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

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POLISH COAL FOR ITALY
AUG. SEPT. 1945

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

3 September 1945

Colonel Densmore:



The Chief Commissioner wishes to know what action has been taken
in regard to this matter.



L. W. S.

1 Incl: Ltr of 1 Sep 45 from Mr. Kirk,
re Italian-Polish coal negotiations

1- Copy of 2 reports .68620 cal (coal) of
22 Aug was given to Italian Minister of Ind + Com

2- On Sat. 1/9-45 a note was sent to The

 98  calling his attention to the fact
that "any bids for coal from ECO or

Noted by 

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other sources will have to be
accompanied by a statement showing the
amount expected to be received from
Polish sources" & suggesting that
the minister inform the mission
Densmore

EWS/dfe

3 September 1945

Dear Mr. Kirk:

(96)

This will acknowledge receipt of your letter of 1 September with regard to the Italian Government coal negotiations with Poland. In view of the urgency of the situation, I appreciate your having informed Colonel Denmore directly.

Sincerely,

See (98)

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

4696

The Honorable Alexander Kirk
American Ambassador
119 Via Vittorio Veneto
Rome

(97)

4027/2



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

SEP 3 REC
CC 0915

AMERICAN EMBASSY

Rome, September 1, 1945.

CONFIDENTIAL

Dear Admiral Stone:

I received yesterday your letter dated August 25, 1945, with regard to the Italian Government coal negotiations with Poland and am pleased to learn that the Italian Mission will depart shortly for Warsaw.

With reference to the statement of policy expressed by the United Kingdom representative on the European Coal Organization, transmitted to you in the War Office message of August 22, you will recall that the somewhat similar views of the Department of State on this subject have already been brought to the attention of the Italian Government informally, as recorded in my letter to you dated August 7, 1945. I have reported the British viewpoint to Washington but assume that either the British Embassy or the Allied Commission will convey it to the Italian Government. In view of the imminent departure of the Italian Mission, I arranged to inform Colonel Pensmore orally in the above sense today in order to avoid delay should you wish to take additional action promptly.

Sincerely yours,

A. K. L.

Ellery W. Stone, Rear Admiral USNR,
Chief Commissioner,
Allied Commission,
Rome, Italy.

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 374

25 August 1945

My dear Mr. Ambassador:

This is in reply to your letter 23 August relative to Italian Government negotiations with Poland concerning the possibility of obtaining coal in exchange for certain Italian exports.

As previously indicated, the Allied Commission has requested ECO to express its observations on the subject. Attached is copy of Message 3820 of 16 August to TROOPERS for ECO. Also attached is copy of reply from TROOPERS (Message 66620 CA 16(Coal) dated 22 August. Your attention is directed to the following statement in TROOPERS' reply:

"You should, however, make it clear to the Italian Government that any bids for coal from ECO or other sources will have to be accompanied by a statement showing the amount expected to be received from Polish sources."

Unless you inform me to the contrary, I will take it that you will convey the above information to the Italian Government.

With respect to paragraph 2(b) of letter (Ref. AC/5127/P/Commerce) dated 4 August 1945 from Commerce Sub-Commission to the Ministry of Foreign Affairs, it is confirmed that only essential food oils, classified as Category "A" items on the Reserved Commodity List, such as those oils used for food flavoring are subject to allocation by the Combined Food Board (Examples: Lemon oil, bitters, orange oil, sweet orange oil and tangerine oil).

We concur that the Italian Mission be permitted to leave immediately in connection with the Polish coal negotiations.

Sincerely,

(2) Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Copy to: British Embassy

The Honorable Alexander Kirk
American Ambassador
119 via Nomentana 216
ROME

Copies to: Chief Commissioner (2)
Commerce, Foreign Trade Div.
Commerce, Coal Division
British Embassy
Economic Section, AC



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

cc 1035
AUG 24 RECD

AMERICAN EMBASSY

Rome, Italy,
August 23, 1945.

CONFIDENTIAL

Dear Admiral Ellery 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 unduly 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:

CC DIST:

EXEC. COMM. R.
ECON. SEC. (3)
CC FILES

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(copy in 4027/c folder)

See (90)

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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.

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A
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/P/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,

A. K. K.

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(88)

RESTRICTED

68620 CAL6(COAL)
AUG 221300ACOPY
P/4939
AUG 231030H
IMPORTANT

TROOPERS

HQ ALCON INFO WASHINGTON

RESTRICTED. (86)

Your 2630 16 August.

1. We consider this matter is not one upon which guidance of ECO should be sought at any rate in the first instance but rather the view of HMG.

ECO will be informed by the British member of general contents of your telegram and HMG viewpoint.

2. Accordingly we have consulted U KINGDOM representative on ECO and the U KINGDOM view is that proposed exchange is in principle one to be facilitated.

469! You should however make it clear to the Italian Government that any bids for coal from ECO or other sources will have to be accompanied by a statement showing the amount expected to be received from Polish sources.

3. We are repeating your cipher to British Army Staff WASHINGTON with copy of this reply.

See (90)
DISTACTION: Room 3
INFO: Chief Commissioner
File 2
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TROOPERS FOR EUROPEAN COAL ORGANIZATION

3330

16 August 1945

ROUTINE

SECRET PD

PARA ONE PD SUBJECT IS ITALIAN DASH POLISH COAL NEGOTIATIONS PD
PAPER TO TROOPERS FOR EUROPEAN COAL ORGANIZATION PAPER

PARA TWO PD THE AMERICAN EMBASSY ROME HAS INFORMED THIS HEADQUARTERS THAT
ITALIAN EMBASSY WARSAW HAS PRESENTED MEMORANDUM TO STATE DEPARTMENT STATING
THAT ITALIAN EMBASSY AT MOSCOW HAS DISCUSSED THE QUESTION OF INITIATING
NEGOTIATIONS FOR IMPORTATION OF POLISH COAL IN EXCHANGE FOR ITALIAN GOODS WITH
THE POLISH GOVERNMENT AND THIS HEADQUARTERS IS PREPARED TO FACILITATE PERMISSION
FOR ITALIAN EXPERTS TO GO TO WARSAW OR POLISH EXPERTS TO COME TO ROME PD

469. PARA THREE PD THE STATE DEPARTMENT HAS EXPRESSED ITS AGREEMENT WITH THE
SUGGESTED NEGOTIATIONS SO LONG AS THE ARRANGEMENTS DO NOT INTERFERE WITH THE
PLANS OF THE EUROPEAN COAL ORGANIZATION PD

PARA FOUR PD YOUR OBSERVATIONS ARE REQUESTED PD

Economic Section

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NICHOLAS FIGUEROA
CWO. USA
ASST. ADJUTANT

CC 4027

11 August 1945

My dear Mr. Ambassador:

Thank you for your letter of 7
August with reference to the question of coal
for Italy which I note with great satisfaction.

Sincerely,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

The Honorable Alexander Kirk,
American Ambassador,
119 Via Vittorio Veneto,
Rome.

4681

CC DISTRIBUTION:

Exec. Commr.
Econ. Sec. (2)

(80)

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

CC 1530

AMERICAN EMBASSY

Rome, Italy
August 7, 1945

RESTRICTED

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

My dear Admiral:

With reference to the matter of Italian-Polish coal negotiations, I am pleased to bring to your attention the following paraphrase of a cable received from the Department of State:

"Combined Boards have jurisdiction of Polish coal. Combined Boards have for the period September through December 1945, allocated to Italy 367,000 tons of coal a month, all to come from the United States. However, the amount may be reduced depending on availability of shipping. As indicated in a previous cable and in view of obvious desirability of early restoration of trade with European countries, the Department is favorable to the Italians negotiating to obtain additional coal from the Poles and Czechs. Whether Polish and Czechoslovakia exports to Italy would result in an equivalent reduction of allocations to Italy by Combined Boards after December can not now be determined. Any arrangements should be subject to recommendations of ECO in order to assure equitable distribution of European coal resources. The

Department

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Department does not contemplate that ECO would be concerned unless it seemed likely that purchases would decrease the amount of Czech and Polish coal that could be shipped to other countries of Europe. It is hoped that Czechs and Poles will become members of ECO shortly."

In accordance with the Department's instructions, the foregoing information has been communicated orally to the Director General of Economic Affairs in the Italian Ministry of Foreign Affairs.

Sincerely yours,

A. R. R.

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Econ. Sec. (2)

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6 August 1945

My dear Mr. Ambassador:

I wish to thank you for your letter of 1 August 1945 on the Italian - Polish coal negotiations.

This matter is now being studied by the appropriate agencies of the Allied Commission.

The Allied Commission's representative to the European Coal Organization, Brigadier D. L. Anderson, is now in London attending meetings of that organization where he is likely to obtain information on the allocation of coal in Europe. His return is expected shortly.

Pending the outcome of studies in the Allied Commission, and particularly the return of Brigadier Anderson, I feel that no action should be taken to arrange for Italian experts to go to Warsaw or Polish experts to come to Rome. I will keep you advised as the matter develops.

Sincerely,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

4686

Honorable Alexander Kirk
American Ambassador
119 Via Vittorio Veneto
Rome

cc:
✓ Chief Commissioner
Executive Commissioner
Production Division
Commerce Sub-Commission
Finance Sub-Commission

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY
Rome, Italy,
August 1, 1945

SECRET

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

My dear Admiral:

There follows for your information a paraphrase of a cable received from the Department of State expressing its views regarding the Italian-Polish coal negotiations.

" Italian Embassy has presented memorandum to State Department stating that the Italian Embassy at Moscow has discussed the question of initiating negotiations for coal purchases with the Polish Government. Memorandum expresses hope that Allied Commission would receive instructions to facilitate permission for Italian experts to go to Warsaw or Polish experts to come to Rome to conclude the arrangement for importing Polish coal in exchange for Italian goods. Memorandum expresses desire that plan be approved also for export of goods in exchange for coal, and that post-liberation dollars in United States be made available if necessary as part payment to the Polish Government. The Department of State is generally favorable to the undertaking of negotiations between Poles and Italians on Polish coal so long as the arrangements do not interfere with plans of European Coal Organization. State Department assumes that satisfactory arrangements can be worked out between Italian Government and Allied Commission without necessity of instructions from Washington. Italian Embassy has been so informed. As regards post liberation accounts, no action appears necessary at this time. Italian Embassy has been informed that if a specific request is received the matter will be given consideration."

I should like to inform the Department whether the Allied Commission may find itself in agreement with the Department's assumption that satisfactory arrangements can be worked out without further instructions from Washington, and accordingly I should very much appreciate having your comment on the Department's views.

Sincerely yours,

/s/ A. Kirk.

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