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LIMITATION OF SOLDIERS' EXPENDITURES  
SEPT. 1944

4607/CC

Office of the  
Chief Commissioner

ALLIED COMMISSION

# LIST OF PAPERS

File under No. 4607 LIMITATION OF SOLDIERS' EXPENDITURES

**SECRET**

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SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
1	Memo A/CC 100-1 Densmore	6 Sep 44	VP Econ Sec	Suggest that final draft be coordinated for A/CC's signature
2	Ltr 13021/F Econ Sec	10 Sep 44	A/CC	Atchd is agreed draft
3	A/CC 100-1 Stone	10 Sep 44	CinC AAI	Limitation of soldier's expenditures, ACC views

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**SECRET**

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 HQ AFCE Sec'y Gen  
 DISPATCHED  
 Date: 7th 8th 1944  
 Via: AY 1000  
 initials: MGP

AFCE/Joh

S/OC-100-1

10 September 1944

SUBJECT: Limitation of soldiers' expenditures.

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

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

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

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

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

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

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

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

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

100-1  
X-100-1-2  
MGP

FILES A B

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Kingdom retained only 21% of their pay for expenditure in civilian channels. In the North African theatre, the corresponding figure for April 1944, was 15.2%. Lieut-General Clark, CG 5th Army, has recently announced that American troops in Italy retain only 17% of their pay in Italy. To produce a net reduction in soldiers' spending, the withholding of pay would have to be so drastic as to be unacceptable to everyone concerned.

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

HILARY W. STYER  
Captain, USAR  
Acting Chief Commissioner

cc. Finance S/C  
Econ Sec.

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(3)

HEADQUARTERS  
ALLIED CONTROL COMMISSION  
ECONOMIC SECTION  
APO 394

HQ ACC APO 394  
155  
11 Sept 1944  
1944

13021/F

10 September 1944

SUBJECT: Limitation of Soldiers' Expenditures.

TO : Acting Chief Commissioner.



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

*A.P. Graboy Smith*  
Colonel

for  
A.C. ANTOLINI,  
Executive Director,  
Economic Section.

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HELF/jbh

② APPA

Office of the Acting Chief Commissioner

Limitation of Soldiers' Expenditures

A/CC 100-1

6 Sept

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Vice President,  
Economic Section.

Suggest that the comments made by the Economic Section be coordinated with the Finance Sub-Commission to see if an agreed draft can be submitted for consideration of the Acting Chief Commissioner.

For the Acting Chief Commissioner:

L. D. DENSMORE  
Colonel, Sig C  
Chief Staff Officer

1 Incl-  
Economic Section File.

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X-100-2-2024  
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Hq ACC - Sec'y Gen.  
DISPATCHED  
Date Time 6 Sept 1845  
via message  
Initials KRR.

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