for the maintenance of internal law and order and the protection of her interests on disputed frontiers, ITALY depends in the last resort on the Allied Forces, and that it is entirely proper that she should make some contribution to their maintenance.

2. It is also not the case that the Allied Forces procure in ITALY on any considerable scale for the maintenance of the civilian population of certain liberated areas. Except in so far as Military Government authorities may in emergency draw on military stocks which contain a proportion of Italian-produced items, AFHQ has resorted to direct procurement in ITALY for civil account elsewhere only in a very few cases of grave urgency when such procurement was a matter of military necessity. ~~As soon as~~ the Italian and Austrian Governments have set up proper procedure for regulating Italo-Austrian trade, these occasions are not likely to recur.

3. AFHQ agrees, however, with your contention that local military procurement should be properly co-ordinated with the Allied-financed civilian supply programmes, so as to ensure that materials specially imported or earmarked for the rehabilitation of ITALY are devoted to that purpose and are not diverted from it by military procurement. As far as imported supplies or items on the "restricted" list are concerned, this is controlled under AFHQ Administrative Memorandum 54 dated 31 December 1945 Section II, paras 4 and 7.

4. AFHQ concurs in principle with the suggestion in para 6 of your letter that this control should be extended to those local resources which form an essential part of the Italian rehabilitation programme, by including them in the "restricted" list (AFHQ Administrative Memorandum 54/45 Appendix "A"). Allied Commission are, therefore, requested to work out and submit a proposed list of such items to AFHQ. They will then be examined to see how far this proposal can be adopted without undue prejudice to the needs of the Allied Forces in the theatre.

5. The question of military exports (paras 7-9 and 10(c) of your letter under reference) will be dealt with separately.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:



F. C. A. PARSONS,
Brigadier,

Acting Assistant Chief of Staff, G-5.

Concurred: CAO

Copy to: CAO
Financial Adviser
Fiscal Director
"Q"
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C/S MTO
G-4

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JAN 31 RECD

HEADQUARTERS ALLIED COMMISSION
APO 394
Commerce (Foreign Trade) Sub-Commission

Ref : AC/5127/A/Commerce

29 January 1946

SUBJECT : Foreign Trade

TO : See distribution attached.

Attached, for information, is a copy of letter

(45) ref : AC/5127/A/Commerce dated 28 January 1946, addressed to the Prime Minister by the Chief Commissioner, regarding the relinquishment by Allied Commission of their responsibility for screening Italian exports.

S. K. I. SNUL
S.K.I. SNUL
Major, R. A.
Deputy Director
Commerce (Foreign Trade) S/C

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Encl. as above

cc ltr. was un-attached & listed
separately in this file for easier finding
cc this file [signature]

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Distribution :

Office of the Chief Commissioner
 Office of the Executive Commissioner
 Economic Section
 Supply Group (3)
 Industry & Utilities S/C (3)
 Transportation & Shipping S/C (3)
 Food & Agriculture S/C (3)
 Finance S/C
 AC Chief Liaison Officer Naples (3)
 " " " " Livorno (3)
 " " " " Bologna (3)
 " " " " Liguria (3)
 " " " " Piemonte (3)
 " " " " Lombardia (3)
 " " " " Bolzano (3)
 " " " " Venezia (3)
 " " " " Sicily (3)
 " " " " Bari (3)
 AC Liaison Officer (tn) Ancona (3)
 AMG 13 Corps (3)
 AMG Udine (3)
 British Embassy (3)
 American Embassy (3)
 French Embassy
 French Representative to AC
 Soviet Representative to AC
 Ministero del Commercio con l'Estero (3)
 " dell'Industria e del Commercio (3)
 " dell'Alimentazione
 " degli Affari Esteri
 " dell'Agricoltura
 " dei Trasporti
 " delle Finanze
 " del Tesoro
 Comitato Interministeriale per la Ricostruzione
 Istituto Nazionale per il Commercio Estero (6)

Spares (100)

(3)

C O P Y

Ref : AC/5127/A/Commerce

28 January 1946

My dear Mr. Prime Minister :

I wish to inform you of the termination, with effect from today, of certain wartime restrictions imposed on Italy's export trade.

I refer to my letter of 31 July 1945, addressed to Professor Parri, and, in particular, to para 3 (a) and (b) thereof. The Allied Commission will henceforth cease to screen your Government's declarations of exportable surpluses. Furthermore, Italian exports will no longer be classified in the two categories "A" and "B", to which different marketing and pricing policies were applicable.

In communicating this decision to you, I would point out that this entails complete cancellation of the export policy stated in a letter, under reference AC/5127/A/Commerce, dated 18 April 1945, to your Minister of Industry and Commerce, except that certain items, which are in short world supply, and which are included in the Reserved Commodity Lists, are still subject to control by either the Combined Food Board or certain special committees in Washington.

Apart from food supplies, the number of such items has been progressively reduced so that only tin, rubber, coal, hides and cotton textile now remain under control.

As hitherto, the Allied Commission will continue to deal with Italian requirements for the export and import of all Reserved Commodity List items until such time as the Italian Government shall be notified, through United States and United Kingdom diplomatic channels, of the manner in which they will be invited to communicate with the Combined Food Board and the various international committees.

Sincerely,

(Signed)

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Dr. Alcide DE GASPERI
President of the Council of Ministers
Italian Government

A C O P Y

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JAN. 23 0900

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RESTRICTED.

Policy on Italian exports. Further to our E-6 dated 24 July.
TAM 738 date 19 January 46 is repeated to you herewith for action:
"This is TAM 738." Refer WOC 420 (Termination of certain wartime
restrictions imposed on Italian export trade).

1. Restrictions imposed on Italian export trade by TAM 456 and 640
during the war are now terminated. Italian exports will no longer
be classified as category A and B to which different marketing and
pricing policies apply.

2. AC is relieved of responsibility of screening declarations of
exportable surpluses (TAM 640 Paragraph 1 A) as of 1 January 1946,
when UNRA assumes responsibility for basic Italian program.

3. AC will continue to report RCL Items (Refer TAM 640 Paragraph
1 B, COM 345 Paragraph 3 and Paragraph 1 above) only until the
Italian government is notified through United States and United
Kingdom diplomatic Channels on the manner in which they will be
invited to report to CFB and international committees (Refer COM
345 Paragraph 2) future exportable surpluses of RCL Items)

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AC DIST

ACTION : ECON SEC 2
INFO : CHIEF COMMISSIONER
EX COMM 2
COMMERCE SC
FINANCE SC
FILE 2
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RESTRICTED

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OUTGOING MESSAGE
Headquarters Allied Commission

FROM : H. MOC
TO : MOC FOR C.C. FOR C.C. FOR C.C. (LONDON)
FOR COMBINED SECRETARIAT AND AFH. PHGAG

17 January 1946

Ref. No : 335

CONFIDENTIAL

This is MOC 473.

Subject is proceeds of sales of Italian exports to the UNITED STATES.

1. Refer MAT 930 and MAT 726.

2. It is recommended that USCC deposit with guaranty trust for post liberation account of Banca D'Italia 90% of proceeds from Italian exports consigned to USCC by Allied Commission pending presentation of final report activities of the Allied Commission. ¹⁴ on the export

3. Accounts pursuant to para 2 of MAT 640 are complete except for the data to be extracted from the final report from USCC being prepared now and some outstanding queries on exports to the UK.

4. Full report will be rendered when these outstanding things are cleared. This will be within one month of the receipt of the final USCC figures.

Precedence :

: ROUTINE

Office of origin

: War C/O Finance C/O

Tel. No.

: 586

Originators signature : LT. COL. W. M. M.

DISTRIBUTION

ACTION DIAGRAM : Leon Dec 16
(330 (6))

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2. It is recommended that USCC deposit with currency trust for post liberation account of Banca D'Italia 90% of proceeds from Italian exports consigned to USCC by Allied Commission pending presentation of final report activities of the Allied Commission on the export

3. accounts pursuant to para. 2 of T.M. 640 are complete except for the data to be extracted from the final report from USCC being prepared now and some outstanding queries on exports to the UK.

4. Full report will be rendered when these outstanding items are cleared. This will be within one month of the receipt of the final USCC figures.

Precedence : ROUTINE

Office of origin : Admin. O/O Finance S/C

Tel. No. : 586

Originators signature : LT. COL. W. L. M.

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DISTRIBUTION

ACTION DIRECTOR : Econ Sec 16
(Sec 6)
(Supply Gr.)
(Program Br.)
(Acquisition Br 10)

ADVANCE COPIES TO : Commerce SC 2
Finance SC 2
Food & Agric SC 2
Ind Util SC 2
Coal Div 1
Tn SC 2

INFO

: Chief Commissioner
Exec Comm 2
CC BA LMS
CA US EMB
USA Rome
Adm. In.
File

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ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

Ref. F-10

24 December 45

SUBJECT: Military Procurement in ITALY

TO : Headquarters, Allied Commission, APO 294.

1. Receipt is acknowledged of your letters 20.00 dated 14 Dec. (subject "Co-ordination of military procurement in ITALY with Allied Civilian Supply Programs") and 26.00/ES dated 14 December (subject "Military Exports from ITALY (Financial Problem)") which are being studied here.

2. Reference para 1. of the second letter mentioned above. The airgram in question was **NOT** despatched.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

/s/ H. P. CROOM-JOHNSON, Lt. Col., for

A.L. HAMBLEIN
Brigadier General, G.S.C.
Assistant Chief of Staff, G-5

ACTION : Supply

INFO : Chief Commissioner
Exec Comm
A/VP

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Ref. NO.CO/25

14 December 1945

SUBJECT : Military Experts from Italy (Financial Problems)
 TO : Allied Force Headquarters
 AFM 312
 Attention: G-3 Section

1. Reference is made to a letter of your headquarters of 30 September 1945 (Ref. 7-10) on the above subject, transmitting a draft staff study and a draft airgram, to which the concurrence of the Allied Commission was forwarded under date of 5 October 1945 (Ref. NO/5187/A/Commerce). No information has been received since that date to indicate that the airgram in question was dispatched. *Not dispatched, see (2)*

2. The object of the present letter is to elaborate the views of the Allied Commission regarding the financial aspect of exports of Italian goods by the military.

3. The first of the problems offered for solution in the staff study under reference, as set forth in paragraph 5 (a) thereof, is:

"Are purchases for direct military use outside Italy to continue to be regarded as 'military exports' or should they be placed on the same footing as commercial exports?"

It is the considered view of the Allied Commission that all supplies and services procured in Italy and exported should be treated on a commercial basis.

4. Military exports of locally-produced supplies cannot be considered as procurement in support of the occupation of Italy, but as simple commercial transactions in which the military acts as an agency of its government and which should give rise to credits in the currency of the procuring government concerned. Such credits would make it possible that depletion of the total quantity of supplies available to the Italian population by the amount of such exports could be made up sooner or later by importation of compensating products. This arrangement would not only meet the juridical objection that these exports and services are involuntary and uncompensated but would also serve to restore the supply balance in Italy at some future time.

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2 - Military Exports from Italy

5. It will be seen that the financial problems involved in the question of military exports are two-fold:

- (a) is Italy to receive current reimbursement in foreign currencies for military exports, and, if so,
- (b) in what currencies is reimbursement to be effected?

6. It was suggested in the AFHQ staff study under reference that a record be kept of military exports with a view to ultimate inter-governmental settlement. In the view of the Allied Commission, it is desired that Italy receive current foreign credits for the value of such exports, as part of the program to mobilize and increase Italy's foreign exchange resources. If no foreign currency credit whatever is allowed, Italy is placed under a double disability of having to accept the cost of the goods as an occupation charge as well as having to endure a shorter supply. Replenishment must be effected out of Italy's limited dollar or sterling credits, or by expenditure of funds made available by the Allies for the support of the civilian supply and rehabilitation program.

7. It is therefore suggested that the entire problem of military exports be referred to the Combined Chiefs of Staff for a decision on the policy involved, with the following recommendations:

- (a) that the Italian Government, to effect its obligations to the Allied Governments, should receive credit for supplies exported on a military basis prior to 1 September 1945, the date of termination of the combined military responsibility for civilian supply imports into Italy;
- (b) that, for exports from Italy after such date, the Italian Government should receive current reimbursement in foreign currency; and
- (c) that such reimbursement should take the form of dollar or sterling credits, according to the nationality of the military organization or service concerned.

3062
[Signature] Henry W. Stone

HENRY W. STONE
Rear Admiral, USNR
Chief Commissioner

(B)

Originator's Reference 14408

Date/Time of Origin 0000 182225Z

Message Centre No 0/1512

Date/Time Rec'd 0000 200343A

Precedence ROUTINE

FROM: WAR FROM MCS DEAN 0000

TO: ALLIED CO-ORDINATION POLICY ON ACI CAC RMD INFO. A HQ FOR UNDER
AND OF BASE SECTION FOR COUNCIL SECRETARIAT.

UNCLASSIFIED.

This is CO. 250. Refer HQS 128.

Supervision by AC of export activities of Italian Government.

1. TAM 540, paragraph 1 (A) reserved to the AC the right to screen Italian exports so that Allied military and civilian supply programs for ITALY would not be impaired by conflicting export activities. It is generally believed here that the general overseeing functions of the AC should not be limited to items on ROL but should be of wider scope and cover items which are not on the ROL as per TAM 540. Items on ROL will have to be cleared with the combined boards as heretofore, through the COMSEC Service.

2. Your statement in paragraph 2 (A) of 209 that the limitations provided by the ROL are a serious hindrance to the free negotiating power of ITALY on exports is realized, but since commodity restrictions are still necessary because of world shortages, there is no reason why this should be abolished or amended only because the

3061

effect the negotiating power of the Italian Government.

3. Regarding your interpretation of the ROL (refer paragraph 2)

4008/6

activities. It is generally believed here that the removal of these functions of the SC should not be limited to items on ROL but should be of a wider scope and cover items which are not on the ROL as per TAIL 540. Items on SC will have to be cleared with the combined boards as heretofore, through the COM 207 series.

3. Your statement in paragraph 2 (A) SC 207 209 that the limitations provided by the SC are a definite hindrance to the free negotiating power of COM on exports is realized, but since commodity restrictions are still necessary because of world shortages there is no reason why this should be abolished or amended only because that

3061

effect the negotiation power of the Italian Government.

4. Regarding your interpretation of the SC (refer paragraph 2) (A), SC 299) and of that is consequently in Category A of Italian exports, you are advised that (A) only certain essential oils are on the ROL, (B) COM 207 have been 001 rec, (C) COM 207, have 001 been on the SC since March 17, 1945, as per CLAC (S) 8/4 forwarded to you with COM 207 209 31. You are further advised that current revisions on the ROL of the combined food board (see COM 207 209 31) and combined production and resources board are in preparation which will result in additional deletions. COM 207 has already revised the ROL which was sent to you with COM 207 209 31.

4. Your request that the SC be granted authority to approve exports without reference to the COM 207 of ROL products manufactured from raw materials which are in Category B and are acquired under temporary export system, is contrary to the very principle which has prompted the creation of the COM 207 and cannot be granted. However, the question of exempting from ROL the products manufactured from raw materials mentioned above is still under discussion.

(1/2)

4008/CC

THIS IS COM 250. PART II.

5. To help reach a quick solution Italian Government should present as overall map of the magnitude of these transactions only insofar as they cover items still on their list. See accompanying with OPAB list attached. The plan submitted should contain all pertinent information regarding current and past position of each one of those commodities so that Italian needs can be properly integrated with the needs of other countries and other countries requirements for those, as submitted to the combined boards, can be properly integrated with their current requirements from sources other than ITALY.

6. You may advise the Italian Government that it is known that a great interest has been shown by THE ENGLANDS AND UNITED KINGDOM commercial firms in exports to ITALY on a consignment basis but so far no action has been possible because of lack of proper government machinery in ITALY to provide guarantees pertinent to such transactions. Moreover, it is only too obvious that transactions of this kind should be integrated with the overall Italian import program so that no unnecessary expenditure is incurred which involves Allied relief funds. All possible assistance should be given to the Italian Government in coordinating its export import procedures and increasing the volume of its foreign trade.

great interest in giving its to ITALY on a consultant basis but so far commercial firms in giving its to ITALY on a consultant basis but so far no action has been possible because of lack of proper government machinery in ITALY to provide guaranteed payment to such transactions. Moreover, it is only too obvious that transactions of this kind should be integrated with the overall Italian import program so that no unnecessary expenditure is incurred which involves allied relief funds. All possible assistance should be given to the Italian Government in coordinating its export import procedures and increasing the volume of its foreign trade.

3000

ITALY

ACTION REQ DIV 5
INFO COMMISSIONER
IN COMMISSIONER 2
DOON 22 4
CL 20 15 220
CC 20 20 220
FINANCE
TN 2
FILE 2
PILOT

②
②

OCT 16 REC'D

HEADQUARTERS ALLIED COMMISSION
APO 394
COMMERCE SUBCOMMISSION

ERG/CP

Tel. Ext. 245

Ref. AC/5127/A/Commerce 13 October 1945

SUBJECT: Termination of Export activities
of the Allied Commission

TO : See Distribution List

1. Reference is made to the letter sent by the Chief Commissioner to the President of the Council of Ministers, dated 31 July 1945, on the abovementioned subject, copy of which was circulated to all addressees.

2. Attached is a copy of a further letter sent to Prof. Ferruccio Parri, in clarification of certain points of the original directive.

H. A. CENT

Major

Director

Commerce Subcommission

3059

1 Incl. - Letter to Prof. Parri
dated 9 Oct. 45

4008/c

20

Commissioner to the President of the Council of Ministers, dated 31 July 1945, on the abovementioned subject, copy of which was circulated to all addressees.

2. Attached is a copy of a further letter sent to Prof. Ferruccio Parri, in clarification of certain points of the original directive.

3059

H. A. GENT
Major
Director
Commerce Subcommittee

1 Incl. - Letter to Prof. Parri
dated 9 Oct. 45

4008/ce

69

DISTRIBUTION:

Office of the Chief Commissioner
Office of the Executive Commissioner

Economic Section

Supply Division

Production Division

Requisition Branch

Price Control Branch

Agriculture S/C

Commerce S/C

Finance S/C (3)

Food S/C (3)

Industry (3)

Labor S/C

Public Works & Utilities S/C

Transportation S/C (3)

Civil Affairs Section

Communications S/C

Legal S/C

Public Relations

Public Safety S/C

Regional Commissioner, Lombardia Region

" " " Piemonte Region

" " " Liguria Region

" " " Venezia Region

" " " Venezia Giulia Region

" " " Emilia Region

AMG Naples Commune

Allied Commission, Liaison Officer, Palermo

Allied Forces Local Resources Section (5)

UNRRA HQ AFHQ (5)

AMG Livorno Zone

AMG Ancona Commune

AC Liaison Officer Bari

AC Liaison Officer Catania

Civil Affairs Section

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AMG Naples Commune

Allied Commission, Liaison Officer, Palermo

Allied Forces Local Resources Section (5)

UNRRA HQ AFHQ (5)

AMG Livorno Zone

AMG Ancona Commune

AC Liaison Officer Bari

AC Liaison Officer Catania

Political Adviser (A) AC

Political Adviser (B) AC

US POLAD, AFHQ

UK POLAD, AFHQ

AFHQ G-5 Section (3)

U.S. Embassy

U.K. Embassy

Soviet Representative to AC

French Representative to AC

Spare (25)

HAG/ao

Ref : AG/5127/A/Commerce

7 October 1945

My dear Mr. Prime Minister :

I wish to refer once again to my letter of 31 July concerning the termination of the export activities of Allied Commission.

As a result of discussions held between Avv. Storoni, Undersecretary for Commerce, and Major Gent, Director of Commerce Sub-Commission, it appears that there has been some misunderstanding on the part of your Government as to the intentions of the Allied authorities on the subject of re-introduction of private trading between Italy and the Allies.

I wish to clarify, therefore, that the procedure outlined in paragraph 8 of my letter of the 31st of July specifies merely the manner in which it was intended that trade should be conducted between Italy and the US and Italy and the UK from the time (i.e., 31 July) that Allied Commission ceased to act as an intermediary and until such a time as your Government makes an arrangement with either or both countries to conduct trade on a different basis.

The full authority for your Government to make arrangements with all countries, including US and UK, is given in paragraph 5 of my above quoted letter, which states that, subject to the controls and regulations which your Government has agreed to create and operate, all countries are now free to deal directly with your Government on a Government basis or with Italian private traders on a private basis as you consider best. Although the implementation of this authority, in respect of countries other than U.S. and the British Commonwealth, is, as you know, temporarily in abeyance until your Government publishes the necessary decree to require observance of the Statutory and Proclaimed Lists, there is, in the case of U.S.

.....

(2)

of America and the British Commonwealth, nothing to prevent direct trade being commenced forthwith. I understand, in fact, that Sir Richard Neworthy has already written to Minister Gronchi stating that the British authorities have no objection to operating import and export trade with Italy through private trading channels if your Government so desires.

I trust that the above clarification will serve to eliminate any misunderstanding which may have existed as to the intentions of the Allied authorities and that it will assist your Government in making more rapid progress towards a return to normal trading.

Yours very truly,

/s/ Elmer W. Stone

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

3057
Prof. Ferruccio PARRI
President of the Council of Ministers
Italian Government
R o m e
XXXXXXXXXXXXXXXXXXXX

FOR ACTION ADVISE FOR OCS FOR COMD INFO FOR INFO UK BASE SECTION (LONDON)
FOR CABINET SECRETARIAT AMIR FOR INFO

6534

17 SEPTEMBER 1945

ROUTINE

CONFIDENTIAL

750 299

THIS IS NOC TWO NINE NINE PD

SUBJECT IS REGULATION OF EXPORT ACTIVITIES OF ALLIED COMMISSION PD

PARA TWO FOR ACTION ADVISE FOR OCS FOR COMD INFO FOR INFO UK BASE SECTION(LONDON) FOR CABINET SECRETARIAT AMIR FOR INFO FROM HQ ALCON CITE ADCC PARH

PARA ONE PD IN ORDER TO FACILITATE CARRYING OF EXPORTABLE SURPLUSES AS REFERRED
TO UNDER PARA I (A) OF THE #040 THE ITALIAN GOVERNMENT IS PREPARING IN AGREEMENT
WITH ALLIED COMMISSION LIST OF EXPORTABLE SURPLUSES WHICH MAY BE EXPORTED WITHOUT
SUBSEQUENT ALLIED COMMISSION SCOUTING PD

PARA TWO PD REQUESTS FOR ALLOCATION OF R C L COMMODITIES WILL CONTINUE TO BE
MADE BY THIS HEADQUARTERS IN COM/MOC SERIES PD

PARA THREE PD IN ORDER PURVIEW TO EXPEDITE REACTIVATION OF ITALY'S ROYAL TRAIN
THE FOLLOWING SUGGESTION IS PUT FORWARD PD

PARA FOUR PD RESTRICTIONS IMPOSED BY R C L ARE SERIOUSLY HINDERING ITALY'S POWER
TO NEGOTIATE WITH FOREIGN GOVERNMENTS AS MANY OF HER MOST IMPORTANT EXPORTABLE
ASSETS ARE LISTED ON R C L COM SUCH AS GLN TARTARIC ACID COM ESSENTIAL OILS COM

4008/1007

38

EDIBLE NUTS CMA CITRUS FRUITS CMA CITRUS JUICES CMA HEMP CMA PEPPERS CMA DRIED FRUITS
CMA VEGETABLE SEEDS PD IT IS SUGGESTED THAT CONSIDERATION BE GIVEN TO POSSIBLE
REVISION OF THE R C L PD

3055
PARA FIVE PD AUTHORITY IS REQUESTED FOR ALLIED COMMISSION TO APPROVE CMA WITHOUT
REFERENCE TO YOU CMA THE EXPORT OF R C L COMMODITIES MANUFACTURED FROM CATEGORY B
RAW MATERIALS IMPORTED CMA WITHOUT PAYMENT CMA ON A TEMPORARY BASIS PD EXAMPLE C/L
COTTON FIBRE CATEGORY B MATERIAL FIBRE BOUGHT BY SWISS FROM BRAZIL CMA TO BE
IMPORTED INTO ITALY CMA MANUFACTURED INTO COTTON YARN FIBRE RCL COMMODITY FIBRE AND
EXPORTED TO SWITZERLAND PD SIMILAR EXAMPLE WOULD BE THE TEMPORARY IMPORT OF WOOL PD
SUCH TEMPORARY IMPORTS HAVE THREE PRINCIPAL ADVANTAGES C/L FIBRE A FIBRE THE PROVISION
OF EMPLOYMENT FIBRE B FIBRE CREDITS IN FOREIGN CURRENCY FOR THE VALUE OF ITALIAN
FOREIGNSHIP INVOLVED OR FIBRE C FIBRE AVAILABILITY OF PORTION OF RAW MATERIAL
REPRESENTING PAYMENT OF COST OF MANUFACTURE PD ITALIAN GOVERNMENT SUPPORTS
THE TEMPORARY^{IMPORT} SYSTEM PD

PARA SIX PD REPLY TO PARA FIVE IS URGENTLY REQUESTED IN VIEW OF MANY REQUESTS
RECEIVED FOR SUCH TRANSACTIONS AND THE GREAT BENEFITS TO BE DERIVED THEREFROM BY
THE ITALIAN WOOLLEN.

Cleared with Finance S/C
" " Industry S/C

CC : Economic Section
USCC

UK Embassy
US Embassy

COMMERCE S/C

245

NICHOLAS FLOSBING
GPO, USA
Asst. Adjutant

(H.A.J. GREEN)

2097

785015

SEP 20 REC'D

HEADQUARTERS ALLIED COMMISSION
AEO 394
COMMERCE SUBCOMMISSION

ERG/lg-

Ref. AC/5127/A/Commerce

15 September 1945

SUBJECT: Allied Commission Export Activities

TO : See Distribution List Attached

1. Attached is copy of letter from the President of the Council of Ministers in reply to the Chief Commissioner's letter, dated 31 July 1945, which dealt with the termination of Export Activities of Allied Commission, transmitted to you with our AC/5127/A/Commerce dated 31 July 1945.

2. The Chief Commissioner's reply to the questions raised by Prime Minister Parri is also attached, for your information and guidance. Please note that since writing this reply the procedure for submitting bids for sea transportation has undergone a change and is now as follows:

All Applications for sea transportation for goods to be exported from Italy should be submitted through the Istituto Nazionale per il Commercio Estero, Rome, Via Torino 107, in triplicate, direct to United Maritime Authority, Zone 3 Committee, Navy House, Naples.

Applications for shipping of goods to be imported into Italy from countries other than U.S. and U.K. are to be addressed in triplicate to U.M.A. as above but submitted to Allied Commission, Commerce Subcommittee, Foreign Trade Division, for onward

3052

2. The Chief Commissioner's reply to the questions raised by Prime Minister Parri is also attached, for your information and guidance. Please note that since writing this reply the procedure for submitting bids for sea transportation has undergone a change and is now as follows:

All Applications for sea transportation for goods to be exported from Italy should be submitted through the Istituto Nazionale per il Commercio Estero, Rome, Via Torino 107, in triplicate, direct to United Maritime Authority, Zone 3 Committee, Navy House, Naples.

Applications for shipping of goods to be imported into Italy from countries other than U.S. and U.K. are to be addressed in triplicate to U.M.A. as above but submitted to Allied Commission, Commerce Subcommittee, Foreign Trade Division, for onward transmission.

U.M.A. requests certain essential details and in order to ensure uniformity it is requested that the attached proforma be used when making bids for export or import shipments.

H.A. GRANT,
Major,
Director
Commerce Subcommittee

3 Encls.

37

4008/1

3054

Serial No. of Bid
della Richiesta

REQUEST FOR SEA TRANSPORTATION
Only One Consignment to be Shown on Each Bid
RICHIESTA PER TRASPORTO VIA MARE
Ogni Richiesta Serve per Una Sola Spedizione

UNITED MARITIME AUTHORITY
Zone 3 Committee, Navy House, Naples

A request is made for shipping space to be provided for the undermentioned cargo:
Si richiede l'assegnazione di spazio a bordo per il sottoelencato carico:

Name of Cargo & Types of Packing Descrizione del Carico e dell'Imballaggio	Tonnage Tonnellaggio		Present Location & Nearest Port Luogo di giacenza e porto più Vicino	Date when Cargo Will be available Data in cui il carico è Disponibile
	Gross Weight Metric tons Peso lordo Tonn. metriche	Measurement Cubic metres Misura Metri cubi		

Details of heavy lifts over 5 tons, if any:

Dettagli di eventuali colli di peso superiore alle 5 tonn.:

Any other special remarks:

Altre osservazioni speciali:

This shipment is approved

Si approva il presente trasporto

Name
Nome

Rank
Grado

Sub-Commission
Sotto-Commissione

The submission of this bid does not guarantee the allotment of shipping space.
L'inoltro della presente richiesta non comporta garanzia di assegnazione.

REQUEST FOR SEA TRANSPORTATION

Only One Consignment to be Shown on Each Bill
 RICHIESTA PER TRASPORTO VIA MARE
 Ogni Richiesta Serve per Una Sola Spedizione

In Triplicate
 In triplice Copia

Date

Date _____

provided for the undermentioned cargo:
 per il sottoelencato carico:

Measurement Metric metres Misure metri cubi	Present Location & Nearest Port Luogo di giacenza e porto più Vicino	Date when Cargo Will be available Data in cui il carico è Disponibile	Final Destination & Port Preferred Destinazione defini- tiva e porto preferito	Consignor & Address Mittente e Indirizzo	Consignee & Address Destinatario e Indirizzo

5 tons.: _____

Signed

Firma _____

Rank

Sub-Commission

Grado

Sotto-Commissione

Allocation of shipping space.
 Assegnazione di assegnazione.

Office of the Chief Commissioner —
Office of the Executive Commissioner
Economic Section

Supply Division
Production Division
Requisition Branch
Price Control Branch

Agriculture S/C

Commerce S/C

Finance S/C (3)

Food S/C (3)

Industry S/C (3)

Labor S/C

Public Works & Utilities S/C

Transportation S/C (3)

Civil Affairs Section

Communications S/C

Legal S/C

Public Relations

Public Safety S/C

Regional Commissioner, Lombardia Region

" " Piemonte Region

" " Liguria Region

" " Venezia Region

" " Venezia Giulia Region

" " Emilia Region

AMG Naples Commune

Allied Commission, Liaison Officer, Palermo

Allied Forces Local Resources Section (5)

UNRRA HQ AFHQ (5)

AMG Livorno Zone

AMG Ancona Commune

AC Liaison Officer Bari

AC Liaison Officer Catania

Political Adviser (A) AC

Political Adviser (B) AC

US POLAD, AFHQ

UK POLAD, AFHQ

AFHQ G-5 Section (3)

Regional Commissioner, Lombardia Region
 " " Piemonte Region
 " " Liguria Region
 " " Venezia Region
 " " Venezia Giulia Region
 " " Emilia Region

AMG Naples Commune
 Allied Commission, Liaison Officer, Palermo
 Allied Forces Local Resources Section (5)
 UNRRA HQ AFHQ (5)
 AMG Livorno Zone
 AMG Ancona Commune
 AC Liaison Officer Bari
 AC Liaison Officer Catania

Political Adviser (A) AC
 Political Adviser (B) AC
 US POLAD, AFHQ
 UK POLAD, AFHQ
 AFHQ G-5 Section (3)
 U.S. Embassy
 U.K. Embassy
 Soviet Representative to AC
 French Representative to AC

Spares (25)

Ref: 21.12/EE.

4 September 1945.

My dear Mr. Ambassador:

Reference your letter No. 4000 dated 27th
August 1945.

Both messages attached to your letter have
been transmitted to the Allied Control Commission of Lienz,
Austria, for delivery to the Sole Match Works.

Very truly yours,

/s/ Elmer W. Stone

ELMER W. STONE
Rear Admiral, USNR
Chief Commissioner

Honourable G. Xintaris,
Greek Ambassador to Italy,
Greek Embassy,
ROME.

3051

36

4000/1

31 August 1945

My dear Mr. Prime Minister: *m* *gla*

I thank you for your letter dated 1 August 1945, replying to my communication of 31 July, and am taking this opportunity of replying to the various points which you raise.

With regard to paragraph 2 of your letter, I agree that, in the existing circumstances, it is not necessary to prepare a special procedure to govern exports in the territory at present under Allied military control.

Further, I am in agreement with the suggestion made in your paragraph 3 that a list of items, of which an exportable surplus exists, should be prepared. Therefore, I suggest that your Government submit such a list to this Headquarters, so that it may be reviewed and, if possible, an overall clearance given.

While you will be the first to appreciate, my dear Prime Minister, the necessity for maintaining control over the movement of those commodities which are in world short supply, I have every hope and reason to believe that, with the final cessation of hostilities, the list of such commodities will gradually be reduced.

As regards your paragraph 4, the Combined Chiefs of Staff have advised us that the United States Proclaimed and British Statutory Lists should be adopted by your Government as a prerequisite to direct trade between Italy and those countries to which such lists have been applied.

I am gratified by the establishment of the new exchange control agency, the Ufficio Italiano dei Cambi, and I hope it will proceed to an effective control of Italian external assets as soon as possible.

As regards paragraph 5 (a), I may say that we are in full agreement concerning the effective functioning of the Italian customs service. As far as we are aware, the customs service is operating at all ports and on all frontiers, except at those ports or portions of ports which are being used for Allied military or naval traffic. On the initiative of the Allied authorities the customs services in Allied Military Government territory have been reestablished and are functioning under normal Italian laws

See 37

and regulations. The customs organizations now functioning in Allied Military Government territory (except Venezia-Giulia) will revert to full Italian Government control when such territory is returned to your Government.

With reference to the question of transport raised in your paragraph 5 (b), a control has now been set up to deal with the very involved question of world transport facilities, in order that all nations may receive their fair share of the availability. This controlling body is known as the United Maritime Authority (U. M. A.).

All applications for shipping should be submitted by the appropriate Italian authority to the Shipping Employment Policy Committee, Berkley Square, London, with copy to United Maritime Authority Zone 3 Committee, Navy House, Naples. It is essential however, that all applications for shipping made on United Maritime Authority through Shipping Employment Policy Committee, London, should be coordinated by one Central Italian Organization.

I am very gratified to learn of the plans which are being prepared by your Government for the furtherance and control of Italy's foreign trade and I shall be very interested to see these when they are completed.

In my letter of 31 July, I presumed that the Italian Government authority which would be responsible for carrying on export activities would be your Istituto Nazionale per il Commercio Estero. Your letter to which I am now replying leads me to believe that perhaps this assumption was not entirely correct. In any case, I feel it my duty to draw your attention to the fact that the Istituto Commercio Estero has not been, in the past, as fully effective as might have been desired, due perhaps to the very heavy burden which was placed upon it. I am sure your Government will bear this in mind when considering its reorganization plans.

Rest assured, my dear Mr. Prime Minister, that any assistance or advice which the Allied Commission can render toward a happy solution of the foreign trade problems will be readily given.

cc: Sirs 3/3
Transportation 2/3
Economic Section
Exec. Commissioner
Political Advisor (A) to 12
(B) 12
General 2/3

Very truly yours,

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Professor Ferruccio Parri
President of the Council of Ministers
Italian Government
Rome

COPY

AUG 28 REC'D

CC FILES

Greek Delegation
to the
Advisory Council for Italy.

Ref. No. 4000

Rome, August 27th 1945.

My dear Admiral,

I am much obliged to you for your letter ref. A.C./5648/IND of the 10th instant, contents of which I have brought to the knowledge of my Government.

In the meantime I have received a letter of the Agent of the "SOLO" Cy. in Athens, addressed to his Company in LINZ, together with draft of telegram for transmission to the above referred firm. I am enclosing herewith both messages and I would be very grateful if you would kindly have them forwarded in order that they reach their destination - if possible.

Thanking you in anticipation,

Sincerely yours,

/s/ G. EXINTARIS
G. EXINTARIS
Ambassador

Admiral Ellery W. Stone,
Chief Commissioner,
Allied Commissions
Rome.

E.C. DIST - 28 Aug 45

ACTION: Eoon See (2)
INFO : Chief Commr
Exec Commr

3048

34

4088/6

JUGOSLAV DELEGATION
TO THE ADVISORY COUNCIL FOR ITALY

1146
AUG 29 1945

Rome, 24 August 1945.

Dear Admiral Stone,

(32)

I wish to express you my gratefulness for your letter of 24 August,
with the enclosed copy of the Reserved Commodities List.

Very truly yours,

Dr. Jovan J. Smolaka

Dr. Sloven J. Smolaka
Acting Representative of Yugoslavia
Advisory Council for Italy

3047

Rear Admiral
Ellery W. Stone,
Chief Commissioner
Allied Commission

M

Dear Admiral Stone,

I wish to express you my gratefulness for your letter of 24 August,
with the enclosed copy of the Reserved Commodities List.

Very truly yours,

Dr. Sloven J. Smolaka

Dr. Sloven J. Smolaka
Acting Representative of Yugoslavia
Advisory Council for Italy

Rear Admiral
Ellery W. Stone,
Chief Commissioner
Allied Commission

R o m e.

3047

33

24 August 1945.

Dear Dr. Smodlaka:

With reference to the request made by you at the last meeting of the Advisory Council for Italy, I am enclosing herewith a copy of the Reserved Commodity List, revised as of 30 July 1945, for your information.

Very truly yours,

ENCLOSURE /s/ ELLERY W. STONE

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Dr. Sloven Smodlaka,
Jugoslav Representative to the
Advisory Council for Italy,
Via Quinto Sella, 56,
Rome.

3046

Eye, Comm.
Econ Sec.

33

Sec 33

m/18cch

HEADQUARTERS ALLIED COMMISSION
APO 394
Economic Section

WWH/VM/lc

Ref. AC/5127/A/Commerce

23 August 1945

SUBJECT: Termination of Export Activities of A.C.

TO : Chief Commissioner.

(Handwritten initials)

We refer to your memorandum of 18 August 1945.

Attached please find Reserved Commodity List revised
30 July 1945.

Charles W. Walton Col. A.C.
E. B. MCKINLEY *for*
Brigadier General, USA
Acting Vice President

Encl: Reserved Commodity List.

Copy to: Executive Commissioner.

3045

(Handwritten number 31 in a circle)

4028 cch

THE FOREIGN SERVICE OF THE
UNITED STATES OF
AMERICA

AMERICAN EMBASSY

Rome, Italy,
August 23, 1945.

CONFIDENTIAL

Rear Admiral Hilary W. Stone,
Chief Commissioner,
Allied Commission,
Rome.

My dear Admiral:

I refer to my letters dated August 1 and August 7, 1945, regarding the desire of the Italian Government to negotiate with Poland and Czechoslovakia concerning the possibility of obtaining coal in exchange for certain Italian exports.

As was stated in earlier communications, the United States Government views favorably the undertaking of these negotiations without unavoidable delay, provided that any arrangements reached would not conflict with the plans of the European Coal Organization for the orderly distribution of European coal resources and, consequently, that the recommendations of the ECO be sought before final arrangements are made. I understand that the Allied Commission has already requested ECO to express its observations on the subject.

I am now in receipt of a communication from Washington in which it is pointed out that the Italian Government sees advantage in commencing discussions with Poland at the earliest possible date, in view of recent Polish commitments to Sweden and Russia in respect of coal, and that the Department of State approves departure of the Italian mission for Poland as soon as possible. The Department has conveyed this view to the Italian Embassy in Washington.

Specifically, the Department of State suggests that the Italian mission be permitted to leave immediately, inasmuch as the Italian negotiators could receive any recommendations which might be made by the European Coal Organization after the mission arrives in Poland or actually commences discussions.

In connection with the possible export of Italian products to Poland, and with reference to paragraph 2(b) of a letter dated August 4, 1945 addressed by the Commerce Sub-Commission to the Ministry of Foreign Affairs on this subject (Ref. AC/5127/1/Commerce), I should like to note my understanding that only essential food oils, as distinct from essential oils in general, are subject to allocation by the Combined Chiefs of Staff.

Sincerely yours,

CC DIST:
Economic Section (3)
Executive Comar
CC Files

/s/ A. Kirk

HEADQUARTERS ALLIED COMMISSION

APO 394

COMMERCE SUB-COMMISSION

Foreign Trade Division

ERG/ram

22 August 1945

Tel. : 245

Ref. : AC/5127/A/Commerce

SUBJECT: Termination of Export Activities of the Allied Commission

TO : The Ministry of Foreign Affairs -
Italian Government

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1. Reference is made to the letter addressed by the Chief Commissioner to the President of the Council of Ministers dated 31 July with regard to the above subject.

2. Particular reference is made to paragraph (1) in which it was stated that the activities of the Allied Commission with respect to Italy's exports would terminate as from 31 July 1945, both in territory which has already been returned to the jurisdiction of the Italian Government and in the territory which is at present under Allied Military Government.

3. In order that there may be no misunderstanding, we wish to point out that "disputed areas" such as Venezia-Giulia do not come within the terms of the above statement.

4. It is requested that the above clarification be communicated by you to the interested Ministries and Departments of the Italian Government.

H. A. GENT
Major
Director
Commerce Sub-Commission

3043

Distribution

Office of the Chief Commissioner
Office of the Executive Commissioner

Regional Commissioners
Lombardy Region
Piedmont

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4. It is requested that the above clarification be communicated by you to the interested Ministries and Departments of the Italian Government.

H. A. GENT
Major
Director
Commerce Sub-Commission

Distribution

Office of the Chief Commissioner
Office of the Executive Commissioner
Economic Section

Supply Division
Production Division
Requisition Branch
Price Control Branch

Agriculture S/C
Commerce S/C
Finance S/C (3)
Food S/C (3)
Industry S/C (3)
Labor S/C

Public Works & Utilities S/C
Transportation S/C (3)
Civil Affairs Section
Communications S/C
Legal S/C
Public Relations
Public Safety S/C

Spares (25)

Regional Commissioners
Lombardy Region
Piemonte

Liguria

Venezia

Venezia Giulia

Emilia

AMG Naples Commune
AC, Liaison Off. Palermo

AFLRS (5)

UNEPA HQ AFHQ (5)

AMG Livorno Zone

AMG Ancona Commune

AC Liaison Officer Bari

AC Liaison Officer Catania

Political Adviser (A) AC

Political Adviser (B) AC

US POLAD, AFHQ

UK POLAD, AFHQ

AFHQ G-3 Section (3)

U. S. Embassy

U. K. Embassy

Soviet Rep. to AC

French Rep. to AC

4008/1

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T/hd

21 August 1945

MEMORANDUM:

SUBJECT: Status of Adoption of Proclaimed List by Italian Government.

FROM: Dr. Tasca, American Embassy, Rome.

1. For some time the Embassy has been negotiating with the Foreign Office with respect to the adoption of the proclaimed list by the Italian Government. During all these discussions the Italian Government appeared reluctant to adopt the list without qualification because it considered that such adoption would place it in the undesirable position of declaring Italian nationals enemies.

2. However, a formula has now been worked out between the Embassy and the Foreign Office. The formula, in effect, sets up three categories of individuals and nationals subject to the proclaimed list:

a. Nationals of countries against which the Italian Government has declared war;

b. Nationals of Italy;

c. All other nationals on the proclaimed list.

The proclaimed list will be applied to all three categories. However, for the second category, i.e., Italian nationals, the proclaimed list would be applied by the Italian Government, with the understanding that the United Nations would proceed as rapidly as possible with the deletion of such firms, excepting those for which special reasons make necessary their maintenance on the proclaimed list.

3. It is anticipated that this proposal will be cleared this morning by the Italian Government. It will then be telegraphed to Washington for approval. The British Embassy is being kept informed and will undoubtedly wish to follow the same procedure with respect to their government. Upon receipt of such approval, the Council of Ministers will pass the appropriate decree.

4. It is believed that the proposal above will be approved by the British and American Governments, since the practical effect would be to adopt fully the proclaimed list insofar as Italy is concerned. The deletion proposal of the Italian Government appears to be in line with Allied policy in this connection.

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(28)

(27)

T/hd

CC FILES

AUG 20 RECD

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref. ES/1.06

20 August 1945

SUBJECT: Travel of Major H. A. GENT to London

TO : Chief Commissioner, HQ AC

1. Reference is to signals 3436 and 3632 to AFHQ, and F34430 and F35855 from AFHQ.

2. The directive "Termination of Export Activities of Allied Commission" communicated from COS in TAM 640 and forwarded to this HQ by AFHQ under reference B-6 of 24 July has been implemented by your letter of the 31 July to Prime Minister Parri. Nevertheless, there are certain questions of interpretation of this directive which remain to be clarified, and a letter on the subject has been sent from Economic Section to AFHQ.

3. It was considered most opportune that Major Gent, Director of Commerce Subcommittee, whose department has been responsible for all foreign trade activities of AC, should make a visit to London at this moment. The consent of AFHQ to this visit was therefore sought and has now been obtained.

4. Major Gent's visit will allow consultation to be held with the War Office and British Ministries on the matters in TAM 640, on which AC requires clarification, and will permit such questions to be referred rapidly from London to Washington in the normal channels, where this is necessary. The visit will also serve to elucidate the future operation of British purchasing in Italy, which has hitherto been done through Allied Commission, and which is particularly important in view of the U.K.'s interest in Italy's principal Category A commodities, such as citrus fruits and hemp.

D. L. ANDERSON, Brigadier

D. L. ANDERSON
Brigadier
Deputy Vice President

3041

Copy to Commerce S/O

Submitted to CC
on file 4025/EC
D.

(ORIGINAL ON EAC FILES)

In Tarea

871472

F/4/12

AUG 190930

ROUTINE

Mr. [unclear]
 Check with [unclear] in S/C
 to see what
 day
 guy

1611

AUG 182140

WAR FROM CCS SITE CCAC

ALLIED COMMISSION INFO AFHQ FOR FHQEC AND UK BASE SECTION FOR CABINET SECRETARIAT

UNCLASSIFIED.

(This is COM 198. Refer TAM 640, para 5)

Statutory and proclaimed list.

The position is that the Italian Government should adopt the statutory and proclaimed list as a prerequisite to direct trade (as contemplated in TAM 640) in the case of those countries to which the statutory and proclaimed list have been applied.

However, there is nothing to prevent such trade with the UNITED STATES of AMERICA and BRITISH COMMONWEALTH starting forthwith.

DIST

ACTION REQUIS DIV 9
 INFO CHIEF COMMISSIONER
 ECON SEC
 CO BR EMB
 CC AM EMB
 FINANCE
 FILE 2
 FLOAT

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4008/6

18 August 1945.

MEMORANDUM TO: Acting Vice President, Economic Section.

SUBJECT: Termination of Export Activities of A.C.

With reference to TAM 640, will you please advise me the commodities which are now on the Allied restricted list.

This information is urgently required in compliance with a request of the Yugoslav Delegate to the Advisory Council for Italy.

/s/ Elery W. Stone

ELERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Copy to: Exec Commr

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4008/4

16 August 1945

Dear Dott. de Gasperi:

I refer to your letter dated 1 August and I note that you consider it advisable that a meeting of the representatives of the Italian Government and the appropriate Sub-Commission of this Headquarters should take place.

20 A meeting was held on 9 August by Commerce Sub-Commission of this Headquarters at which various problems of Italy's foreign trade were discussed with Avv. Storoni, in the light of the letter which I sent to Prof. Ferruccio Parri on 31 July. I would suggest that your Ministry should now communicate with the Ministry of Industry and Commerce who will be able to coordinate your problems for discussion with Commerce Sub-Commission.

Sincerely,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

3038

Dottore Alcide de Gasperi
Ministry for Foreign Affairs
The Italian Government
RomeCC: Office of the Chief Commissioner
Office of the Executive Commissioner
Economic Section
Commerce Sub-Commission

4008/100

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AUG 20 RECD

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

ERG/ram

Tel. : 245

17 August 1945

Ref. : AC/5127/A/Commerce

SUBJECT: Tam #640

TO : AFHQ G-5 Section

1. Reference is made to TAM #640 which was received by this Headquarters on 27 July. A letter to the Italian Prime Minister was prepared and signed by the Chief Commissioner on 31 July, copy of which has already been sent to you but a further ten copies are enclosed for your easy reference and for forwarding. Will you please inform CCS, therefore, that the directive contained in TAM #640 has been implemented as of 31 July 1945, and that no further messages on commercial export matters need be sent to us in the COM/MOC PAT/TAP cable series.

2. Our interpretation of Tam #640 will be understood from the attached letter but there still remain certain points on which we are not quite clear and on which we would like either direction from you or that clarification should be obtained by you from Washington.

(a) With regard to sub-paragraph (a) of paragraph 1 of the signal, we understand that all exportable surpluses, including those which the military may wish to export, must be screened by us in relation only to the Allied Military and Civilian Supply Program.

(b) In connection with the responsibility retained by ALCOM for seeing that allocated goods are subsequently exported to the country which the Allied Authorities have recommended, it is understood that ALCOM will retain the right to go direct to exporters of Category "A" materials if procurement cannot be obtained satisfactorily through the Italian Government and that, in such cases, AFA could be called upon to make payment according to FAN 583, paragraph 11 A.

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(c) With reference to paragraph 3 of the signal, it is made clear that AC will not be responsible or accountable for exports after 31 July 1945 even on contracts signed prior to that date. We are taking this literally, although it will perhaps cause hardship. For example, where payment on shipments made prior to 31 July would have been made by AFA, we are passing such requests to the Italian Government and considerable delay will naturally occur in settlement.

(d) With regard to paragraph 4 of the signal, we are taking literally the sentence which reads "all countries are free to deal directly with". By this we understand that every country which has an established government can deal direct with Italy. We, do, however, request clarification as to the correct channel for dealings with 1) Mediterranean Areas under British Administration, 2) countries under Allied Military Government or Allied Control Commissions (e.g., Austria). In such cases, is it intended that the Italian Government should deal direct with the Administration of the country concerned or is the channel to be through Allied Commission in Italy or through the Embassies in Rome?

(e) With reference to trade with the U. K. it is to be noted that we have interpreted TAM #640 as authorizing the immediate introduction as of 31 July of the procedure outlined in TAP #111 notwithstanding our paragraph 2 of Tap #111. It is to be noted also that paragraph 3 of the last sentence of the attached letter to the Italian Prime Minister excludes from the procedure paragraph (e) of our letter AC/5127/UK/Commerce 6 July. This paragraph stated that AC would act as a channel of communication if required.

(f) With regard to the limitation of scope of cable series COM-MOC and PAT-TAP, it is assumed that allocations of Category "A" commodities will be asked for and made in COM-MOC series seeing that we have already received an allocation from Washington dated 3 August in a COM signal.

3036 (g) With reference to paragraph 5 of the signal, the wording is not quite clear as it reads 'Italian Government should agree to recognize Proclaimed and Statutory Lists in its export dealings'. The use of the word 'should' does not imply that recognition of these lists is a prerequisite of the implementation of the terms of the directive and no such requirement has, therefore, been asked of the Italian Government. Nevertheless, we do interpret this paragraph as implying that recognition of these lists is a necessary condition to be observed in setting up the trade controls required under TAM #640 and FAN #583.

3. With regard to imports, we would request that answers should be obtained, as soon as possible, to the following two questions:

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- (a) Is Italy to be allowed, in the near future, to import from the U. K. and U. S. on a private or semi-private basis?
- (b) Similarly, is private or semi-private trading between Italy and neutral or additional countries soon to be authorized?

4. It will be clear to you that authorization for the above procedures would greatly facilitate the rehabilitation of Italy's foreign trade, and remove obstacles which hamper negotiations with other countries where foreign trade is not centralized in the government, and are also a stumbling block to private enterprise, which is ready to utilize any opportunities offered by "temporary importation" of raw materials, or assistance from associated or parent companies abroad, to quote only two examples.

For the Chief Commissioner:

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L. B. HANCOCK

Colonel, P.A.

E. B. MCKINLEY
Brigadier General, U.S.A.
Acting Vice-President
Economic Section

Enclosures

3035

CC: Chief Commissioner's Office
Executive Commissioner's Office
Economic Section
Finance S/C
U. S. Embassy
U. K. Embassy
Production Division - Economic Section
Supply Division - Economic Section

24a

Ref. AC/5648/IND

10 August 1945

My Dear Ambassador,

In reply to your letter of 17 July 1945, Reference No. 3295, I would advise you that enquiries are now being made into the stocks of matches, due for export to Greece, still in Trieste. You will be informed as to the result of these enquiries as soon as possible.

In view of the shortage of matches in Greece, I should also like to inform you that the S.A.F.F.A. match factory at Magenta (Milan) has an availability of 3,300,000,000 unstamped, wooden (safety) matches, which were destined for export to other countries and could now be supplied to Greece against payment in dollars, pounds or other equivalent currency. Further, 3,000,000 matches could be furnished monthly from current production at this same plant. Perhaps you would like to raise this matter directly with the Italian Government.

Very truly yours,

15/1 1945 Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

3034
H.E. G.A. Exintaris
Ambassador,
Greek Delegation to the
Advisory Council for Italy.

SECRET

EX 33067

E/3090

AUG 071735

AUG 081600

ROUTINE

SIGNED ALEXANDER CITE FREEG

ALL MAT ADDRESSES INFO ALCOM ROME

SECRET.

(This is MAT 871)

Shipping messages outward from ITALY and GREECE.

Desired to permit shipowners and agents in GREECE and ITALY to forward shipping messages through normal commercial channels. Allied naval authorities approve so far as concerns naval security, and reversion of number merchant ships to private control makes step desirable.

Shipping messages defined as dealing movement or husbandry of merchant ships, or instructions for loading or discharge of cargoes covered by already approved transactions, provided not involving firm or person on U.S. proclaimed or British statutory lists.

Para 1 C of TAM 593 interpreted as permitting above in case of GREECE and directive accordingly being issued containing proper naval security safeguards.

In view RDM 608, private shipping messages from ITALY to areas other than U.S. and possessions and U.K. and British Empire considered not permitted until proclaimed and statutory lists adopted. But request approval to authorize messages from ITALY as defined in para 2 Above.

DIST

INFO-ACTION TN 10 2
 INFO CHIEF COMMISSIONER
 ECON SEC
 NAVY SC
 FILE 2
 FLOAT

SECRET

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 4588
 1800
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HEADQUARTERS ALLIED COMMISSION
APO 394
COMMERCE SUBCOMMISSION
Foreign Trade Division

Tel. 478487

WWH/cr

Ref. AC/5127/P/Commerce

4 August 1945

SUBJECT: Italian Economic Mission to Poland

TO : The Ministry of Foreign Affairs

1. This Headquarters has studied the list of proposed exports to Poland and Czechoslovakia submitted with your 6/2465/1129 dated 30 July. The following comments are offered:

2. The commodities listed below are classified as Category "A" of the Reserved Commodity List and requests for export have to be submitted to Washington for allocation:

- (a) Lemons, oranges, sumac.
Will you be good enough to indicate total availability for export so that these figures can be submitted to Washington and a decision can be reached by the CCS.
- (b) Essential oils.
Please indicate besides availability also what type of essential, oil is desired.
- (c) Raw hemp, combed hemp and hemp yarns.
We have been informed by CCS in Washington that in light of increasing demands for hemp from liberated areas, no allocation can be made at this stage regarding requirements of hemp for export.

3. We have submitted for clearance with AFLRS your request for export of the following commodities:

Shelled almonds, shelled hazlenuts, shelled pistacchio nuts, shelled pinones, walnuts, salted vegetables, fruit pulps.

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A

4. We note that you included calculating machines, typewriters and motor vehicle parts as exportable commodities. This is in contrast with requests for import previously submitted and which were forwarded for approval to Washington on requisitions as follow:

Calculating machines - 20 in number on Requisition CLAC I-209, item 97.

Typewriters - 100 in number on Requisition CLAC I209, item 99.

Parts of Motorvehicles - Requisitions
AC-ORD-93-45, AC-ORD-94-45, AC-ORD-171-45,
CLAC I-208.

WHT *Inde*
H. A. GENT
Major
Director
Commerce Subcommittee

Copy to: ICE, Rome
Economic Section
British Embassy-Att. Sir Richard Nosworthy KCMG
U.S. Embassy-Att. Mr. Charles Livengood

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EL

UNITED STATES INFORMATION SERVICE

NEWS DIVISION

45 Via San Basilio Telephone: 471474-3-2-1

USIS SPECIAL

Monday, August 6

PROCEDURE FOR THE EXPORT OF GOODS FROM

ITALY TO THE UNITED STATES

WASHINGTON, August 6 -- The Foreign Economic Administration yesterday released information as to present procedures for importing goods from Italy. These procedures are of an interim nature and will be in effect only until private trade can again operate on a normal basis in Italy.

The U.S. Commercial Company (USCC) acts on behalf of the Allied Commission in Italy in the sale and distribution to the United States of all Italian products. In the near future it is expected that the Istituto Nazionale per il Commercio Estero, an Italian Government export organization, will take over the export work of the Allied Commission, and that the USCC will act in the same capacity for the Italian organization as it has acted heretofore for the Allied

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303 4008/ca (?)

American importers and Italian exporters may contact each other directly and negotiate preliminary details of all transactions that do not involve strategic materials being procured by the U.S. Government directly or under international allocation. All American orders must therefore be placed through, and confirmed by, USCC. Before a deal can be closed. It must be approved by the Allied Commission and the Italian Government, since commodities in short supply and deemed necessary for Italian economy may not be permitted export while certain other commodities, mostly those in the strategic category, also may not be sent to the U.S. if they have been allocated elsewhere by the combined boards. (MORE)

22

USIS SPECIAL

EXPORT FROM ITALY

Page 2

In order to help promote trade and as a service in re-establishing contacts between buyers and sellers, the USCC has requested the Allied Commission and the Istituto Nazionale per il Commercio Estero whenever possible when making offers for the account of the Italians, to secure from them the name or names of importers in the United States to whom they wish to offer their merchandise. The USCC then informs the mentioned American concerns of the Italian offers. If the Italians do not name a specific importer, the merchandise is offered to the trade at large. The same system holds true for the American importer who can direct his inquiry to the supplier of his choice.

As communications, with the exception of "transactional" communications, are now permitted with Italy by both letter and cable, this procedure should assist in re-establishing trade channels which have been severed by the war.

When negotiations reach the stage where an American importer wishes to place his order, he should use FEA form 519, and submit it to the U.S. Commercial Company, FEA, Washington 25, D.C. This

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the mentioned American concerns of the Italian offers. If the Italians do not name a specific importer, the merchandise is offered to the trade at large. The same system holds true for the American importer who can direct his inquiry to the supplier of his choice.

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When negotiations reach the stage where an American importer wishes to place his order, he should use FEA form 519, and submit it to the U.S. Commercial Company, FEA, Washington 25, D.C. This form is available on request at the Foreign Economic Administration Office, 67 Broadway, New York, or the temporary "T" Building, Washington 25, D.C.

Transactional procedure and payment:

USCC does not accept open orders to purchase. All orders (placed on FEA TR 579 must be for specific merchandise at specific prices negotiated between buyer and seller. Upon receipt of an order from an importer, USCC forwards it to Italy. When advice is received that the order is satisfactory to the Allied Commission, the Italian Government and the seller, USCC confirms same to the buyer with the request that an irrevocable domestic letter of credit be opened in favor of the U.S. Commercial Company for 118 per cent of the ex vessel in bond, U.S. import price of the merchandise concerned. (MORE)

USIS SPECIAL

EXPORT FROM ITALY

Page 3

Letters of credit are payable against commercial invoice of USCC, which includes the cost of the merchandise shipped plus transportation costs and incidental expenses, together with either bills of lading or delivery order. Delivery and title passes to the buyer ex vessel in bond, U.S. port. The Italian exporter is paid in lire in Italy by the Bank of Italy on order from the Istituto Nazionale per il Commercio Estero.

Prices:

Prices should be figured on the basis of 100 lire to the dollar. Prior to submitting order forms to USCC for conclusion of a deal, the importer should make certain that OPA regulations are met. In figuring out ex vessel in bond, U.S. port prices, importers should bear in mind that customarily Italian shippers not located close to the seaports quote prices "at the factory," so that packing and boxing charges, and transportation costs to the Italian seaport will have to be added to the factory prices. It is impossible at present to compute at this end lire costs, so all quotations should be

3420
Requested FOB Italian port; freight and insurance can then be added

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Licenses:

Individual buyers do not require (U.S.) Treasury licenses for payments to USCC nor for taking preliminary, direct arrangements with Italian exporters.

(MORE)

22

Page 4

EXPORT FROM ITALY

USIS SPECIAL

Sales agreements:

The Department of the Treasury has advised that it does not now require licenses for persons in the U.S., not nationals of blocked countries, to enter into agreements with nationals of blocked countries (including Italy) for the distribution of the latter's merchandise in the U.S. The Treasury Department has not expressed an opinion as to whether an agency contract entered into prior to the war has been cancelled or suspended by the war. This point is subject to judicial determination, which has not as yet been made.

Insurance:

As all deliveries are ex vessel in bond, U.S. port, importers do not have to cover insurance. Insurance from point of delivery in the U.S. to the buyer will, of course, be for the buyers account.

Shipping:

Transportation to a port in Italy and shipping arrangements to the U.S. are a matter of coordination between the Italian Government, the Allied Commission and USCC. An office of the USCC is being opened

to expedite transactions.

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Shipping:

Transportation to a port in Italy and shipping arrangements to the U.S. are a matter of coordination between the Italian Government, the U.S. Allied Commission and-USCC. An office of the USCC is being opened in Rome to expedite transactions.

Further information can be supplied by the Commercial Transactions Staff, U.S. Commercial Company, temporary "T" Building, Washington 25, D.C., or the New York Office of the Trade Relations Staff, Foreign Economic Administration, 61 Broadway, New York.

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CONFIDENTIAL

FX 32490

AUG 051853

F/2852

AUG 061615

ROUTINE

SIGNED ALEXANDER CITE FHCAG

ALL MAT ADDRESSEES INFO AICOM ROME

CONFIDENTIAL. (This is MAT 866)

Reur TAM 608.

Question raised by AICOM whether non-transactional business communications (telegram and letters) may now be permitted between ITALY and RUSSIA. Suggest question of resumption of transactional communications to RUSSIA should also be considered. Request your guidance.

DIT

INFO-ACTION COMMUNICATIONS SC
INFO CHIEF COMMISSIONER
ECOM SEC
FINANCE SC
FILE 2
FLOAT

3026

CONFIDENTIAL

Translation

COPY

The President of the Council of Ministers

n. 589

Rome, 1.8.1945

Dear Admiral,

- 1) Referring to your letter of the 31st, in relation with the cessation of the activity of the Allied Commission for what concerns exports from Italy, I must express the satisfaction of the Italian Government for the progressive resumption of its economic and financial autonomy.
- 2) In my opinion, considering that the territory which is at present under the control of the Allied Military Government is shortly to be handed over to the Italian Government, it would be useless to study a particular procedure concerning the exports which might take place in the above mentioned territory, for the drafting and enforcement of a regulation necessarily require a certain period of time that might be longer than the lapse of time till the handing over of the Northern provinces to the Italian Government.

In any case, as the Allied Commission well knows, the liaison organisms between the above mentioned territory and that which has already been handed back to the jurisdiction of the Italian Government exist and can be made use of in case of need.

- 3) The Italian Government recognizes that the Allied Commission will go on keeping some control on export activities. A few observations are nevertheless necessary.

Regarding the control mentioned in a) of para 3) it must be taken in consideration that if the Allied Commission goes on examining statements about exportable surplus, even not included on list a), this will cause, as in the past, complications and delays prejudicial to the development of a normal trade.

It would be a good thing, at least for a certain list of products to be agreed upon, for us to be free to negotiate the exports without needing previous periodical authorizations based on declarations difficult to make.

One of the most serious problems for my Government is unemployment; the problem might be partly solved by importing raw materials to be transformed in finished products to be exported, but to reach this result, a certain liberty of action is necessary.

For what concerns control mentioned in letter b) of para 3) the Italian

handed back to the jurisdiction of the Italian Government exist and can be made use of in case of need.

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It would be a good thing, at least for a certain list of products to be agreed upon, for us to be free to negotiate the exports without needing previous periodical authorizations based on declarations difficult to make.

One of the most serious problems for my Government is unemployment: the problem might be partly solved by importing raw materials to be transformed in finished products to be exported, but to reach this result, a certain liberty of action is necessary.

For what concerns control mentioned in letter b) of para 3) the Italian Government hopes that it may in time be lessened, so as to be able to use for foreign trade some important items of its commercial balance.

4) According to the wish expressed by the Allied Commission, my Government has already taken action to establish by decree n. 331 of May 17, 1945, the "Ufficio Italiano Cambi", which will have to enforce the effective control on foreign exchanges requested from us in letter n. 13432/F of the 18.7.1945.

While waiting for the particulars of the programs of the economic war which will have to be forwarded by the British and American Embassies, I hope that the question concerning the black list at present dealt with by the Minister of Foreign Affairs will soon be solved.

5) While expressing my great satisfaction at acknowledging what you expressed in point 5) of your letter, i. e. that all Nations are now free to negotiate directly with the Italian Government, and assuring you that we shall do our best to comply with what is expressed in point 6) of the said letter, and therefore find the information contained in n. 7 most useful, I take the liberty, my dear Admiral, of expressing a few wishes, on the granting of which depends the possibility of effectively carrying out an international trade.

See 35

21a

a) As State control of private commercial initiatives must be established, it is obvious that the Government requires the effective functioning of the customs; without their collaboration, there could be no economic, financial and exchange activity of international trade.

The Government therefore deems it its duty to point out to the Allied Commission that its action in this sector would be frustrated if the resumption of the functioning of customs services and under the orders of the competent Italian central organisms is not allowed on all the frontiers of the State.

b) The Italian Government also deems it its duty to point out to the Allied Commission that though it will probably before long be able to resume foreign commercial correspondence, because the question of the black lists is shortly to be solved, the same thing cannot be said of foreign exchanges, which remains materially impossible till adequate means of transport, especially shipping, are available.

If freedom for international trade is to have a practical meaning, after being allowed to negotiate possible commercial agreements, Italy must have the material possibility of transporting wares with her own means, without depending for a hundred per cent from the other contractors who could make their privileged situation weigh heavily.

6) For what concerns the request which you expressed in point 9) of your letter, i.e. for my Government to take immediate action to organize its liaison offices and develop the necessary organization to carry out its new and indispensable requirements, I must tell you that I am doing everything to be ready as soon as possible to carry out these new tasks.

All the Administrations concerned are at present studying the question. The criterion which inspires them is to leave to private persons the task of managing, according to their own initiative, their relations with their foreign purveyors and clients, submitting nevertheless these relations to a strict control by the State. It will be necessary to draft a list which will include the greatest possible amount of exportable goods, and study at the same time a definite priority criterion for importable goods. All matters concerning foreign trade ought perhaps to be centralized in one State administration, the Industry and Commerce Department, which, with its Undersecretary for Foreign Trade, within the boundaries of the plan for imports and exports and according to the regulations fixed as exchange policy, will have a great possibility of action, and use as executive organ

If freedom for international trade is to have a practical meaning, after being allowed to negotiate possible commercial agreements, Italy must have the material possibility of transporting wares with her own means, without depending for a hundred per cent from the other contractors who could make their privileged situation weigh heavily.

6) For what concerns the request which you expressed in point 9) of your letter, i.e. for my Government to take immediate action to organize its liaison offices and develop the necessary organization to carry out its new and indispensable requirements, I must tell you that I am going everything to be ready as soon as possible to carry out these new tasks.

All the Administrations concerned are at present studying the question. The criterion which inspires them is to leave to private persons the task of managing, according to their own initiative, their relations with their foreign purveyors and clients, submitting nevertheless these relations to a strict control by the State. It will be necessary to draft a list which will include the greatest possible amount of exportable goods, and study at the same time a definite priority criterion for importable goods. All matters concerning foreign trade ought perhaps to be centralized in one State administration, the Industry and Commerce Department, which, with its Undersecretary for Foreign Trade, within the boundaries of the plan for imports and exports and according to the regulations fixed as exchange policy, will have a great possibility of action, and use as executive organ the "Istituto Commercio Estero", which has already had close contacts with the Allied Commission.

²⁰²⁴ I shall send you the final organization draft on this matter, as soon as the Administrations concerned will be through with it.

Trans. e/c

S. Ferruccio Parri

Admiral Ellery W. Stone

Chief Commissioner of the Allied Commission, ROME

AUG 2 1945

HEADQUARTERS ALLIED COMMISSION
APO 394
COMMERCE SUB-COMMISSION
Foreign Trade Division

ERG/ram

Tel. : 245

31 July 1945

Ref. : AC/5127/A/Commerce

SUBJECT: Termination of Export Activities of the
Allied Commission - Tam 640

TO : See Distribution List Attached

1. Attached is copy of a letter sent by the
Chief Commissioner to the President of the Council
of Ministers on 31 July 1945, for your guidance and
whatever action may be necessary.

H. A. Gent Major
H. A. GENT
Major
Director
Commerce Sub-Commission

Attachment

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4008/10

(21)

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commission
APO 394

31 July 1945

C
b
P
Y

My dear Mr. Prime Minister:

1. I wish to inform you that after 31 July 1945, the activities of the Allied Commission with respect to Italy's exports, will terminate. This decision refers equally to the territory which has already been returned to the jurisdiction of the Italian Government and to the territory which is at present under Allied Military Government. This means that the Allied Commission will no longer act as a channel of communication for export orders or for matters referring to the procurement or implementation of such orders.

2. Insofar as concerns the application of the decision which I now communicate to you in respect to territory under the Allied Military Government the appropriate Italian authority (which I presume will be the Istituto Commercio Estero) will carry on all export activities as a unit but, though acting as principal, will be subject to Allied Military Government control. Details of procedure will be worked out with your appropriate Ministry.

3. There are certain controls which it will be necessary for the Allied Commission to continue to retain, over Italy's export activities:

(a) In order that the Allied military and civilian supply program may not be impaired by conflicting export activities, the Allied Commission will continue to screen all declarations of exportable surpluses, will require monthly statistics of exports effected after 31 July 1945, and will have access to all other relevant data.

(b) The Allied Commission will continue to be responsible for insuring that those commodities which have been declared exportable by your Government and which fall under Category "A" (as defined in a letter written under reference AC/5127/A/Commerce dated 18 April 1945 and addressed to your Minister of Industry & Commerce) are reported to the appropriate Allied authorities

See
JFA

4220
commerce
s/c

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3. There are certain controls which it will be necessary for the Allied Commission to continue to retain, over Italy's export activities:

(a) In order that the Allied military and civilian supply program may not be impaired by conflicting export activities, the Allied Commission will continue to screen all declarations of exportable surpluses, will require monthly statistics of exports effected after 31 July 1945, and will have access to all other relevant data.

(b) The Allied Commission will continue to be responsible for insuring that those commodities which have been declared exportable by your Government and which fall under Category "A" (as defined in a letter written under reference AC/5127/A/Commerce dated 18 April 1945 and addressed to your Minister of Industry & Commerce) are reported to the appropriate Allied authorities and are subsequently exported to the country which such authorities shall specify.

Details of procedure to insure the implementation of sub-paragraphs (a) and (b) above will be worked out with your appropriate Ministry by Foreign Trade Division, Commerce Sub-Commission.

4. Export Operations

I refer to my letter to you No. 13432/P of 18 July, and particularly to paragraph 6 thereof. It is expected that your Government will institute an effective foreign exchange control and will adopt such trade controls as are necessary to support the economic warfare objectives of the Allied Governments. The details of such objectives are to be communicated to you in the near future by the British and American Embassies in Rome. I would mention here specifically the importance of the adoption by your Government of the U. S. Proclaimed and British Statutory Lists and the prohibition of trade communications or financial relations with persons named in either of these two lists. Action on this matter has been repeatedly requested by Finance Sub-Commission in correspondence with the Ministry of Treasury.

3022

5. However, within the framework of the essential controls and regulations which your Government is expected to create and operate (controls which, I may remark in passing, are general controls imposed by all liberated countries) all countries are now free to deal directly with the appropriate Italian export authority, or with Italian private traders on a Government basis, or on a private basis, as you consider best, and through whatever channels your Government may decide.

6. Contracts and Proceeds

As from 31 July 1945, your Government will be responsible for all export contracts and further, will assume responsibility for and carry out any uncompleted contracts concluded prior to that date. This Commission will not be responsible or accountable for exports even relating to uncompleted contracts signed prior to 31 July 1945. Your Government will be responsible for making arrangements for payment of Italian exports and also for the collection of the proceeds of such exports.

7. Information regarding the accounting for export operations concluded prior to 31 July 1945, is being obtained from the recipient countries and agencies, by the Finance Sub-Commission of this Headquarters.

8. Communications and Negotiations

The U. S. Commercial Corporation, in accordance with the offer previously made to and accepted by your Government, is expected to act as your agent in the United States as from 1 August 1945, as an interim measure, pending full restoration of private trade and, for this purpose, it is expected that the U. S. Commercial Corporation will open a liaison office in Rome. From 1 August 1945, the United Kingdom Government will conduct its government buying through the British Embassy who will deal direct with the appropriate Italian authority. Other purchases will be made by private United Kingdom traders who will deal direct with that authority and contract as principals in accordance with the procedure outlined in paragraph 4, (ii) a), b), c), d) of letter AC/5127/A/Commerce dated 6 July 1945 to your Ministry of Industry & Commerce.

9. Copies of this memorandum are being issued to all Departments of the Allied Commission and to all outside interested Agencies, for compliance. You will, therefore, appreciate that immediate action by your Government is required to set up your own channels of communication and to develop

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Finance Sub-Commission of this Headquarters.

8. Communications and Negotiations

The U. S. Commercial Corporation, in accordance with the offer previously made to and accepted by your Government, is expected to act as your agent in the United States as from 1 August 1945, as an interim measure, pending full restoration of private trade and, for this purpose, it is expected that the U. S. Commercial Corporation will open a liaison office in Rome. From 1 August 1945, the United Kingdom Government will conduct its government buying through the British Embassy who will deal direct with the appropriate Italian authority. Other purchases will be made by private United Kingdom traders who will deal direct with that authority and contract as principals in accordance with the procedure outlined in paragraph 4, (ii) a), b), c), d) of letter AC/5127/A/Commerce dated 6 July 1945 to your Ministry of Industry & Commerce.

9. Copies of this memorandum are being issued to all Departments of the Allied Commission and to all outside interested Agencies, for compliance. You will, therefore, appreciate that immediate action by your Government is required to set up your own channels of communication and to develop the organization necessary to carry out its new and heavy responsibilities.

10. I shall appreciate, therefore, if you will inform me, as quickly as possible, of the action your Government has taken.

Sincerely,

(Signed) ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner
Professor Ferruccio Parri
President of the Council of Ministers
Italian Government
Rome

See Distribution attached

Office of the Chief Commissioner
Office of the Executive Commissioner
Economic Section

Supply Division
Production Division
Requisition Branch
Price Control Branch

Agriculture S/C

Commerce S/C

Finance S/C (3)

Food S/C (3)

Industry S/C (3)

Labor S/C

Public Works & Utilities S/C

Transportation S/C (3)

Civil Affairs Section

Communications S/C

Legal S/C

Public Relations

Public Safety S/C

Regional Commissioner Lombardia Region

" " Piemonte Region

" " Liguria Region

" " Venezia Region

" " Venezia Giulia Region

" " Emilia Region

AMG Naples Commune

Allied Commission, Liaison Officer, Palermo

Allied Forces Local Resources Section (5)

UNRRA HQ AFHQ (5)

AMG Livorno Zone

AMG Ancona Commune

AC Liaison Officer Bari

AC Liaison Officer Catania

Political Adviser (A) AC

Political Adviser (B) AC

US POLAD, AFHQ

UK POLAD, AFHQ

AFHQ G-5 Section (3)

U. S. Embassy

U. K. Embassy

Soviet Representative to AC

French Representative to AC

"	"	Piemonte Region
"	"	Liguria Region
"	"	Venezia Region
"	"	Venezia Giulia Region
"	"	Emilia Region
AMG	Naples Commune	
Allied	Commission, Liaison Officer, Palermo	
Allied	Forces Local Resources Section (5)	
UNRRA	HQ AFHQ (5)	
AMG	Livorno Zone	
AMG	Ancona Commune	
AC	Liaison Officer Bari	
AC	Liaison Officer Catania	
Political	Adviser (A) AC	
Political	Adviser (B) AC	
US	POLAD, AFHQ	
UK	POLAD, AFHQ	
AFHQ	G-5 Section (3)	
U. S.	Embassy	
U. K.	Embassy	
Soviet	Representative to AC	
French	Representative to AC	
Spares (25)		

C O P Y

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

24 July 1945

Ref. E-6

SUBJECT: Termination of Export Activities of Allied Commission

TO : Chief Commissioner, Allied Commission, APO 394

The attached copy of TAM 640 of 22 July 1945 from the Combined Chiefs of Staff is passed to you for compliance. This is further to AFHQ letter AG 091.3/053 GEG-C of 21 June 1945, Subject: "Responsibility for Italian Foreign Trade Matters".

/s/ J. Murray Mitchell
Col, G-5
for T. R. HENN, Brigadier, G.S.
Deputy Asst. Chief of Staff, G-5

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APSC 1-1491/22
kams

CONFIDENTIAL

ES File

FILED: 221537Z

PARAGRAPH OF TAA 640 DATED 22 JULY 1945

FROM: ACOMA FROM COS

TO : ALEXANDER HAYN ASSOC FOR COS MR. JOINT STAFF MISSION WASHINGTON DC

REF NO THIS MESSAGE: W 38668

FOR INFO.

Cite COAC.

TAA 640.

Termination of export activities of Allied Commission.

You will take the following steps to further implement previous directives issued to you with TAA 487, TAA 136, TAA 165 and TAA 456:

1. All export activities - termination of. In all Italian territory either already returned to jurisdiction of Italian Government or under AMG, excepting disputed areas, all activities of Allied Commission with respect to exports will be terminated as of July 31, 1945. For territory under AMG, you will enter into agreement with appropriate Italian authorities whereby such Italian authorities will carry on all export activities of ITALY as unit subject your control but acting as principal. You will retain the functions specified below as long as necessary:

a. In order that Allied military and civilian supply program for Italy will not be impaired by conflicting export activities you will screen declarations of exportable surpluses.

b. You will also make certain that commodities which have been declared exportable and fall under category A TAA 456 are reported to the appropriate combined authorities and subsequently exported to country which such authorities have recommended as under terms paragraph 2 TAA 456. See TAA 533, further reference made to paragraph 11(a).

United Commission export operations - accounting of. Allied

You will take the following steps to further implement previous directives issued to you with TAI 487, TAI 186, TAI 185 and TAI 456:

1. All export activities - termination of. In all Italian territory either already returned to jurisdiction of Italian Government or under AMG, excepting disputed areas, all activities of Allied Commission with respect to exports will be terminated as of July 31, 1945. For territory under AMG, you will enter into agreement with appropriate Italian authorities whereby such Italian authorities will carry on all export activities of Italy as unit subject your control but acting as principal. You will retain the functions specified below as long as necessary:

a. In order that Allied military and civilian supply program for Italy will not be impaired by conflicting export activities you will screen declarations of exportable surpluses.

b. You will also make certain that commodities which have been declared exportable and fall under category A TAI 456 are reported to the appropriate combined authorities and subsequently exported to country which such authorities have recommended as under terms paragraph 2 TAI 456. See TAI 585, further reference made to paragraph 11(a).

2. Allied Commission export operations - accounting of. Allied Commission will cease making reports on exports as of close of business July 31, 1945 as provided in TAI 288 and will request from all countries and agencies to which these commodities were consigned full accounting under terms of TAI 186 and TAI 185. Included in such reports should be:

a. Value and quantity of imports from Italy - if possible by consignment, in line with report of exports forwarded TAI airmail 31.

b. Foreign exchange credits established in favor of Italy by amount and type, and terms under which they are available for use by Italy. These reports together with comments of Allied Commission should be forwarded to CGS. All data on exports after 31 July 1945, it is expected, will be made available to Allied Commission by Italian Government.

3. Subject, export - contracts and proceeds. On July 31, 1945, when responsibility is transferred to the Italian Government, it should assume responsibility for and carry out any uncompleted contracts concluded prior to that date. After July 31, 1945, even on contracts signed prior to that date, Allied Commission will not be responsible or accountable for exports. The Italian Government will be

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CONFIDENTIAL

COPY (PARAFRASE)

responsible for payment arrangements for Italian exports and collection of export proceeds after July 31, 1945. With reference to such arrangements, the role of the Allied Commission will be governed by directives on Italian external financial policy.

4. Communications and negotiations - export. Allied Commission will no longer be channel of communications for export orders and matters referring to implementation of such orders after July 31, 1945. Subject to Italian Government regulations, all countries are free to deal directly with appropriate Italian government export authorities or Italian exporters on government basis or on private basis as they deem better, through whatever channel they will choose. Offer made under TAC 420 has been accepted by Italian Government whereby USOC would act as agent for it in United States as interim measure pending full restoration of private trade. As of August 1st, 1945, it is expected that USOC will start acting as agent of Italian Commission in United States. It is expected by USOC to open a liaison office in Rome. The desire of the United Kingdom Government has been expressed to have both Government departments and private traders contact appropriate authorities direct and contact as principals. It also expressed a desire to transfer its governmental buyers from Allied Commission to British Embassy in Rome, and while there is no objection to such immediate transfer of personnel, purchasing orders from United Kingdom ~~Government~~ will be transferred through Allied Commission as heretofore, and until July 31, 1945, all procurement of exports in Italy for United Kingdom account will remain under Allied Commission control. Export matters with exception of policy decisions or reports of infractions of policy laid down by TAC 435 or paragraph 3 above as long as such policy remains in effect will no longer be discussed in cable series COM-100C and P-T-T-P.

5. In its export dealings, the Italian Government should agree to recognize preexisting and statutory lists.

INFORMATION: CINC MED, C/S-110, WITH ADV(B)
 DEPT JCS, VS POLAD
 C-4 (1), C-3, 1005
 AC RECORDS, CMC MED, E
 C-4 CISO DIR SAC3

handled through Allied Commission as heretofore, and until July 31, 1945, all procurement of exports in Italy for United Kingdom account will remain under Allied Commission control. Export matters with exception of policy decisions or reports of infractions of policy laid down by TMM 456 or paragraph 3 above as long as such policy remains in effect will no longer be discussed in cable series COM-ACC and PMA-ACC.

5. In its export dealings, the Italian Government should agree to recognize proclaimed and statutory lists.

INFORMATION: COM-ACC, C/S MTC, RIN ADV(B)
DFTC, JMW, US POLAR
C-4 (H), C-3, RAC
AG RECORDS, C/O RESEARCH
C-4 FILED DIR 8.05

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

18 July 1945

13242/F

SUBJECT: Financial Directive for Italy.

TO : Distribution below.

1. Herewith, for your information, is copy of letter 13242/F dated 18 July 1945 addressed to the President of the Council of Ministers.

2. This communication is based on FAM 583 of 3 July, 1945, which supplements the directive contained in FAM 487 of 13 January 1945.

Wm. W. Stone
EDMUND W. STONE
Rear Admiral, USNR
Chief Commissioner

Distribution:

Office of the Chief Commissioner (2)
Office of the Executive Commissioner (2)
A/V.P. Economic Section (10)
V.P. Civil Affairs Section (10)
V.P. Establishment Section (10)
Director, P.R.B.
Director, Communications Sub-Comm. (2 - one for CCG)
Director, War Materials Disposal & IPW Sub-Comm.
R.C. Emilia Region { 20 of which 10 for RFO }
R.C. Piemonte Region { " " " " " " }
R.C. Liguria Region { " " " " " " }
R.C. Lombardia Region { 23 " " 13 " " }
R.C. Venezia Region { 27 " " 17 " " }
R.C. Venezia Giulia Region { 16 " " 6 " " }
A/C Commissioner, Naples Commune } 7, of which 2 for
" " Livorno Zone } Finance Officer
" " Ancona Commune (5)

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Wga

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

ARO 394

18 July 1945

13242/F

My dear Mr. Prime Minister:

1. I write with reference to the Aide-Memoire of 24 February, 1945, which was communicated by the Acting President and the Chief Commissioner of the Allied Commission to the President of the Council of Ministers, outlining certain steps taken by the Allied Governments to hand over an increasing measure of control to Italian administration.
2. In order to implement further the declaration of 26 September, 1944, by the President of the United States and the Prime Minister of Great Britain regarding Italy, I am now directed by the Combined Chiefs of Staff to inform your Government that the intervention of the Allied Commission in Italian fiscal matters and other internal financial affairs will in future be confined to cases involving Allied military necessity. The Allied Commission will assist or advise your Government on financial matters in territory under your jurisdiction only when your Government specifically requests such advice or assistance, which will be given at a high level between the senior officers of this Commission and appropriate officials of your Government.
3. I am further directed by the Combined Chiefs of Staff to inform your Government that, subject to certain exceptions and conditions which are indicated below, it is no longer necessary to obtain the approval of the Allied Commission prior to the execution of Italian external financial transactions.
4. The exceptions to this general rule are as follows:
 - (a) the Italian Government is requested to consult with the Allied Commission before authorizing the use of Italian external assets for the purpose of paying claims arising prior to 8 September, 1945. Thus all questions relating to the settlement of Italian clearing accounts should be discussed with this Commission before any action is taken.
 - (b) the Italian Government is requested to direct its exchange control and other appropriate authorities to consult with the Allied Commission before authorizing any external financial transactions undertaken by Italian insurance companies or involving the foreign branches or subsidiaries of such companies.

3015

that the intervention of the Allied Commission will assist or advise your Government on military necessity. The Allied Commission will assist or advise your Government on financial matters in territory under your jurisdiction only when your Government specifically requests such advice or assistance, which will be given at a high level between the senior officers of this Commission and appropriate officials of your Government.

3. I am further directed by the Combined Chiefs of Staff to inform your Government that, subject to certain exceptions and conditions which are indicated below, it is no longer necessary to obtain the approval of the Allied Commission prior to the execution of Italian external financial transactions.

4. The exceptions to this general rule are as follows:

(a) the Italian Government is requested to consult with the Allied Commission before authorizing the use of Italian external assets for the purpose of paying claims arising prior to 8 September, 1943. Thus all questions relating to the settlement of Italian clearing accounts should be discussed with this Commission before any action is taken.

(b) the Italian Government is requested to direct its exchange control and other appropriate authorities to consult with the Allied Commission before authorizing any external financial transactions undertaken by Italian insurance companies or involving the foreign branches or subsidiaries of such companies.

5. The Combined Chiefs of Staff have stated that as a condition of the relaxation of Allied control over Italian external financial transactions, the Italian Government is required to keep the Allied Commission fully informed as to the status of Italian external assets and of Italian external financial transactions. It is therefore requested that your Government:

(a) keep the Allied Commission fully advised as to the policies that may be adopted by the Italian Government, or any agency or committee thereof (including the Banca d'Italia), regarding the utilization and control of Italian external assets. You may find it desirable to consult with the Allied Commission before authorizing new policies or types of transactions, in order that no conditions may arise that might be prejudicial to the interests of the United Nations.

(b) submit fortnightly reports in triplicate to the Allied Commission listing all external financial transactions permitted or undertaken by the Italian Government during the period covered by the report, indicating the names of all parties to the transactions, a detailed statement of the nature and purpose of the transaction, the amount thereof, the currencies involved, the rates of exchange utilized, and any other relevant information.

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6. In conjunction with the relaxation of control indicated in this letter, the Combined Chiefs of Staff have directed me to inform your Government that it will be expected to take the following steps:

- (a) to establish and maintain an effective foreign exchange control agency
- (b) to adopt measures in support of the economic warfare objectives of the Allied Governments.

The details of the economic warfare programme are to be communicated to your Government in the near future by the British and American Embassies in Rome, and it is expected that representatives of your Government will work with the two Embassies in the development and implementation of this programme. I am further directed to inform your Government that failure to take the steps specified in (a) and (b) of this paragraph within a reasonable period of time will result in the reimposition of prior control of Italian external transactions by the Allied Governments through the instrumentality of the Allied Sanction. I should be grateful if you would keep me as closely informed as possible of your progress in the development of the programme requested by the Allied Governments.

7. I would also request that you give assurances that you assume responsibility for ensuring that remittance payments are not made to undesirable persons in Italy.

8. The Combined Chiefs of Staff have also instructed that remittances to Italy from neutral countries are to continue to be channelled through banks in the U.S. and U.K. until the measures in support of the economic warfare objectives of the Allied Governments are taken.

9. The Allied Commission has, as part of the general suspension outlined in the third paragraph of this letter, suspended the supervision and control of arrangements concluded by the Italian Government with Allied and neutral countries concerning the financing of foreign trade, except that your Government is required to ensure that the proceeds of export sales will be made available for the purpose of making essential payments arising from import needs of Italy, Italian diplomatic, consular, or military expenditure, maintenance of the Italian merchant marine, and similar expenditure.

10. Finally, I am directed to state that the relaxation of control of Italian external assets is not to be construed as affecting the rights of the Allied Governments under the Armistice terms with respect to Italian foreign assets, nor to prejudice or affect the status of Italian property in Allied countries which has

If you would keep me as closely informed as possible of your progress in the development of the programme requested by the Allied Governments.

7. I would also request that you give assurances that you assume responsibility for ensuring that remittance payments are not made to undesirable persons in Italy.

8. The Combined Chiefs of Staff have also instructed that remittances to Italy from neutral countries are to continue to be channelled through banks in the U.S. and U.K. until the measures in support of the economic war objectives of the Allied Governments are taken.

9. The Allied Commission has, as part of the general suspension outlined in the third paragraph of this letter, suspended the supervision and control of arrangements concluded by the Italian Government with Allied and neutral countries concerning the financing of foreign trade, since that your Government is required to ensure that the proceeds of exports sales will be made available for the purpose of making essential payments arising from import needs of Italy. Italian diplomatic, consular, or military expenditure, maintenance of the Italian merchant marine, and similar expenditure.

10. Finally, I am directed to state that the relaxation of control of Italian external assets is not to be continued as affecting the rights of the Allied Governments under the Justice Laws with respect to Italian foreign assets, nor to prejudice or affect the status of Italian property in Allied countries which has been subjected to exceptional war measures, such as sequestration, vesting, and freezing.

11. Our supplementary financial directive from the Combined Chiefs of Staff deals with certain other matters relating to Allied Military Lire currency and other Allied financial operations in Italy. Clarification of certain points is awaited and I shall communicate with you further as soon as possible.

Yours very truly

Professor Ferruccio Parri,
The President of the Council of Ministers,
Italian Government,
Rome.

Distribution:

Mon. Alexander Kirk, American Embassy, Rome
Sir Noel Charles, British Embassy, Rome
Executive Commissioner
Political Adviser (A)
Political Adviser (B)

/s/ Henry J. Stone
Rear Admiral, USN,
Chief Commissioner

Acting Vice President, Econ Section
G-5 Section (Financial Adv.), JTF.

RESTRICTEDWATX 32350
JULY 14/2241ZE/9815
JULY 15/1845B
ROUTINE

ACWAR

ACTION: ALLIED COMMISSION ROME ITALY

RESTRICTED.

This is COM 155. Export program ITALY.

Refer MCC 189, CLAC item 218, MGS 214.

Requested confirmation of need of 200,000 plows if MGS 214 provides for only 754 tractors.

Government of ITALY should be approached for their opinion regarding placement by FEA of fire order on category B for 2,110 tractors. Italian government informed by their mission in UNITED STATES that immediate placement of order should be made if delivery desired for planting during fall season

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ACTION : REQUIS DIV (4)

INFO : CH EF COMMISSNER
ECON SEC
CC BR EMB
FINANCE SC
FILE (2)
FLOAT

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(19)

RESTRICTED

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FOR ACTION TROOPERS RPTD AGWAR FOR CCS FOR CCAC RPTD AFHQ FOR FHGG

1481

9 JULY 45

ROUTINE

CONFIDENTIAL PD

THIS IS TAP ONE ONE ONE PD

SUBJECT IS TRADE WITH UNCLE KING PD

PAREN TO FOR ACTION TROOPERS RPTD FOR INFO AGWAR FOR
CCS FOR CCAC RPTD AFHQ FOR FHGG FROM HQ ALCOM CITE

ACCOE PAREN

PARA ONE PD PAT FOUR SIX AND PAT SEVEN NINE REFER PD

~~PARA TWO PD~~

PARA TWO PD ALCOM AND ITALIAN GOVERNMENT ARE NOW IN AGREEMENT
TO APPLICATION OF GENERAL PROCEDURE OUTLINED IN PAT FOUR
SIX AT SUCH A DATE AS WILL BE AGREED BETWEEN LONDON AND
WASHINGTON AND COMMUNICATED TO ALCOM IN COM MOC SERIES PD
PARA THREE PD PROCEDURE WILL BE ADOPTED AS INTERIM MEASURE
PENDING THE RE-OPENING OF DIRECT TRANSACTION BETWEEN
PRIVATE IMPORTERS AND EXPORTERS UNDER LICENCE CMA AND
IS OUTLINED AS FOLLOWS OIN PAREN ABLE PAREN ITEM CHARLIE
EASY ARE PREPARED TO RECEIVE DIRECT ORDERS OF SPECIFIC
CATEGORY BAKER COMMODITIES FROM UNCLE KING IMPORTERS PD

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AN INITIAL LIST OF SUCH COMMODITIES SHOULD BE COMMUNICATED FOR AGREEMENT AS SOON AS POSSIBLE AND ADDITIONS PROPOSED AS THE OCCASION ARISES TO FURNISH BULKY PARTS ITEM CHARLIE EASY SHOULD BE FOR ITALIAN PORT TO UNDER KING IMPORTERS WHO WOULD ASSUME ALL RISKS BEYOND THAT POINT PREPARED CHARLIE PARTS CONTRACTS MADE BETWEEN ITEM CHARLIE EASY AND UNDER KING IMPORTERS SHOULD PROVIDE ADEQUATE GUARANTEES FOR PAYMENT OF STERLING TO BRITISH BANKS TO THE CREDIT OF THE BANK OF ITALY FOR ACCOUNT OF THE ITALIAN TREASURY TO FURNISH DOG PARTS PRICES AGREED BETWEEN ITEM CHARLIE EASY AND BRITISH IMPORTERS ARE TO BE UNDERSTOOD AS FIRM SELLING PRICES AND THE ITALIAN GOVERNMENT IS TO BE CREDITED IN STERLING WITH THE EXACT COUNTERVALUE OF THE FOB PRICES SO AGREED TO FURNISH EASY PARTS FOR TIME BEING? AND IF YOU SO DESIRE CMA ALCON IS PREPARED TO ACT AS POST OFFICE FOR TRANSMISSION OF UNDER KING ORDERS AS LONG AS ALCON MAINTAINS PRESENT EXPORT TRADE FUNCTIONS TO IN SUCH CASE CMA WE RECOMMEND USE OF STANDARD ORDER FORM SIMILAR TO METHOD NOW USED BY

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- 3 -

UNITED STATES COMMERCIAL COMPANY AND REFERRED TO IN COM
AIRORAN TWO TWO

Copy to: Commercial Counsellor, British Embassy, Rome
Commercial Counsellor, American Embassy, Rome
Finance S/C
~~Commercial Counsellor, American Embassy, Rome~~
~~Finance S/C~~

3011

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COMMERCES/C

478900

(MAJ. GENL)

NICHOLAS FIORBINO
C/O, USA
Asst., Adjutant

HEADQUARTERS ALLIED COMMISSION
APO 394
COMMERCE SUB-COMMISSION
Foreign Trade Division

AHB/mdv

Tel: 478900 - 478487

6 July 1945

Ref. : AC/5127/UK/Commerce

SUBJECT: Trade with the U. K.

TO : The Ministry of Industry, Commerce & Labor - Rome

1. We refer to your letter No. 20057 of 20 June 1945.

2. Regarding your para. 3, delivery FOB was considered as being preferable to delivery ex factory or to warehouse at port, etc. It is intended that the present system of selling FOB should be continued.

3. Regarding your para. 4, it will be necessary for shipping to continue for the time being to be allocated by Allied Authorities, and bids for shipping space will therefore have to be placed with the Ministry of War Transport Mediterranean Representative through the medium of AC, Transportation D/C (Movements Division). It will therefore be necessary for ICE to keep AC informed of the position of orders in order that steamers may be placed in due time at ICE's disposal for loading.

4. We have accordingly despatched the following cable to the UK.

(i) AC and the Italian Govt. are now in agreement to application of the general procedure outlined in "PAT 46" at such a date as will be agreed between London and Washington, and communicated to AC in the COM-MOC series.

(ii) The procedure will be adopted as an interim measure pending the reopening of direct transaction between private importers and exporters under license, and is outlined as follows

(a) ICE are prepared to receive direct orders of specific category B commodities from UK importers. An initial list of such commodities should be communicated for agreement as soon as possible and additions proposed as the occasion arises.

(b) ICE would sell FOB Italian port to UK importers who would assume all risks beyond that point.

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(c) Contracts made between ICE and UK importers should provide adequate guarantees for payment of sterling to British Banks to the credit of the Bank of Italy for account of the Italian Treasury.

(d) Prices agreed between ICE and British importers are to be understood as firm selling prices, and the Italian Government is to be credited in sterling with the exact countervalue of the FOB prices so agreed.

(e) For the time being, and if you so desire, AC is prepared to act as a Post Office for the transmission of UK orders as long as AC maintains its present export trade functions. In such case, we recommend the use of a standard order form similar to the method now used by the USCC.

H. A. GENT
Major, I. C.
Director
Commerce Sub-Commission

COPY TO ICE

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HEADQUARTERS ALLIED COMMISSION
AFC 394
ECONOMIC SECTION

Ref: AG/5127/A/Commerce

WHL/de

10 May 1945

SUBJECT: Classification of Exports.

TO: H.E. Giovanni GRONCHI
Minister of Industry, Commerce & Labour
R O M E

My dear Mr. Minister,

1. The Greek Representative to the Advisory Council for Italy, H.E. George Exintaris, has expressed his interest in the question of classification of export commodities and asked if he could be furnished with a list of such items in order that he might notify his Government.

2. Would you please furnish the Greek Representative with the desired information, as outlined to you in our AG/5127/A/Commerce, dated 18 April 1945, subject: "Export Policy".

3. The address of the Greek Representative is:

H.E. George Exintaris,
Greek Representative to Advisory Council for Italy
Via Romagna, 42
R O M E

(sgd) E. B. McKinley

A.G. ANNUNZI
Acting Vice President
Economic Section

Copy to: Gr. Gr. A. Di Nola
Ministero Affari Esteri (Dir. Affari Economici)
- Chief Commissioner
- Commerce Sub-Commission (Foreign Trade Division)

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MAY 081710B

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MAY 111550B
ROUTINE

TROOPERS

ACTION ALLIED COMMISSION ROME INFO FREEDOM, WASHINGTON FOR COAC

RESTRICTED.

PAT 79.

1. Subject Italian exports to UNITED KINGDOM. TAP 70 refers.
2. When PAT 46 was sent U KINGDOM departments were not aware that you were discussing with Italian Government possibility of reopening bilateral private trade IE direct contact between British and Italian traders subject to usual controls on both sides. We should welcome this as soon as practicable.
3. After discussing with GENT we think it will probably be some months before direct contact between traders on both sides can be reestablished. We therefore regard procedure suggested in PAT 46 as necessary interim measure until outcome of your discussions on private trade is clear.
4. Essential point of our proposals in PAT 46 is that traders in U KINGDOM may be allowed to negotiate direct with ICE. Exportable surpluses would normally be notified by AC but enquiries for goods not yet declared as exportable surpluses could be put direct to ICE since no transaction could be carried through without AC's concurrence. See PAT 71 which explains urgency this arrangement for certain commodities which we will not otherwise be able to but at all.

5. AC would thus be removed from the embarrassing position of passing on competitive bids for commercial purchases on behalf of British Americans and MOC

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(PAT 73 cont'd)

RESTRICTED

and TAP series would be used for notifying exportable surpluses.

6. Please see PAT 71 regarding AD HOC arrangements for dealing with brierwood etc. If PAT 46 procedure is agreed bids of this kind will not go through AC but direct to ICE but in case of such commodities we do not wish to hold up purchase until PAT 46 procedure is finalized.

7. We are of course in touch with Treasury who say that arrangements for banking proceeds of Italian exports will not affect procedure for negotiating U KINGDOM purchases in ITALY.

DIST

ACTION: Requisition Br 5
INFO: A/President
Chief Commissioner
Econ Sec
File 2
Fleet

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RESTRICTED

PAT 71
MAY 031505BD/9757
MAY 060800B
ROBTIN

TROOPERS

ROME AREA FOR ALLIED COMMISSION INFO FREEDOM WASHINGTON (FOR COAC)
907770A16

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1. Subject. Exports to the U KINGDOM PAT 46 refers.
2. After talking to GWT we think it may not be fully appreciated that UK cannot for various reasons buy on government account commodities such as briarwood and pumice which are not strictly required for direct war purposes. Until therefore proposals for private trade same as or similar to those explained in PAT 46 are accepted UK are virtually precluded from buying certain Italian goods which are on offer.
3. Further consider it practicable to deal ad hoc with purchase of briarwood and pumice along lines of PAT 46 procedure but without waiting to secure general agreement to it.
4. Briarwood. PAT 6 refers. Please instruct ITC to arrange shipment soonest 60 bales types and quality and indicated in IX 302 at lira 10000 per bale F.O.B. NAPLES. Also further 150 bales if still available. Name of consignee IORLICH Ltd 15/37 CHICHESTER Street LONDON EC1. Requisite license under trading with the enemy regulations will be issued to consignee.
5. Payment will be made on receipt of goods in sterling to Banca D'ITALIA account at the Bank of ENGLAND and will be available for use by Italian Govt on same terms as other monies held in that account.

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RESTRICTED

- 2 -

6. Punice will be dealt with in same way but before we can give you definite instructions additional information is required from you of which details will follow.

Dist

Action - Reg Div 5

Info - A/President

Chief Commissioner

Deon Sec

File 2

Fleat

(15)

RECEIVED

FOR ACTION TROOPERS RPTD AGWAR FOR CCS FOR CCAC RPTD AFHQ FOR FHGEG

6143

26 April 1945

ROUTINE

CONFIDENTIAL PD

THIS IS TAP SEVEN ZERO PD

SUBJECT IS ITALIAN EXPORTS PD

FAT FOUR SIX REFERS PD

PAREN TO FOR ACTION TROOPERS RPTD FOR INFO AGWAR FOR CCS
FOR CCAC RPTD AFHQ FOR FHGEG FROM HQ ALCOM CITE ACCOE PAREN

PARA ONE PD PROPOSALS OUTLINED ARE CONSIDERED GENERALLY
ACCEPTABLE AND DESIRABLE BY ALCOM BUT WE WISH TO INCLUDE THE
PROPOSALS WITHIN THE PURVIEW OF GENERAL DISCUSSIONS WITH THE
ITALIAN GOVERNMENT ON REOPENING OF PRIVATE TRADING PD WE
HAVE INDICATED TO THE ITALIAN GOVERNMENT OUR DESIRE TO OPEN
SUCH DISCUSSIONS AND AWAIT RESPONSE PD

PARA TWO PD WE UNDERSTAND THAT BANK OF ITALY HAS REQUESTED
BANK OF ENGLAND TO OPEN SPECIAL REPORT ACCOUNT WITH WHICH

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PROCEEDS OF EXPORTS WOULD BE PAID PD THIS AND OTHER MATTERS
WERE DISCUSSED BY MISTER WADE BRITISH TREASURY REPRESENTATIVE
WITH OUR FINANCE SUBCOMMISSION DURING HIS VISIT AND HE SHOULD BE
CONSULTED PD

PARA THREE PD NEW FUNCTIONS OF ISTITUTO NAZIONALE COMMERCIO
ESTERO ON IMPORTS AND REPORTS HAVE NOT YET BEEN DEFINITELY
DECIDED BY GOVERNMENT AND DECREE IS STILL UNDER DISCUSSION PD
PARA FOUR PD SUGGEST YOU DISCUSS PROPOSALS WITH MAJOR GENT
DURING HIS VISIT PD

Copy to : Economic Section
Finance Sub-Commission

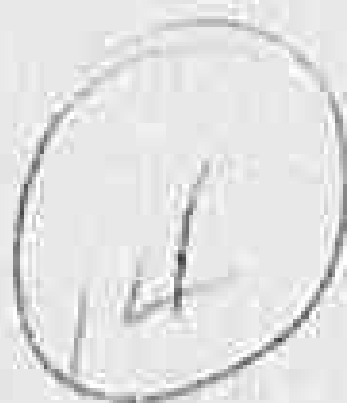
COMMERCE S/C

611

(Maj. Gent)

NICHOLAS PIOMBINO
CWO, USA
Asst. Adjutant

3003



CONFIDENTIAL

24 April 1945.

MEMORANDUM TO: Acting Vice President, Economic Section.

1. At the meeting of the Advisory Council for Italy on April 20th, the Greek Representative, H.E. George Exintaris, expressed interest in the question of Category A and Category B Italian items available for export and asked if he could be furnished with a list of such items in order that he might notify his Government.

2. I replied that I should be glad to have the Minister of Industry, Commerce, and Labor get in touch with him for the purpose of supplying him with the required information.

3. For your confidential information, it is the policy of the Commission, under its new directive, to encourage the Greek and Yugoslav governments to establish direct relations with the Italian Government rather than, as in the past, through the medium of the Commission. Will you kindly, therefore, write Minister Gronchi advising him of the Greek Representative's interest in the question of Italian items available for export, requesting him to furnish such information directly to H. Exintaris, whose address is as follows:

H.E. George Exintaris,
Greek Representative to Advisory
Council for Italy,
Via Romagna, 42,
Rome.

13/11/45
ELMER W. STONE

ELMER W. STONE
Rear Admiral, USNR
Chief Commissioner

CC: Executive Commissioner

CHIEF SUPERVISOR
Chief Commissioner

3002

CONFIDENTIAL

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80211 0816

MAR 25/1945

D/6437

MAR 30/1955

IMPORTANT

THROTHRO

ATTACHED COMMISSION HOME, PREDDOR WASHINGTON.

RESTRICTED.

TAT 51. Experts. In consideration of new arrangements for organisation of export trade from ITALY and if agreeable to you request you instruct MOP officials PACHELLI HARRISON and Miss BURTON to report to LONDON for consultation. The MOP mess and office CATALIA should be closed and a further cable regarding the account at the Bank of SICILY will follow. For purpose easy handling baggage and official papers agree to their return by sea. The appointment of MOP representative in ROME under consideration.

REF SUBJECT

Ref TAT 20. Grateful for news proposed visit of Major GENT. MOP feel an early discussion on whole question future U KINGDOM purchases with AC War Office and treasury would be mutually beneficial.

DATE

ACTION - MCON SEC 5

INFO - 4/PRESENT

CHIEF COMMISSIONER

FILE 2

PLCAT

4008/CC

you instruct MOY officials FARMER HARRISON and Miss SUTTON to report to LONDON for consultation. The MOY mess and office CATALIA should be closed and a further cable regarding the account at the Bank of SICILY will follow. For purposeo easy handling baggage and official papers agree to their return by sea. The appointment of MOY representative in ROMM under consideration.

REF SUBJECT

Ref TAP 20. Grateful for mess proposed visit of Major GENT. MOY feel an early discussion on whole question future U KINROSS purchases with AG War Office and treasury would be mutually beneficial.

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DIST

ACTION - ROOM SET 5
INFO - A/PRESIDENT
CHIEF COMMISSIONER
FIVE 2
PLCAT

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FX 53402
APR 0115594

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D/6623
APR 012105A
ROUTINE

AFHQ SIGNED ALEXANDRIA CITY THREE
ACLEAR FOR CCB FOR CCAC INFO AMSSG FOR BRITISH CHIEFS OF STAFF AND
HQ COMZONE MAIN ETOWSA AND HQ ALGER

CONFIDENTIAL. This is MAP 515.

Italian exports to BALKANS is subject.

1. For your information following is procedure we are observing in export of Italian products to GREECE, ALBANIA and YUGOSLAVIA and which we will outline to Italian Govt in response their query as to how ITALY will be reimbursed.

2. All such exports will be procured locally by ICR in usual manner, in instances both of items under combined allocation and category B items. They will be consigned to appropriate MI Headquarters or to UNRRA. On arrival, recipient government will receipt in same manner as in case arrivals from U.S. or U.K.

3. ITALY does not have diplomatic relations with the 3 BALKAN's countries in question, and there is therefore no immediate prospect of negotiating memorandum account or any other payments procedure. But we feel that Italian Govt can arrive at ultimate settlement with recipient governments on basis of above quantitative records. Only alternative would be to calculate landed costs and be prepared to bill recipient governments on

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CONFIDENTIAL

- 2 -

D/6623

behalf Italian Government.

4. Principal items so far handled as in para 3 have been sulphur and seeds, which appear in A.C. accounts as exports to recipient BALKAN country.

Dist

Info-Action - Commerce SC
Info - A/President
Chief Commissioner
Exec Commissioner
Econ Sec
File (2)
Float

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(11)

CONFIDENTIAL

SECRETWAPX 58991
MAR 262219ZD/6111
MAR 270900A
ROUTINE

WAR

ADDRESS EXTERNALLY UK BASE, AFHQ, AUCOM

SECRET

This is COM 58.

Addition to commodities exported from ITALY on supply grounds, not on reserved commodity list. Refer COM airgram 5. At meeting number 13 of the supply sub committee of the Combined Liberated Areas Committee, item "tomato paste and canned tomatoes" was added to these items listed COM 37, 3rd paragraph, in category "A", class 2 as defined in 1st paragraph, TAM 456. This action requested by UNITED KINGDOM.

Kindly arrange Govt of ITALY be advised accordingly.

Dist

Action - Requisition Div (2)
Info - A/President
Chief Commissioner -
Econ Sec (4)
File

4008/CC

not on reserved commodity list. Refer COM airgram 5. At meeting number 13 of the supply sub committee of the Combined Liberated Areas Committee, item "tomato paste and canned tomatoes" was added to those items listed COM 37, 3rd paragraph, in category "A", class 2 as defined in 1st paragraph, TAM 456. This action requested by UNITED KINGDOM.

Kindly arrange Govt of ITALY be advised accordingly.

Dist

Action - Requisition Div (2)
Info - A/President
Chief Commissioner -
Econ Sec (4)
File

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78212 04 15
MAR 20/1830A

FAT 46

D/5817
MAR 23/1005
ROUTINE

TROPPERS

ALLIED COMMISSION ITALY, INFO: WHERDOM WASHINGTON FOR COAC

RESTRICTED.

1. Exports. U KINGDOM civilian departments have been considering machinery for handling Category B exports from ITALY as defined in TARM 452 to ARMO of commodities generally imported into U. KINGDOM by private traders and propose arrangements by which U KINGDOM would deal direct with ICE.

2. It is envisaged that in case of such goods ICE would pay (paying Italian producer in lire) select and pack. They would of course consult AC before accepting orders and would also request AC's assistance in obtaining shipping. There should be no overlap with Ministry of Supply or Ministry of Food orders since U KINGDOM importer could not import till he had cleared his position with U KINGDOM Import Licensing Department.

3. Under British trading with the enemy regulations authorities would be required to permit U KINGDOM importers to write to ICE or to enter into contracts with them. Such activities would be covered by general licence to avoid need for individual licences for each contract. The trading with the enemy position would be simplified if imports to U KINGDOM were made f.o.b. U KINGDOM import licences would also be

4008/24

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1. Exports. U KINGDOM civilian departments have been considering machinery for handling Category B exports from ITALY as defined in para 452 to 454 of compliance generally imported into U. KINGDOM by private traders and propose arrangements by which U KINGDOM would deal direct with ICE.

2. It is envisaged that in case of such goods ICE would pay (paying Italian producer in lire) select and pack. They would of course consult ICE before accepting orders and would also request ICE's assistance in obtaining shipping. There should be no overlap with Ministry of Supply or Ministry of Food orders since U KINGDOM importer could not import till he had cleared his position with U KINGDOM Import Licensing Department.

3. Under British trading with the enemy regulations authorities would be required to permit U KINGDOM importers to write to ICE or to enter into contracts with them. Such activities would be covered by General licence to avoid need for individual licences for each contract. The trading with the enemy position would be simplified if imports to U KINGDOM were made f.o.b. U KINGDOM import licences would also be required and where these were granted they might be made subject to the condition that the buyer pays the proceeds in sterling to a U. KINGDOM Bank as set out in para 4 below and reports details to Import Licensing Department.

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4. Sterling due to ICE could be held in accounts opened with agreed British Banks in LONDON in the names of agreed Italian Banks in ITALY. The arrangements will require authorities under the trading with the enemy act and possibly legislation. Apart from the trading with the enemy difficulties which will have to be resolved the sterling so paid would under the defence finance regulations be available for use in the sterling area or for transfer to other Italian accounts. Post liberation account BANCA D ITALIA with big 5 might be used for this purpose and in due course we hope it will be possible to allow banks in the UNITED KINGDOM to open accounts for other Italian Banks an opportunity offered. We have the impression that the Italian authorities would not object to Bank of NAPLES and Bank of SICILY having accounts with LONDON correspondents forthwith for remittance purposes. Such arrangements could be considered in due course and the accounts used of ICE purposes if desired.

5. Please notify whether foregoing is acceptable and whether you think ICE is up to the job. Initially only a few commodities would be concerned but system should be capable of some expansion. We shall not proceed with necessary action until hearing from you.

DIST

ACTION ECON SEC 5
INFO 6/PRESIDENT
CHIEF COMMISSIONER
FILE 2
PLCAT

to other Italian accounts. Post liberation account Banca D Italia with big 5 might be used for this purpose and in due course we hope it will be possible to allow banks in the UNITED KINGDOM to open accounts for other Italian Banks as opportunity offered. We have the impression that the Italian authorities would not object to Bank of NAPLES and Bank of SICILY having accounts with LONDON correspondents forthwith for remittance purposes. Such arrangements could be considered in due course and the accounts used of ICE purposes if desired.

5. Please notify whether foregoing is acceptable and whether you think ICE is up to the job. Initially only a few commodities would be concerned but system should be capable of some expansion. We shall not proceed with necessary action until hearing from you.

DISP

ACTION ECON SEC 5
INFO 4/PRESIDENT
CHIEF COMMISSIONER
FILE 2
FROM T

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to other Italian accounts. Post liberation account BANCA D'ITALIA with big 5 might be used for this purpose and in due course we hope it will be possible to allow banks in the UNITED KINGDOM to open accounts for other Italian Banks as opportunity offered. We have the impression that the Italian authorities would not object to Bank of NAPLES and Bank of SICILY having accounts with LONDON correspondents forthwith for remittance purposes. Such arrangements could be considered in due course and the accounts used of ICE purposes if desired.

5. Please notify whether foregoing is acceptable and whether you think ICE is up to the job. Initially only a few commodities would be concerned but system should be capable of some expansion. We shall not proceed with necessary action until hearing from you.

PRINT

ACTION ECON SEC 5
INFO A/PRESIDENT
CHIEF COMMISSIONER
FILE 2
FLOAT

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24 February 1945

AIIDE MEMOIRE FOR COMMUNICATION TO THE ITALIAN
GOVERNMENT BY THE ACTING PRESIDENT OF THE
CONTENTS OF THE NEW DIRECTIVE ON THE
FUNCTIONS OF THE ALLIED COMMISSION

EXTRACT:

18. The extent to which exports are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. For the time being, the Italian export programme will necessarily be limited by certain shipping, military, financial and supply factors. The applicability of these factors to individual programmes will be worked out between the Italian Government and the Economic Section of the Allied Commission along the lines already discussed by the Economic Section with the Inter-Ministerial Committee for Reconstruction.

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SECRET40649 COM 37
FEB 20/2315ZD/2814
FEB 22/0930
PRIORITY

WAR FROM CCS SITE COAC
ALLIED COMMISSION , INFO: AFHQ FOR PHGEG AND UK BASE SECTION FOR
CABINET SECRETARIAT; HAS BEEN RPTD TO ALL ADDRESSES.

SECRET.

Pricing policy.

Refer TAM 456, MOC 51.

1. TAM 456 re outlining newly established principles governing pricing of goods to be exported from ITALY, distinguishes between setting of prices on goods sent on supply basis to markets outside the country and those exported on a commercial basis. Those goods shipped on a supply basis include:

(A) All goods included on combined boards reserved commodity list and

(B) Such additional materials as have been classified as essential war materials by CANADA, UNITED KINGDOM and UNITED STATES and which, because of the shipping situation, should be procured from Italian sources.

2. Lists of reserve commodities issued by the combined food board, the combined raw materials board, and the combined production resources board are being furnished you in COM airgram 5 already dispatched.

3. Fresh oranges, lemons and other citrus, and either unconcentrated or concentrated juices of citrus fruits are the only Italian products which have, up to the present time, been included in 2nd group listed in the paragraph above.

4. A plan has been set up under which any revision in the materials listed as available for exportation from supply bases will be reported

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Page 2

~~SECRET~~

by CLAC, and as soon as these changes are submitted the information will be forwarded to you.

5. Combined boards reserved commodity lists which you requested are being forwarded this date as COM airgram 5. For your information we believe the following items only are of interest for scheduled conference on February 22nd since it is not expected that other items will be available in ITALY:

(A) From CRMB list: Hides, skins and leather, and tanning materials; cordage manufactures and cordage fibres (Manila, hennequen, sisal hemp); cadmium; zinc (concentrated form only) note: this item, however, is scheduled for deletion shortly; pyrites; silk; tin; lead; manganese.

(B) From CFB list: dried fruit; canned and salted fish; rice; tobacco; seed (vegetable and field); essential oils (see COM airgram 4, paragraphs 1 and 2 for definition); edible nuts; citric acid and tartaric acid (including tartrates); fats and oils (including oil seeds).

(C) From CFRB list: coal. Para in class 2 of category A, reference TAM 456, the following items have been agreed upon: citrus juices (unconcentrated and concentrated) and fresh citrus fruit.

DIST

Action: ECON SEC (5)
Info: A/PRESIDENT
CHIEF COMMISSIONER
FILE (2)
FLOAT

: 2993

~~SECRET~~

S E C R E T

EXTRACT

FROM: AGWAR FROM THE COMBINED CHIEFS OF STAFF (BOOK MESSAGE)

TO: ALEXANDER FOR ACTION

REF. NO. THIS MESSAGE: WX 29633

31 January 1945

FAN 487 - Extract

DIRECTIVE FROM COMBINED CHIEFS OF STAFF

For File # 4008/CCSubject: Ital Export Arrangements

* * * * *

7. *****

D. Within the limitation of available shipping and subject to military considerations as determined by you, the extent to which exports are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. The appropriate civilian agencies of the British and American Governments are currently considering methods by which the Italian Government may be assisted in these respects and as soon as decisions in this connection are reached, you will be advised with respect thereto.

* * * * *

See (8)

S E C R E T

2992

Complete directive filed in File # 102/CC New Deal

(6)

4008/CC

FOR ACTION AFWAR FOR CCAC FOR CLAC RPTD UK BASE SECTION (LONDON)
FOR CABINET SECRETARIAT RPTD AFHQ FOR PHGB

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ROUTINE
PRIORITY

CONFIDENTIAL PD

THIS IS WOG SIX

SUBJECT IS EXPORTS TO UNITED STATES PD

PAREN TO FOR ACTION AFWAR FOR CCAC FOR CLAC RPTD FOR INFO
UK BASE SECTION (LONDON) FOR CABINET SECRETARIAT RPTD FOR
INFO AFHQ FOR PHGB FROM HQ ALCON PAREN

PARA ONE PD COM ONE FOUR REFERS PD

PARA TWO PD CAL ONE ZERO FIVE SIX PD EAU DE COLOGNE PD
DESPATCH OF SAMPLE FROM SICILY BEING HASTENED PD

PARA THREE PD CAL ONE ZERO TWO FIVE PD SAFFRON PD SAMPLE
DESPATCHED BY AIR ONE EIGHT JANUARY MARKED ABLE CHARLIE
OBLIQUE FIVE ONE TWO SEVEN OBLIQUE FOUR EIGHT OBLIQUE
COMMERCE GEORGE PETER OBLIQUE ONE SEVEN DASH ONE DASH FOUR
FIVE PD

PARA FOUR PD CAL ONE ZERO ONE THREE PD FLOWER SEEDS PD
LISTS JUST RECEIVED AND BEING DESPATCHED BY AIR IMMEDIATELY PD
PARA FIVE PD CAL ONE ZERO ONE TWO PD SIENA EARTHS PD
STOCKS OF EARTH COLOURS IN SIENA NIL PD ENDEAVOURING TO

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OBTAIN OFFERS RAW SIENA EARTH FROM GROSSETO PROVINCE PD
PARA SIX PD CAL NINE NINE SIX PD HUMAN HAIR STUMPS PD
INDUSTRY INACTIVE PD WITHOUT FIRM OFFERS OF ORDERS CANNOT
INDUCE PRODUCERS RESTART OPERATIONS PD
PARA SEVEN PD CAL SEVEN EIGHT SEVEN PD LIQUEURS PD ITALIAN
LIQUEURS AVAILABLE AT PRESENT CONSIDERED BY COMPETENT ITALIAN
GOVERNMENT AGENCY AS INSUFFICIENTLY MATURED PD ARE ENDEAVOURING
TO OBTAIN SAMPLES OF FEW HIGH QUALITY BRANDS PD
PARA EIGHT PD CAL TWO FIVE PD BRIARWOOD PD TWO ONE FIVE SACKS
PASSED BY INSPECTOR AND CALLED FORWARD FOR SHIPMENT PD FURTHER
SEVEN SIX ZERO SACKS BEING DESPATCHED AFTER REPACKING PD PRICE
FOR FURTHER LOTS MIXTE AMERICA LIRE SIX ZERO ZERO ZERO PER SACK PD
PARA NINE PD CAL ONE ZERO EIGHT SEVEN PD TALC PD OWING TO LACK
OF OPPORTUNITY FOR DIRECT SHIPMENT HAVE BROUGHT THREE EIGHT TONS
TO NAPLES PD EXPECT PROMPT SHIPMENT PD BALANCE FIVE TWO TONS
FOLLOWS PD EXTRA FREIGHT INCURRED LIRE ONE TWO EIGHT THREE
METRIC TON PD
PARA ONE ZERO PD CAL ONE ZERO FOUR THREE PD JUNIPER BERRIES PD
TOTAL AVAILABILITY IN TUSCANY TWO FIVE TONS PD PRICE LIRE

...../..

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- 3 -

THREE ZERO ZERO ZERO ZERO METRIC TON PACKING EXTRA PD MAY WE
NEGOTIATE ON THIS BASIS PD

PARA ONE ONE PD CAL ONE ZERO THREE FIVE PD SNUFF TOBACCO PD
FOUR TONS BEING PREPARED BY STATE MONOPOLY PD FIRM OFFER WILL
BE SUBMITTED SHORTLY CMA AFTER ASCERTAINMENT OF AVAILABILITY
AND COST OF NECESSARY METAL CONTAINERS PD

PARA ONE TWO PD CAL ONE ZERO TWO THREE PD LIQUORICE ROOTS PD
ARE AWAITING YOUR REPLY TO LAC NINE FIVE SEVEN PD PASTE PD
NO AVAILABILITY FROM STOCKS PD NEW MANUFACTURE LIRE THREE
FIVE ZERO PER KILO FOB FOR DESPATCH IN ABOUT THREE MONTHS PD
SAMPLE NOT AVAILABLE PD

PARA ONE THREE PD CAL ONE ZERO ONE ONE PD CITRON PELL IN
BRINE PD ONLY TWO FIVE ZERO ZERO QUINTALS READY AND PASSED BY
INSPECTOR CMA AWAITING DESPATCH TO PORT FOR SHIPMENT PD
FURTHER LOTS EXPECTED READY DURING NEXT THREE MONTHS PD
PARA ONE FOUR PD CAL SEVEN EIGHT TWO PD LEMON AND ORANGE
PELL PD HAVE BEEN UNABLE TO MEET PRICES PD LIRE ONE SIX
ZERO ZERO PER QUINTAL FOR LEMON AND ONE EIGHT ZERO ZERO FOR

2989

(5)

- 4 -

ORANGE ARE DEMANDED CMA ASSORTMENT FIVE ZERO PERCENT
LARGE FIVE ZERO PERCENT USUAL SIZES CMA FOR DESPATCH
FEBRUARY MARCH

2188
2988

COMMERCE S/C

611

(MAJ. GENT)

NICHOLAS PIOMBINO
CWO, USA
Asst. Adjutant

RESTRICTED

62856 GA16
JAN 251810AG/9624
JAN 271500A
ROUTINE

TROOPERS

ACTION: ALLIED COMMISSION, INFO: FREEDOM WASHINGTON FOR COAC AND
FOR CLAG

RESTRICTED.

1. This is PAT1 and the first in a new series to be known as the PAT/TAP series between War Office LONDON and Allied Commission. To be repeated to AFHQ and to COAC WASHINGTON. Telegrams emanating from you should be numbered serially from 1 and be prefixed by word TAP.

2. The series will deal with

(a) All detailed questions concerning Italian exports of special concern to U KINGDOM but not on policy matters relating to exports which will continue to be dealt with as at present through AFHQ in CAL/LAC series

(b) After the principles governing the special Italian civilian programme have been finally laid down by COAC all detailed questions in connection with this of special concern to the U KINGDOM. Thus the subject matter of such telegrams would be similar to that passing in COMMOG series (see COM 1) on special programmes but where U KINGDOM mainly concerned. Where however on such matters we wished consult AFHQ we would use COM/MOG series.

2987 3. Communications falling under sub headings (a) of previous paragraph should commence with word 'exports' and under sub heading (b) with words 'special programmes'.

4. Communications on these matters not justifying use of cables will be sent as PAT/TAP airgrams numbered serially from 1 and repeated for AFHQ and COAC as with cables.

5. Wherever possible without prejudice such cables will be sent

RESTRICTED

- 2 -

RESTRICTED

in clear.

6. Ministry of Food and Ministry of Supply experts now attached to you should be informed of these arrangements.

7. Confirm your agreement to above numbering your reply
TAF 1.

Dist

Action - Econ Sec (5)

Info - A/President

Chief Commissioner

File



: 2986

RESTRICTED

(4)

CONFIDENTIAL

WARS 21127 JEAR 275 CAL 1109
JAN 152300A

6/8311
JAN 171845A
ROUTINE

CCS CITE CCAC

ALEXANDER FOR PHOEB REPEATED INFORMATION UK BASE SECTION FOR CABINET
SECRETARIAT AND COMMUNICATION ZONE ETORBA AND CG ROME AREA COMMAND PASS TO
ALLIED COMMISSION

CONFIDENTIAL.

(Refer LAC 865, LAC 955 and LAC 920).

Communications on Italian exports.

Direct communication is authorized concerning Italian exports (refer LAC 865) between the AC and WASHINGTON and between AC and LONDON. Such communications to and from WASHINGTON will be in the COM-MOC series and action in WASHINGTON will be assigned to combined liberated areas committee. Such communications to and from LONDON will be in such series as the WAR OFFICE LONDON may designate.

Since this new UNITED KINGDOM series will be similar to the COM-MOC series, it should cover those matters on which the general principles have already been agreed upon on a combined basis. The UNITED STATES is not committed to any action on such communications, and replies hereto are to be repeated to WASHINGTON for CCAC and CLAC information. The COM-MOC series will be used for both combined matters and UNITED STATES matters. It will continue to be repeated to LONDON for information for SECRETARIAT as is present practice. Both series are to be repeated to AFHQ for PHOEB.

For the time being, policy matters on exports from ITALY will continue in the CAL-LAC series.

Reply to LAC 870 will be sent separately.

New subject: When is Etd of Major G S HALLON.

DIST
(Over)

4008/100

CONFIDENTIAL

EWS/afe

28 November 1944

Subject: Italian Export Arrangements

To: Brigadier General Charles M. Spofford, U.S.A.
Assistant Chief of Staff, G-5, Allied Force Headquarters
APO 512

①

The attached communication has been received from Ambassador Kirk and is forwarded herewith for your confidential information.

ELLERY W. STONE
Commodore, USNR
Chief Commissioner

1 Incl.

cc: Mr. Antolini
Chief of Staff, AC

A FILE ✓

2984

4008/cc

Original to APO
by hand of
Brig. Lush
28/11/44

FILES A

②

UNITED STATES REPRESENTATIVE
ADVISORY COUNCIL FOR ITALY

Rome, November 26, 1944

PERSONAL AND
STRICTLY CONFIDENTIAL

Dear Commodore Stone,

There is enclosed for your information a paraphrase of a telegram received from the Department of State at Washington, dated November 23, 1944, transmitting the substance of a paper on the subject of Italian export arrangements, which is to be considered during the coming week by CLAC as a recommendation to CCAC. In connection with that document, the Department, as you will note, instructs me that as the matter is not yet settled officially it should be brought to the attention of only a few Allied officials here for their confidential information.

Sincerely yours,

A. K. L.

Enclosure.

2983

Commodore Ellery W. Stone,
Chief Commissioner,
Allied Commission,
Rome.

4008/CC

524

①

PARAPHRASE OF TELEGRAM RECEIVED

FROM THE DEPARTMENT OF STATE, WASHINGTON,

DATED NOVEMBER 23, 1944.

The substance of a paper which CLAC next week will consider, as a recommendation to CCAC in the matter of Italian export arrangements, is given below. On the American side this has been informally agreed upon and tentative acceptance has been given by the British representatives in Washington. However, it is subject to London's concurrence. Knowledge of it should be limited, in view of the fact that it has not been adopted officially, to Culbertson and the Mission headed by him and officials of the Allies who you consider would be most directly concerned.

The classification of Italian exports will be as follows: (a) Goods exported on the grounds of supply. (b) Goods exported on commercial grounds. Included in category (a) will be products on the reserve commodity list necessitating allocation on the part of combined boards, plus other products which U.K., U.S. and Canada agree upon in advance to be essential to the war effort of the country making the purchases and which, for reasons of shipping should be procured from Italy. All other products are included in category (b).

Merchandise comprised in category (a) will be sold in such markets and in such quantities as the appropriate combined Allied Agency may determine. The fixing of prices will be effected by negotiations between the purchaser and the Italians. Should the Allies fail to agree the merchandise will be exported and there will be paid to the Italians as a minimum the ceiling price in the country making the purchases, minus expenses. If

upon and tentative acceptance. However, it is subject to London's concurrence. Knowledge of it should be limited, in view of the fact that it has not been adopted officially, to Culbertson and the Mission headed by him and officials of the Allies who you consider would be most directly concerned.

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Merchandise comprised in category (a) will be sold in such markets and in such quantities as the appropriate combined Allied Agency may determine. The fixing of prices will be effected by negotiations between the purchaser and the Italians. Should the Allies fail to agree the merchandise will be exported and there will be paid to the Italians as a minimum the ceiling price in the country making the purchases, minus expenses. If such price should not be satisfactory, and if it is less than production cost, a request may be made by the Italians for a combined determination of the price by A.C., or, through appeal, by CCAC or CLAC.

The Italians may offer for sale products in category (b) in whatever market they may choose and prices will be determined by their negotiations with the prospective purchasers. A.C. would recommend to the Italian Government, however, that a policy be adopted by the latter whereby such products would not be offered for sale at a price less than the purchase price in Italy in lire plus cost of transportation and other costs except

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as special circumstances derived from the conditions of war may justify.

There should be turned over as rapidly as possible to the Italians the responsibility for obtaining products for export or making such other arrangements as are required for the stimulation of export trade. Also there should be turned over to the Italians as rapidly as possible the responsibility for fixing prices of export goods. The activities of A.C. would be confined to the exercise of such supervision with regard to exports as is essential to ensure the carrying out of policies established by the CCS.

The Government of Italy would be informed that prompt restoration of private trade is the objective of our policy and that the problems involved should be examined by A.C. with the Italian Government and that A.C. should make such recommendations then for modifications in procedures now existing as will be most conducive to the accomplishment of this end. In the absence of other arrangements and pending the reestablishment of trade on a private basis UKCC and USCC would offer to the Italian Government their services in conducting on an agency basis the sale abroad of Italian goods. They would operate, in case the offer should be accepted, under the limitations above referred to and in harmony with arrangements worked out between the corporations and the Italian Government.

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

785015

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Q. M. C. Form 353 (Old No. 400)
Revised July 29, 1918

LIST OF PAPERS

File under No. 500

TRANSPORTATION

(2)

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
30) CC/P/371	C.C.	6 JUNE	ANI (Lemitzer)	Transport req'd for types to home on 5 June.
31) A3-1/NSC	Naval S/C	7 JUNE	D.C.C.	Request for transport, Naval S/C
32) 113465/AY DCC 400	Supreme Command (Infantry) D.C.C. D.C.C.	7 JUNE 10 " 10 "	D.C.C. Gen. Infante Army S/C	Truck for Supreme Command. Refer to Army S/C For immediate attention
33) TH/31/1	Transp. S/C	10 "	Regional Comm. + SCAC's	Instructions for movement of ACC and Civilian Freight by Airplane
34) DAG/566 5001/9200	G-1(B) ARHQ Robinson, AAI	8 " 14 "	Gen. Robinson AAI C.S.	Reasons for increase in ration ration. Please assist AAI in transport during request.
35) 6348	ACC Main	17 " Removed	ACC Main to	C.C. arriving Litchfield. Home. Arrange transport.
36) 216	GC, MATS 1/2, Naples	18 " Removed	GC, MATS 1/2, Naples to	Aircraft for C.C. on 18 June
37) CC/P/398	C.C.	19 " 4 30- to 4 45	to 4 45	ration increase & need for transport.
38) CC 500	C.C.	21 " Removed	to	Aircraft to take C.C. to U.K.
39) 4669 ACC 400	Ind. & Com. S/C R. Purnas A/C.C.	22 " 21 " 22 "	A/C.C. Admiral STONE Dr. Purnas	Petrol for Italian boat. Method of rationing.
40) DCC 500	A/C.C.	22 "	Naval S/C	Transport - Request for
41				

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