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

785016

ACC

10000/105/470

AC, FUTURE OF
MAR. 1944 - JUN
(1 OF 2)

1738

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

785016

10000/105/470

AC, FUTURE OF AC & ALLIED POLICY TOWARDS ITALY
MAR. 1944 - JUNE 1946
(1 OF 2)

1739

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

785016

HEADQUARTERS ALLIED COMMISSION.
APO 394.
CIVIL AFFAIRS SECTION.

Ref: 4/32A/CA.

14th June, 1946

TO: Executive Commissioner.

SUBJECT: Problems and Tasks of Allied Commission
and those of its Successor.

With reference to 801/224/EC of 11th June 1946, attached is a copy of a note on the present and future problems confronting the Allied Commission.

It is impossible to consider the responsibilities which will confront the successors of the Commission without any indication as to what organization will replace the Commission and what will be the scope of its activities. It has, therefore, been necessary to make certain assumptions.

I presume there is no intention of maintaining the present organization and merely changing its title. If that were there would be no object in differentiating between present and future responsibilities which would change more in theory than in practice though they would decrease in course of time. Moreover, such a plan, although it might be administratively convenient, would in my opinion, not be in keeping with the spirit of the terms of the revised Armistice and would, after the power which has been wielded by the Commission, be quite contrary to well-established practice in such matters.

The attached note does not cover the Service Sub-Commissions. It is based mainly on activities with which the Civil Affairs Section has been concerned, but it is presumed that unless there remain responsibilities in connection with civil supplies for **VENEZIA GIULIA** Economic responsibilities have already, in general, passed to other agencies. **2886**

M.C.

M. GARR, Brigadier.
VP. CA. Section.

Copy sent cancelled and report forwarded 5/6/46

NOTE ON PROBLEMS AND TASKS OF THE ALLIED COMMISSION AND THOSE OF ITS SUCCESSOR.

1. PRESSENT PROBLEMS AND TASKS

These tasks fall under four main headings:-

- (A) Technical matters connected with A.M.G. in UDINE and VERIZIA GIULIA.
- (B) Acting as a medium for correspondence and representations between the Italian Government and representatives of Governments not in diplomatic relationship with the Italian Government.
- (C) Outstanding functions and residual matters (other than A.M.G.)
- (D) Information.
- (E) Personnel.

(A) A.M.G.

As regards A.M.G. in both UDINE AND VERIZIA GIULIA, the Commission reviews AMG. Court cases of a defined category and is responsible for general supervision of A.M.G. Courts.

In view of the fact that UDINE is under A.M.G. solely for military purposes, administration in this territory is left, as far as possible to the Italian authorities. Italian law has full effect and any new decrees passed automatically have effect in the Province. In many matters such as Education, Public Health, appointment of subordinate officials etc., local Italian authorities deal direct with the Italian Government Rome. The Commission's responsibilities as regards UDINE are, therefore, less than those which might normally apply. 2885

As regards VERIZIA GIULIA, Italian law does not have effect in the territory and direct correspondence between local Italian officials and the Italian Government is prohibited.

The Commission, therefore, advises on drafting of A.M.C. Orders and especially on those which keep A.M.C. legislation in line with that enacted in the remainder of Italy and acts as a medium for correspondence with the Italian Government on such matters as Education, promotion and pay of officials etc., It also advises on War booty problems.

Other matters such as Public Health, Public Safety, Local Government are dealt with almost exclusively by XIII Corps, A.M.C.

There may also be certain economic matters connected with civil supply for and industrial rehabilitation in VENETIA GIULIA.

(B) DIPLOMATIC MATTERS

The principal function of the Commission is to act as medium between the representative of the Yugoslav Government on the Advisory Council and the Italian Government in matters outside the province of the Advisory Council. These include such matters as alleged seizure of Italian fishing vessels by the Yugoslavs, arrest of Yugoslavs by the Italian authorities, and claims made by the Yugoslavs in respect of property and war booty.

(C) OUTSTANDING FUNCTIONS AND RESIDUAL MATTERS (OTHER THAN AME)

(a) Directions etc., from higher authority.

The Commission conveys to the Italian Government the directions, views or requests of the Supreme Allied Commander.

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(b) Displaced Persons.

One of the main outstanding functions is that of Displaced Persons. Certain camps have recently been taken back from UEBRA bringing the total number of Camps under the Commission to 15.

Unless there should be a rush of illegal Jewish entrants into Italy in connection with immigration into Palestine and except for a certain incidence of routine illegal entrants, the number of Displaced Persons and Refugees can be considered as static.

(c) Legal.

The Legal Sub-Commission are completing a review of all Court cases with a view to adjustment of all deterrent sentences. A careful check is also being made of all prisoners held under Allied authority in Italian prisons. The work should be completed by August 31st 1946. The Legal Sub-Commission also advises and expresses opinion on current matters and deals with such questions as trial of merchant seamen.

(d) Local Government.

Now that the main Italian elections are over, the clearing work on Local Government is mainly historical.

(e) Control of Munitions Production.

The control of production of arms and munitions is a function which, the Commission, though charged with it, has never been able to perform mainly through lack of personnel.

(f) Minor Matters.

Minor residual matters comprise certain current matters, some few matters pertaining to Sub-Commissions or Branches which have ceased to exist such as Education, Monuments and Fine Arts, Patriots etc., and enquiries from outside sources regarding individuals and property.

(D) INFORMATION.

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By reason of the fact that the Commission has Liaison Groups or Officers in many areas in Italy, a large amount of information is obtained by means of D/O letters, telegrams, 'phone messages and monthly reports on matters which have long since been the responsibility of the Italian Government.

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Such information which duplicates the above is also obtained from Italian Government sources all of which has to be translated. All appropriate information is disseminated and further is collated into a monthly report normally about two months in arrears. It is not known of what interest such a report is to Washington and London.

Items of interest are transmitted to AFHQ and to the U.K. and U.S. Embassies, thus supplementing information obtained through Military and Consular channels respectively. This information service occupies much of the working time of many officers and a considerable number of civilian employees.

(E) PERSONNEL.

This Commission has already dropped functions solely by reason of lack of personnel caused by redeployment and release. Such process will continue. As regards the future, for instance, it would not be possible to continue the present activities of the Local Government Sub-Commission which will have lost all its key personnel by early July 1946.

The number of Legal officers available is insufficient to meet present requirements and the situation may continue to deteriorate. The provision of Public Safety Officers also presents a problem.

2. PROBLEMS WHICH WILL CONCERN THE SUCCESSORS OF THE COMMISSION.

(a) It is difficult to make an appreciation of these problems in the absence of any precise information as to what organization will replace the Allied Commission.

It is, therefore, necessary to make certain assumptions. 2882

It is assumed that when the Allied Commission is abolished it will cease to exist in its present form.

It is further assumed that Allied Commission Liaison Groups and officers will be withdrawn and that collection of information on matters which are solely the responsibility of the Italian Government will cease and that AFHQ will rely on such military facilities as remain and the U.K. and U.S. Embassies on the peace-time source of Consular Offices. The press and radio will also be available.

On the above assumption it is presumed that in accordance with the revised Analyses the successors of the Allied Commission will be:-

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- (1) A Service Mission responsible for the Italian Land, Sea and Air Forces and the Control of Production of Warlike Stores.
- (2) A Liaison Group responsible for technical advice on AMG matters, UDINE and VENEZIA GIULIA, residual Allied Commission matters, and winding up as quickly as possible the affairs of the Allied Commission.

These two organizations would be independent and each come directly under AFHQ.

(b) The functions which would remain for the Liaison Group in broad outline would be as follows:-

(i) A.M.C.

Review of Court cases, co-ordination with Italian Government, supervision of A.M.C. legislation, advice on sundry civil affairs matters, medium for correspondence between Italian Government and Italian officials in AMG territory. (Note: There may be some economic functions to be included.)

(ii) DIPLOMACY

To continue to act as medium between the Italian Government and the Yugoslav representative in Italy.

(iii) DISPLACED PERSONS.

To continue to administer Displaced Persons not acceptable to UNRRA until some other organization accepts responsibility or until agreement is reached with the Italian Government that they will accept responsibility on the withdrawal of Allied Military support.

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(iv) GENERAL.

To act in a Liaison capacity between AFHQ and the Italian Government.

To deal with residual matters, to transfer matters to other agencies in accordance with policy and generally to wind up the affairs of the Allied Commission.

M. GARR, Brigadier.
VP. CA. Section.

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

HEADQUARTERS ALLIED COMMISSION,
APO 394,
CIVIL AFFAIRS SECTION.

Ref: 4/32A/CA.

14th June, 1946

TO: Executive Commissioner.

SUBJECT: Problems and Tasks of Allied Commission
and those of its Successor.

With reference to 801/224/MS of 11th June 1946, attached is a copy of a note on the present and future problems confronting the Allied Commission.

It is impossible to consider the responsibilities which will confront the successors of the Commission without any indication as to what organization will replace the Commission and what will be the scope of its activities. It has, therefore, been necessary to make certain assumptions.

I presume there is no intention of maintaining the present organization and merely changing its title. If ~~there~~ were there would be no object in differentiating between present and future responsibilities which would change more in theory than in practice though they would decrease in course of time. Moreover, such a plan, although it might be administratively convenient, would in my opinion, not be in keeping with the spirit of the terms of the revised Armistice and would, after the power which has been wielded by the Commission, be quite contrary to well-established practice in such matters.

The attached note does not cover the Service Sub-Commissions. It is based mainly on activities with which the Civil Affairs Section has been concerned, but it is presumed that unless there remain responsibilities in connection with civil supplies for VIETNAM CIVILIA. Economic responsibilities have already, in general, passed to other agencies.

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M. GARR, Brigadier.
VP. CA. Section.

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NOTE ON PROBLEMS AND TASKS OF THE ALLIED COMMISSION AND THOSE OF ITS SUCCESSOR.

1. PRESENT PROBLEMS AND TASKS

These tasks fall under four main headings:-

- (A) Technical matters connected with A.M.G. in UDINE and VENEZIA GIULIA,
- (B) Acting as a medium for correspondence and representations between the Italian Government and representatives of Governments not in diplomatic relationship with the Italian Government.
- (C) Outstanding functions and residual matters (other than A.M.G.)
- (D) Information.
- (E) Personnel.

(A) A.M.G.

As regards A.M.G. in both UDINE AND VENEZIA GIULIA, the Commission reviews AMG. Court cases of a defined category and is responsible for general supervision of A.M.G. Courts.

In view of the fact that UDINE is under A.M.G. solely for military purposes, administration in this territory is left, as far as possible to the Italian authorities. Italian law has full effect and any new decrees passed automatically have effect in the Province. In many matters such as Education, Public Health, appointment of subordinate officials etc., local Italian authorities deal direct with the Italian Government in Rome. The Commission's responsibilities as regards UDINE are, therefore, less those which might normally apply.

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The Commission, therefore, advises on drafting of A.M.G. Orders and especially on those which keep A.M.G. legislation in line with that enacted in the remainder of Italy and acts as a medium for correspondence with the Italian Government on such matters as Education, promotion and pay of officials etc., It also advises on War booty problems.

Other matters such as Public Health, Public Safety, Local Government are dealt with almost exclusively by XIII Corps., A.M.G.

There may also be certain economic matters connected with civil supply for and industrial rehabilitation in VENEZIA GIULIA.

(B) DIPLOMATIC MATTERS

The principal function of the Commission is to act as medium between the representative of the Yugoslav Government on the Advisory Council and the Italian Government in matters outside the province of the Advisory Council. These include such matters as alleged seizure of Italian Fishing vessels by the Yugoslavs, arrest of Yugoslavs by the Italian authorities, and claims made by the Yugoslavs in respect of property and war booty.

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(a) Directions etc., from higher authority.

The Commission conveys to the Italian Government the directions, views or requests of the Supreme Allied Commander.

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One of the main outstanding functions is that of Displaced Persons. Certain camps have recently been taken back from UNRRA bringing the total number of Camps under the Commission to 15.

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Unless there should be a rush of illegal Jewish entrants into Italy in connection with immigration into Palestine and except for a certain incidence of routine illegal entrants, the number of Displaced Persons and Refugees can be considered as static.

(c) Legal.

The Legal Sub-Commission are completing a review of all Court cases with a view to adjustment of all deterrent sentences. A careful check is also being made of all prisoners held under Allied authority in Italian prisons. The work should be completed by August 31st 1946. The Legal Sub-Commission also advises and expresses opinion on current matters and deals with such questions as trial of merchant seamen.

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Now that the main Italian elections are over, the closing work on Local Government is mainly historical.

(e) Control of Munitions Production.

The control of production of arms and munitions is a function which, the Commission, though charged with it, has never been able to perform mainly through lack of personnel.

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Minor residual matters comprise certain current matters, some few matters pertaining to Sub-Commissions or Branches which have ceased to exist such as Education, Monuments and Fine Arts, Patriots etc., and enquiries from outside sources regarding individuals and property.

(D) INFORMATION.

By reason of the fact that the Commission has Liaison Groups or Officers in many areas in Italy, a large amount of information is obtained by means of D/O letters, telegrams, phone messages and monthly reports on matters which have long since been the responsibility of the Italian Government.

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Such information which duplicates the above is also obtained from Italian Government sources all of which has to be translated. All appropriate information is disseminated and further is collated into a monthly report normally about two months in arrears. It is not known of what interest such a report is to Washington and London.

Items of interest are transmitted to AFHQ and to the U.K. and U.S. Embassies, thus supplementing information obtained through Military and Consular channels respectively. This information service occupies much of the working time of many officers and a considerable number of civilian employees.

(3) PERSONNEL.

This Commission has already dropped functions solely by reason of lack of personnel caused by redeployment and release. Such process will continue. As regards the future, for instance, it could not be possible to continue the present activities of the Local Government Sub-Commission which will have lost all its key personnel by early July 1946.

The number of Legal officers available is insufficient to meet present requirements and the situation may continue to deteriorate. The provision of Public Safety Officers also presents a problem.

2. PROBLEMS WHICH WILL CONFRONT THE SUCCESSORS OF THE COMMISSION.

(a) It is difficult to make an appreciation of these problems in the absence of any precise information as to what organization will replace the Allied Commission.

It is, therefore, necessary to make certain assumptions.

It is assumed that when the Allied Commission is abolished it will cease to exist in its present form.

It is further assumed that Allied Commission Liaison Groups and officers will be withdrawn and that collection of information on matters which are solely the responsibility of the Italian Government will cease and that AFHQ will rely on such military facilities as remain and the U.K. and U.S. Embassies on the peace-time source of Consular Offices. The press and radio will also be available.

On the above assumption it is presumed that in accordance with the revised Armistice the successors of the Allied Commission will be:-

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- (1) A Service Mission responsible for the Italian Land, Sea and Air Forces and the Control of Production of Warlike Stores.
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These two organisations would be independent and each come directly under AFHQ.

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Review of Court cases, co-ordination with Italian Government, supervision of A.M.G. legislation, advice on sundry civil affairs matters, medium for correspondence between Italian Government and Italian officials in AMG territory. (Note: There may be some economic functions to be included.)

(ii) DIPLOMATIC

To continue to act as medium between the Italian Government and the Yugoslav representative in Italy.

(iii) DISPLACED PERSONS.

To continue to administer Displaced Persons not acceptable to UNRRA until some other organization accepts responsibility or until agreement is reached with the Italian Government that they will accept responsibility on the withdrawal of Allied Military support.

(iv) GENERAL.

To act in a Liaison capacity between AFHQ and the Italian Government.

To deal with residual matters, to transfer matters to other agencies in accordance with policy and generally to wind up the affairs of the Allied Commission.

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M. CARR, Brigadier.
VP. CA. Section.

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

785016

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

IMMEDIATE.

Ref: 801/224/PO.

11 June 1946.

SUBJECT: Civil Affairs Briefing of Field
Marshal Viscount Montgomery.

TO : Director, Navy Sub-Com.
" Land Forces Sub-Com.
" Air Forces Sub-Com.
Vice President, CA Section.
A/Vice President, Economic Section.
Director, Displaced Persons Sub-Com.

1. I enclose copy of letter from Brig. General HAMELEN.
I should be grateful if you would before noon on 15th June send
me notes on the present problems confronting the Allied Commission
(including AMG responsibilities) and those responsibilities which
will confront the successors of the Commission.

2. Will Service Sub-Commissions comment on preponderance
of British personnel in their Sub-Commissions and will Director,
Land Forces Sub-Commission please send copy of his proposed ex-
position on the Italian Army. Will A/Vice President, Economic
Section reply to para.2 and Displaced Persons to last sentence of
para.1

M. S. Lusk

Brigadier,
Executive Commissioner. 2875

MEL/JG.

2874

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

COPY.

ALLIED FORCES HEADQUARTERS
G-5 Section
APO 512

G-5: 210.482

7 June 1946

SUBJECT: Civil Affairs Briefing of Field Marshal
Viscount Montgomery.

TO : Chief Commissioner,
Allied Commission,
APO 794.

1. During his visit to AFHQ from 19-21 June 46, Field Marshal Viscount Montgomery will be briefed by the Chiefs of the General Staff Sections AFHQ. At 1545 hrs 20 June, the undersigned is scheduled to "talk on functions of G-5 and Allied Commission." It is requested that you furnish either in outline form or in a form ready for discourse, matter which in your opinion should be made known to the Field Marshal. It is believed that it is not desirable to present a historical recitation, but to present the present problems confronting the Allied Commission (including AAG functions and responsibilities) and those residual problems which will confront the successors of the Commission. It is not unlikely that interest will be shown in the set-up and functions of the three service sub-commissions and the reasons for the preponderance of British personnel in these S/Os. It would be advisable therefore to expand somewhat in these matters. In this connection it is noted that General Browning is to speak at 1500 hours on the Italian Army. Care should be taken to prevent duplication. The problem of the maintenance and dispersal of displaced persons, and the probable future commitments of the military in respect thereof should likewise be included.
2. Any statistical information which might be of value, including some facts about UNRRA food imports would be appreciated in case inquiries are made.

(Sgt) A. L. HARRIS,
Brigadier General, G.S.O.,
Assistant Chief of Staff, G-5.

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Legal
AG
Dofa
P.H.
P.S.
Ed.
M.P.A.

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

785016

4/32 A/CAG ⁷⁷⁶ *CAF* (57)
WF-217

191159B

APR 20 0930
PRIORITY

AFHQ SIGNED SACMED CITE PHOEG
ALCOM ROBE REAR 13 CORPS MAIN 13 CORPS INFO 88 DIV RAAC FOR BOWMAN X
SCAO 13 CORPS K

RESTRICTED

20 APR 1946

-SEE 52

RESTRICTED

Para 1. Subject is Military Government/Civil Affairs conference to be held by G-5 AFHQ in Udine. Time and place : 0930 hours Wednesday 24 April on board special train in Udine. Subjects discussed will be organizational and administrative changes required to effect maximum saving AMG personnel and TF permit proper backing for AMG territory when AMG reports directly TOAO AFHQ. No economic, supply or other policy matters will be considered except insofar as they affect the machinery for supporting AMG.

Para 2. If 88 Div agrees proposed attachment U S AMG. No necessity for attendance ~~ESP~~ 88 Div. ~~EX~~ However decision rests with Div. ~~EX~~

Para 3. Presume you will assure attendance Udine rep.

AC DIST

ACTION: EX COMMISSIONER

INFO: CHIEF COMMISSIONER

ECON SEC

CA SEC

POLAD A

POLAD B

FILE 2

FLOAT

HEADQUARTERS
20 APR 1946
A. C.

ALLIED COMMISSIONERS
1573-2873
HEAD 2 OFFICERS

RESTRICTED

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

Ref. 4/32 A/CA.

20 April 1946

To : Executive Commissioner.

1. With reference to the letters received from AFHQ G-5 on the subject of the reorganization of the Allied Commission, which have been passed to me for comment I have the following observations on matters of detail and not of general policy.

2. I have no comment to make on the draft covering AFHQ G-5 letter G-5 237.4/1 of the 17th April, 1946.

As regards Advisors shown in Appendices A and B it is difficult to comment because their duties are not given.

There are ten advisors shown on the proposed establishment of the Executive Commissioner's Section. During the discussions which took place on this matter, I think it was agreed so far as Civil Affairs Section was concerned that the Executive Commissioner's Section would require a Legal Branch of two officers and a Local Government Branch of three officers. If these five officers are included under the heading of "Advisors" I have no comment.

As regards Legal, Appendix C shows seven legal officers for the G-5 AFHQ Section in Rome. It is presumed that this number includes the Board of three officers which is reviewing past A.I.C. cases. I do not know from what source a total of nine legal officers are going to be found.

As regards Appendix C and the heading "Policy and Control" I do not know what is covered by this title. Presumably, two of the nine officers were allocated to communications, this would leave seven officers for Public Safety Duties. The Public Safety work of this Headquarters which will all pass to AFHQ is at present being carried out by three officers which is a bare minimum. With the abolition of Liaison Groups work will decrease. I presume that Ex Officer (B) as normally happens will deal direct with Displaced Persons S/C on their WE.

As regards territorial Liaison, a total of three officers is allowed; this would provide say two officers for Bologna, and one for Tenda. To leave one officer isolated at Tenda seems to me quite inappropriate and I consider that if possible, in agreement with the French authorities, Liaison Officers should be withdrawn from that area.

No provision is made for a Liaison Officer each with 3 Divisions 2 Naples and III. Livorno if they are required.

Unless the policy of employing civilian personnel to the maximum possible extent has been dropped, the number of MI/GR's proposed seems to follow no standard or be in keeping with availability of military personnel as is reported to exist in regard to this Headquarters at the moment. The following are instances:

1. With reference to the letters received from AFHQ G-5 on the subject of the reorganization of the Allied Commission, which have been passed to me for comment I have the following observations on matters of detail and not of general policy.

2. I have no comment to make on the draft covering AFHQ G-5 Letter G-5 387.4/1 of the 13th April, 1946.

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As regards territorial Liaison, a total of three officers is allowed; this would provide say two officers for Bolzano, and one for Trieste. To leave one officer isolated at Trieste seems to me quite inappropriate and I consider that if possible, in agreement with the French authorities, Liaison Officers should be withdrawn from that area.

No provision is made for a Liaison Officer each with ~~3~~ ² Naples and Bari. Livorno ~~is~~ ^{is} they are required.

Unless the policy of employing civilian personnel to the maximum possible extent has been dropped, the number of IM/ER's proposed seems to follow no standard or be in keeping with availability of military personnel as is reported to exist in regard to this Headquarters at the moment. The following are instances:

Under Appendices "A" and "B", the executive and administrative staff composed of six officers has nineteen IM/ER's, presumably all clerks, assigned to it.

Under Appendix "A" two territorial Liaison officers (A) are assigned two EM, Under Appendix "B", one territorial liaison officer (B) is allotted three CR's presumably one driver, one clerk and one batman.

Under Appendix "C" Policy and Control Branch of nine officers has ten EM/CR's. Presuming eight of these EM/CR's are with a Public Safety Branch, it is pointed out that existing Public Safety duties have, for a long time past, been carried out with a much smaller EM/CR staff.

If the present scale of civilian personnel is to be permitted in addition it is difficult to see where reduction will be effected.

I feel that these TO/WE require considerable revision.

Having regard to the fact that responsibility for the Italian Army and the Italian Air Force has now been handed back to the Italian Government, although not a matter for me, the staff allotted to the Service Sub-Commissions concerned appears to call for some comment.

Sixty officers and one hundred and eighty nine EM/CR's with the Land Forces Sub-Commission and twenty nine officers and fifty six EM/CR's with the Air Forces Sub-Commission are shown as being in Rome. Possibly they are not all in Rome, but the figures seem very high.

I note that no American officers are shown in the Navy Sub-Commission although I understand there are U.S. personnel there at the moment.

3. I have the following comments to make on Draft AFHQ G-5 Letter G-5: 387.4/1 of 9th April 1946.

As regards the opening sentence of paragraph 6, the Local Government Sub-Commission is not advising the Italian Government on Local Government matters, I suggest: "to advise the Italian Government" should be amended to read: "keep itself informed".

As regards paragraph 7, AFHQ will, in fact, not be in a position to assume all functions which were performed by such Sub-Commissions as Legal, Education and Fine Arts. They will not have the necessary experience or records. This is confirmed in paragraph 8 which states that in all matters pertaining to residual functions of the Allied Commission, contact with the Italian Government will be made by the Commission. Paragraph 7 however states that AFHQ are to be responsible for all residual functions of AC. I consider the whole of paragraphs 6, 7 and 8 require re-casting, they are most confusing.

MC
H. CAER, Brig.
VP GA Section
2871

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

785016

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RESTRICTED

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

G-5: 900.02

13 April 1946

SUBJECT: Reorganization of the Allied Commission

TO : Chief Commissioner, Allied Commission,
APO 594.

1. Herewith a draft letter which has as its purpose the carrying out of the instructions contained in Combined Chiefs of Staff Signal Pam 590 of 19 March 1946, which was repeated to HQ XIII Corps, CG RAC and CG 1675th Regiment under cover of this Headquarters letter 900.02 of 21 March 1946. Your concurrence and/or remarks are requested.

2. Also enclosed is a letter (G-5: 387.4-1 of 13 April). Except for the Chief Commissioner and the information addressees listed thereon, that letter is for information only.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

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

Information Addressees

- GOC XIII Corps (3 copies)
- SCAO Venezia Giulia (3 copies)
- CG RAC (US)
- CG 1675th Div
- CG 1675th Regt

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ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

G-5: 287.4-1

13 April 1946

SUBJECT: Personnel Requirements for Civil Affairs agencies

TO : Chief Commissioner, Allied Commission, APO 294

1. Attention is invited to draft letter, subject Reorganization of Allied Commission, file G-5: 287.4-1 dated 9 April 1946 which should be read in conjunction with this letter.

2. There are attached hereto, at Appendixes A, B, and C, various planning documents which set forth the proposed personnel strengths of agencies engaged in Civil Affairs functions as of 1 June 1946. While the breakdowns showing assignments are not binding they do indicate the basis on which total figures were arrived at. Due to directives from higher authorities there is little likelihood that total figures can or will be increased. On the contrary it is expected that they will be decreased as rapidly as circumstances permit.

3. On the American side, it is contemplated that the 2675th Regiment be abolished and that two separate and distinct detachments be organized. One detachment, with Headquarters in Rome would include U.S. personnel in the Headquarters Allied Commission, and would supply the U.S. furnished administration required therefor. It would be assigned to BAC (U.S.) for administrative duties. The other detachment with Headquarters in Trieste would include all U.S. personnel engaged on AMC (as differentiated from Allied Commission) duties, and would supply the U.S. furnished administration required therefor. It would be assigned to 88th Division for administration.

4. The U.S. personnel in the G-5 Administrative Echelon would be assigned directly to the U.S. element of BAC for administration.

5. The British personnel in the G-5 Administrative Echelon would be attached for administration and discipline to Headquarters, Allied Commission (British Element).

6. Your views and those of information addressees are requested.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

A. L. HARBLEN
Brigadier General, U.S.C.

SUBJECT: Personnel Requirements for Civil Affairs Agencies

TO : Chief Commissioner, Allied Commission, APC 394

1. Attention is invited to draft letter, subject Reorganization of Allied Commission, File G-5: 287.4-1 dated 9 April 1946 which should be read in conjunction with this letter.

2. There are attached hereto, at Appendixes A, B, and C, course planning documents which set forth the proposed personnel strengths of agencies engaged in Civil Affairs functions as of 1 June 1946. While the breakdowns showing assignments are not binding they do indicate the basis on which total figures were arrived at. Due to directives from higher authorities there is little likelihood that total figures can be increased. On the contrary it is expected that they will be decreased as rapidly as circumstances permit.

3. On the American side, it is contemplated that the 267th Regiment be abolished and that two separate and distinct detachments be organized. One detachment, with Headquarters in Rome would include U.S. personnel in the Headquarters Allied Commission, and would supply the U.S. furnished administration required therefor. It would be assigned to RAC (U.S.) for administrative purposes. The other detachment with Headquarters in Trieste would include all U.S. personnel engaged on SAC (as differentiated from Allied Commission) duties, and would supply the U.S. furnished administration required therefor. It would be assigned to 48th Division for administrative purposes.

4. The U.S. personnel in the G-5 Administrative Echelon would be assigned directly to the U.S. element of RAC for administrative purposes.

5. The British personnel in the G-5 Administrative Echelon would be attached for administrative and discipline to Headquarters, Allied Commission (British Element).

6. Your views and those of information addressees are requested.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

A. L. HARBLEN

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

Information addressees:

C.O. 4875th Regiment

RAC (U.S.)

SCAG - Venezia Guide who will consult with
GOC XIII Corps and C.G. 48th Division
and include their views in his reply.

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APPENDIX 1

U.S. ARMY PERSONNEL

<u>HC Allied Commission.</u>	<u>OFFICERS</u>	<u>ENLISTED MEN</u>	<u>TOTALS</u>
Chief Commissioner Staff	1	3	4
Executive Commissioner			
Executive and Administrative Staff	2	5	7
Local Liaison	2	1	3
Archives	2	3	5
Territorial Liaison	2	2	4
Advisors	6	6	12
Establishment (including 26% overhead)	8	35	43
Miscellaneous	2	6	9
Sub Total	25	60	85
<u>Services Sub-Commissions.</u>			
Land Forces S/C (including IFSC)	7	8	15
Air Forces S/C	7	20	27
Sub Total	14	28	42
TOTAL UNDER AQ	39	68	127
<u>G-2 Administrative Echelon.</u>	16	27	43
TOTAL IN ROAF	55	115	170
AME (including 26% overhead)	71	35	106
ADMPERATE	126	150	276

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APPENDIX B

BRITISH PERSONNEL

	<u>OFFICERS</u>	<u>SRs</u>	<u>TOTAL</u>
<u>EC Allied Commission.</u>			
Executive Commissioner	1		1
Executive Commissioner Staff	4	14	18
Local Liaison	1	1	2
Territorial Liaison	1	3	4
Archives	4	5	9
Advisors	4	5	9
Establishments and Administrative *	13	116	129
TOTAL EC/AC (less DP Branch and Service S/Cs)	28	144	172
<u>Displaced Persons Branch.</u>	25	39	64
<u>Service Sub-Commissions</u>			
Navy S/C	5	4	9
Air Forces S/C	22	36	58
Land Forces S/C	53	187	234
TOTAL UNDER AC (including RM and R.A.F.)	133	404	537
TOTAL BRITISH PERSONNEL UNDER AC	106	364	470
<u>G-5 Administrative Echelon (including CEM)</u>	25	27	52
TOTAL IN ROSE (Army only)	131	391	522
<u>AMG (including Venezia Giulia and Udine)</u>	125	161	266
TOTAL AC/AMG/G-5 Administrative Echelon	236	552	788

* Establishments and Administrative Branch to be reduced as soon as closing down of present AICOM organization is complete.

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FORMER - C

PROPOSED ORGANIZATION OF 4-5 AFHQ ADMINISTRATIVE ECHELON

	Officers		Total Officers	EM/OR
	B	A		
Officer in Charge	?	?	1	1
Administrative	1	1	2	4
Legal	3	4	7	5
Finance		1	1	2
Policy and Control (Public Safety & Communications)	8	1	9	10
Economics & Supply (Food, Agriculture, Industry, & Commerce, Indents, utilities & Public Works, Transportation)	5	5	10	18
GEM	8	4	12	14
Interpreters (Civilians)		(6)		
TOTAL (less Interpreters)	25	16	42	54

- NOTE - A. As circumstances permit British holders of appointments in excess of Anglo/US parity will be replaced by U.S. Officers.
- B. 50% EM/OR British, 50% U.S.

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D R A E T

ALLIED FORCE HEADQUARTERS
C-5 Section
APO 512

G-5: 387.4-1

9 April 1946

SUBJECT: Reorganization of the Allied Commission.

TO : The Chief Commissioner, Allied Commission,
APO 394.

1. In FAN 650 the Combined Chiefs of Staff have directed a more radical reduction of the functions of the Allied Commission and have set forth certain general principles and certain details to be followed out in implementing this reduction. In carrying out the directives of the Combined Chiefs of Staff the reorganization of the Allied Commission and other agencies engaged in civil affairs matters will be effected as of 1 June 1946.

2. The Allied Commission will remain under SACMED as President, and the Deputy President as Chief Commissioner, until either the Armistice regime is terminated or the additional Terms of Armistice are abrogated.

3. All rights under the Armistice and additional Terms of the Armistice of 29 September 1943 are still held in reserve as set forth in paragraph 1 of FAN 487. The power of enforcement will in all cases remain with SACMED as President of the Allied Commission. The last two sentences of paragraph 2(a) of FAN 487 continue to apply.

4. French and Soviet Representatives should retain their existing status.

5. The Allied Commission will be reorganized under the Chief Commissioner to consist of an Executive Branch and the three Service Sub-Commissions (Land, Naval and Air). No other Sub-Commission organization will be set up. Except for the Service Sub-Commissions all residual functions of the Commission will be covered in the Executive Branch.

6. The Commission is authorized to advise the Italian Government on Local Government matters until the Italian Government elections which are now

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Handwritten note: had it after [unclear]

TO : The Chief Commissioner, Allied Commission,
APO 394.

1. In FAN 650 the Combined Chiefs of Staff have directed a more radical reduction of the functions of the Allied Commission and have set forth certain general principles and certain details to be followed out in implementing this reduction. In carrying out the directives of the Combined Chiefs of Staff the reorganization of the Allied Commission and other agencies engaged in civil affairs matters will be effected as of 1 June 1946.
2. The Allied Commission will remain under SACMED as President, and the Deputy President as Chief Commissioner, until either the Armistice regime is terminated or the additional Terms of Armistice are abrogated.
3. All rights under the Armistice and additional Terms of the Armistice of 29 September 1943 are still held in reserve as set forth in paragraph 1 of FAN 487. The power of enforcement will in all cases remain with SACMED as President of the Allied Commission. The last two sentences of paragraph 2(a) of FAN 487 continue to apply.
4. French and Soviet Representatives should retain their existing status.
5. The Allied Commission will be reorganized under the Chief Commissioner to consist of an Executive Branch and the three Service Sub-Commissions (Land, Naval and Air). No other Sub-Commission organization will be set up. Except for the Service Sub-Commissions all residual functions of the Commission will be covered in the Executive Branch. *Sub-Commission* ; 2865
6. The Commission is authorized to advise the Italian Government on Local Government matters until the Italian Government elections which are now scheduled for 2 June 1946. Liaison Groups of a minimum size will be maintained in the disputed area of Bolzano and on the Franco-Italian frontier. The Commission is authorized to give high level advice on economic and other problems, listed in paragraph 7 a, b and c below, and will continue temporarily

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to perform remaining export functions as directed by the C.C.S. No executive functions in economic matters will be carried out. The Commission will continue to perform the functions of the former Displaced Persons and Repatriation Sub-Commission. Urgent steps will be taken to terminate the military phase of handling displaced persons and to complete the transfer of responsibility for their care to UNRRA, after which the residual functions of the Displaced Persons and Repatriation Sub-Commission will pass to AFHQ. The Commission will relinquish all command functions over military government territory, including not only policy direction but technical advice and control as well.

7. On the effective date of these instructions, G-5 AFHQ will in addition to its present responsibilities become responsible for all residual functions of the Allied Commission except:-

- a. Those pertaining to the enforcement of the Armistice Terms.
- b. Those of advising the Italian Government as listed in paragraph 6 supra.
- c. Such other functions as SACMED may from time to time direct.

The functions for which responsibility will thus pass to AFHQ will include those now being performed, or in the past have been performed, by the Captured Enemy Materials, Food, Labour, Education, Legal, Agriculture, Industry, Utilities and Fuel, Foreign Trade, Commerce, Communications, Public Safety, Public Health, Public Relations, Transportation, Shipping, Fine Arts, and Finance Sub-Commissions and/or branches. In respect of AMG Territories, G-5 AFHQ will be responsible for all Civil Affairs functions including import programming on military account.

8. To perform the functions set forth in paragraph 7 supra, there will be set up in Rome a G-5 AFHQ Administrative Echelon. It will deal with the Italian Government on the ministerial and lower levels in matters not involving

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and in all matters pertaining to implement-

urgent steps will be taken to terminate the military phase of handling displaced persons and to complete the transfer of responsibility for their care to UNRRA, after which the residual functions of the Displaced Persons and Repatriation Sub-Commission will pass to AFHQ. The Commission will relinquish all command functions over military government territory, including not only policy direction but technical advice and control as well.

7. On the effective date of these instructions, G-5 AFHQ will in addition to its present responsibilities become responsible for all residual functions of the Allied Commission except:-

- a. Those pertaining to the enforcement of the Armistice Terms.
- b. Those of advising the Italian Government as listed in paragraph 6 supra.
- c. Such other functions as SACMED may from time to time direct.

The functions for which responsibility will thus pass to AFHQ will include those now being performed, or in the past have been performed, by the Captured Enemy Materials, Food, Labour, Education, Legal, Agriculture, Industry, Utilities and Fuel, Foreign Trade, Commerce, Communications, Public Safety, Public Health, Public Relations, Transportation, Shipping, Fine Arts, and Finance Sub-Commissions and/or branches. In respect of AMG Territories, G-5 AFHQ will be responsible for all Civil Affairs functions including import programming on military account.

8. To perform the functions set forth in paragraph 7 supra, there ~~will be~~ ²⁸⁶⁴ set up in Rome a G-5 AFHQ Administrative Echelon. It will deal with the Italian Government on the ministerial and lower levels in matters not involving major policies. In major policies and in all matters pertaining to implementation of the Armistice Terms and pertaining to the residual functions of the Allied Commission, contact with the Italian Government will be made by the Commission. In connection with the review and action on trials by Military

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Government Courts, while the functions of the former Legal Sub-Commission are transferred to the G-5 AFHC Administrative Echelon, final action of review of trials will remain personally with the Deputy President as Chief Civil Affairs Officer. The relationship between the G-5 Section AFHC located at the Headquarters of SACMED and the Allied Commission remains as heretofore.

A. L. HAMLEN
Brigadier General, GSC
Assistant Chief of Staff, G-5.

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officer. The relationship between the G-5 Section AHC located at the Headquarters of SACMED and the Allied Commission remains as heretofore.

A. J. HAMMILL
Brigadier General, GSC
Assistant Chief of Staff, G-5.

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785016

ALLIED [REDACTED] COMMISSION
INTER-OFFICE MEMORANDUM

SUBJECT:

FILE NO.

TO Executive Commissioner.

15th April. 1946.

With reference to your 601/EC of the 13th April 1946, attached are two copies of a memorandum showing the main functions that Civil Affairs Section still perform in respect of AMG Udine and Venezia Giulia.

As regards proposals for the future, this Section is not competent to deal with this aspect. So far as I know directions have already been received that these functions will be performed by an AFHQ G-5 Section in Rome. When this matter was last considered it was agreed that no branches would be necessary to deal with Public Health, Monuments Fine Arts and Archives or Education.

M. CARR, Brigadier.
VP. CA Section. 2862

54A

IS - ORGANIZATION OF ASD.

VENEZIA & VENEZIA GIULIA

FUNCTIONS PERFORMED BY ASD.

1. The office of the Vice President of Civil Affairs Section in addition to co-ordinating matters dealt with by Sub-Commissions, occasionally deals with a general matter such as, recently the policy to be adopted as regards GIL's in Udine Province.

2. The main functions performed by Sub-Commissions are as follows:

(a) Personnel.

All Sub-Commissions give advice on personnel matters as required.

(b) Legal Sub-Commission.

Exercises general supervision of ASD Court cases. Reviews all sentences of two years or over. Advises on the terms of, and drafting of orders etc., such as those proposed for dealing with Jewish property, embezzling moneys, trial of Fascist crimes committed prior to September 1943, amnesty etc. Gives legal opinions on matters as required.

GS DEVE

(c) Local Government Sub-Commissions.

Advises on questions affecting electoral law, electoral rolls and elections. This matter has, to all intents and purposes, been completed so far as Udine Province is concerned. As regards Venezia Giulia, ASD orders are being drawn up based on the Italian electoral law. This is a somewhat complicated problem and is still in hand.

Acts as a channel of correspondence between ASD Venezia Giulia and certain Italian Ministries, e.g., with the Ministry of the Interior on the subject of Evacuation of personnel in Venezia Giulia. Deals with the appointment of Italian Officials in Udine Province, e.g., Prefect and two Vice Prefects requiring replacement at the moment.

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? GB
Signed document that
discusses...
Latterly...
L.G. Branch...
Section

(d) Public Safety Sub-Commissions.

Deals generally with Public Safety matters in Venezia Giulia and Udine. This work is mainly confined to obtaining and circulating information. In Venezia Giulia, Udine, being mainly operational, Police matters are in general, handled by 13th Corps.

Public Safety
of 5...
13th Corps

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(e) Public Health Sub-Commission.

There is no ASB Public Health representative in Udine Province, and medical services are, in general, run by the Italian Government. In Venezia Giulia Public Health matters are mainly dealt with by 13 Corps, and few questions are raised in this headquarters.

*Disaffians
from PC*

(f) Movements, Fine Arts & Archives Sub-Commission.

This Sub-Commission has ceased to exist, and so far as is known all matters connected with Udine and Venezia Giulia have been completed.

*No longer
exists*

(g) Education Sub-Commission.

Advises on education matters generally. Deals with provision of Italian personnel for schools. Arranges for supply of school books. Acts as channel of correspondence between Italian Ministries and ASB Venezia Giulia on such matters as provision of school teachers, pensions, pay etc.

*Disaffians
from PC*

(h) Displaced Persons and Repatriation Sub-Commission.

Controls camps which are still in operation. Deals with the few refugees or repatriation problems which still arise.

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HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

CONFIDENTIAL

Ref: 601/EC.

13 April 1946.

SUBJECT: Reorganization of AMG UDINE and VENEZIA GIULIA.

TO : VP, Civil Affairs Section.
VP, Economic Section.
Executive Officer (A)
Executive Officer (B)

- 52

Reference AFHQ signal No. EX 64632 dated 12 April 46, copy attached.

1. The Acting Chief Commissioner directs me to say that he wishes you to submit a memorandum showing what services Alcom now give to AME and your proposals for the future.
2. This matter will be discussed at the Executive Commissioner's meeting on Tuesday next, 16 April 46, and your memoranda should be submitted to this office before that meeting.

F. B. Hunt Smith
May R. G.
Chief Staff Officer,
To the Executive Commissioner.

Incl.

Handwritten notes:
16/4/46
15/4/46
14/4/46
13/4/46
12/4/46
11/4/46
10/4/46
9/4/46
8/4/46
7/4/46
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3/4/46
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1/4/46



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

4/32 A/CA

HEADQUARTERS
12 APR 1946

CAC
MS
(52)

FX 64632
APR 121258 B

11/1932
APR 121500
PRIORITY

AFHQ ~~INFO~~ SIGNED SACRED CITY PHOTO
XIII CORPS MAIN XIII CORPS HEAD 88TH DIV ALCOM ROME

13 APR 1946

CONFIDENTIAL

CONFIDENTIAL.

Representatives from G-5 AFHQ and alcom will hold conference on board train at UDINE on 24 April to discuss problems connected with reorganization of AMG UDINE and VENEZIA GIULIA.

Proposal is that all AMG activities shall come under 13 corps by reporting direct to AFHQ. Will discuss no services now performed by alcom for AMG will be furnished after reorganization. Appears desirable to attach AMG detachment (US) consisting of all US AMG personnel in UDINE and VENEZIA GIULIA to 88 Div for administration. All 88 Div ~~for~~ please send representative. Desirable that secos UDINE and SCAG 13 Corps be present. Each secos should bring advisor familiar with military supply programming. Advisors to be held to essential minimum. Details later date

AC DIST

ACTION EX COM
INFO CHIEF COMMISSION 2858
ECON SEC
C A S
POLAD (A)
" (B)
FILE 2
FLOST

CONFIDENTIAL

V.P. 20 info ypk

ALLIED COMMUNICATIONS
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4/32 D/CA ✓
NR ph
(S)

FROM: HQ ALCON SIGNED STONE

27 FEBRUARY 1946-1540

TO : AFHQ GEORGE DASH FIVE

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UNCLASSIFIED

REFERENCE COM THREE FIVE THREE CMA MAT NINE SIX FIVE CMA AND FAN FIVE EIGHT THREE PD

PARA ONE PD AS A CONSEQUENCE OF THE RETURN TO ITALIAN GOVERNMENT CONTROL OF ALL ITALY EXCEPT VENEZIA, GIULIA AND UDINE CMA AND OF THE ASSUMPTION BY UNRRA OF THE RESPONSIBILITY FOR THE BASIC SUPPLY PROGRAM IN ITALIAN GOVERNMENT TERRITORY CMA I PROPOSE TO MAKE THE FOLLOWING INTERIM CHANGES IN ALCON EFFECTIVE ONE MARCH CMA WHILE WAITING REPLY TO YOUR MAT NINE SIX FIVE PD

PARA TWO PD RETAIN PAREN ABLE PAREN THE ECONOMIC SECTION CMA APPOINTING COLONEL CHARLES WILLIAM WILTON ACTING VICE PRESIDENT PAREN VICE HARLAN CLEVELAND TRANSFERRED TO UNRRA PAREN AND LT COLONEL BAKER EASY LOVE TIMMONS DEPUTY VICE PRESIDENT AND CHIEF FINANCIAL ADVISER PAREN VICE COLONEL DENSMORE TRANSFERRED TO US PAREN SEMICIN PAREN BAKER PAREN CAPTURED ENEMY MATERIALS BRANCH SEMICIN PAREN CHARLIE PAREN REQUISITION BRANCH PAREN TO ADMINISTER THE SUPPLY OPERATIONS FOR VENEZIA GIULIA AND UDINE PAREN PD

PARA THREE PD CONVERT THE FOLLOWING SUB DASH COMMISSIONS INTO BRANCHES OF THE ECONOMIC SECTION SEMICIN FOOD AND AGRICULTURE CMA INDUSTRY AND UTILITIES CMA TRANSPORTATION AND SHIPPING CMA COMMERCE CMA FINANCE PD

PARA FOUR PD ABOLISH THE LABOUR SUB DASH COMMISSION PD

PARA FIVE PD THE PERSONNEL OF THE ECONOMIC SECTION WILL INCLUDE FIFTEEN EACH BRITISH AND AMERICAN OFFICERS AND TWELVE EACH BRITISH AND AMERICAN BOSS ROGER SLANT EASY MIKE PD THESE FIGURES ARE WITHIN THE WILLIAM EASY AND TENTATIVE TARE ONE PD UNDER COM THREE FIVE THREE NO FEA PERSONNEL AVAILABLE AFTER MARCH ONE PD

PARA SIX PD BRIEFLY THE FUNCTIONS ARE CEM PAREN ABLE PAREN TO KEEP ME INFORMED OF THE ECONOMIC SITUATION SEMICIN PAREN BAKER PAREN MAINTAIN CONTACT ON ECONOMIC MATTERS WITH THE ITALIAN GOVERNMENT SEMICIN PAREN CHARLIE PAREN HANDLE SUPPLY ARRANGEMENTS FOR AND TERRITORY SEMICIN PAREN DOG PAREN HANDLE MISCELLANEOUS CORRESPONDENCE SEMICIN PAREN EASY PAREN CLEAR RCL COMMODITIES SEMICIN PAREN FOX PAREN COOPERATE IN ELECTRIC POWER REHABILITATION AND DISTRIBUTION SEMICIN PAREN GEORGE PAREN ORGANIZE AND CLOSE OUT FILES AND RECORDS SEMICIN PAREN HOW PAREN DISCHARGE REMAINING RESPONSIBILITIES UNDER FAN FIVE EIGHT THREE PD

PARA SEVEN PD A MORE COMPLETE OUTLINE WITH ORGANIZATIONAL CHART FOLLOWS BY LETTER PD

2857

PRIORITY
SUPPLY GROUP, ECONOMIC SECTION

546 CHARLES W. WILSON

G. J. LEONE
ASST. ADJUTANT
CHQ, USA

DISTRIBUTION:-
Chief Commissioner 1
Executive Commissioner 1

FAN 2
FAN 2

REFERENCE COM THREE FIVE THREE OMA MAT NINE SIX FIVE CIA AND PAN FIVE EIGHT THREE PD
PARA ONE PD AS A CONSEQUENCE OF THE RETURN TO ITALIAN GOVERNMENT CONTROL OF ALL ITALY EXCEPT VENEZIA, GIULIA AND UDINE CIA AND OF THE ASSUMPTION BY URSAA OF THE RESPONSIBILITY FOR THE BASIC SUPPLY PROGRAM IN ITALIAN GOVERNMENT TERRITORY CIA I PROPOSE TO MAKE THE FOLLOWING INTERIM CHANGES IN ALCON EFFECTIVE ONE MARCH CIA WHILE AWAITING REPLY TO YOUR MAT NINE SIX FIVE PD

PARA TWO PD REMAIN PAREN ABLE PAREN THE ECONOMIC SECTION CIA. APPOINTING COLONEL CHARLES WILLIAM WALTON ACTING VICE PRESIDENT PAREN VICE HARLAN CLEVELAND TRANSFERRED TO URRRA PAREN AND LT COLONEL BAKER EASY LOVE TIMONS DEPUTY VICE PRESIDENT AND CHIEF FINANCIAL ADVISER PAREN VICE COLONEL DENSMORE TRANSFERRED TO US PAREN SEMICLN PAREN BAKER PAREN CAPTURED ENEMY MATERIALS BRANCH SEMICLN PAREN CHARLIE PAREN REQUISITION BRANCH PAREN TO ADMINISTER THE SUPPLY OPERATIONS FOR VENEZIA GIULIA AND UDINE PAREN PD
PARA THREE PD CONVERT THE FOLLOWING SUB DASH COMMISSIONS INTO BRANCHES OF THE ECONOMIC SECTION SEMICLN FOOD AND AGRICULTURE CIA INDUSTRY AND UTILITIES CIA TRANSPORTATION AND SHIPPING CIA COMMERCE CIA FINANCE PD
PARA FOUR PD ABOLISH THE LAOUR SUB DASH COMMISSION PD
PARA FIVE PD THE PERSONNEL OF THE ECONOMIC SECTION WILL INCLUDE FIFTEEN EACH BRITISH AND AMERICAN OFFICERS AND TWELVE EACH BRITISH AND AMERICAN

ODOS ROGER SLANT EASY MIKE PD THESE FIGURES ARE WITHIN THE WILLIAM EASY AND TENTATIVE TARE OBOE PD UNDER COM THREE FIVE THREE NO FEEL PERSONNEL AVAILABLE AFTER MARCH ONE PD
PARA SIX PD BRIEFLY THE FUNCTIONS ARE CIA PAREN ABLE PAREN TO KEEP ME INFORMED OF THE ECONOMIC SITUATION SEMICLN PAREN BAKER PAREN MAINTAIN CONTACT ON ECONOMIC MATTERS WITH THE ITALIAN GOVERNMENT SEMICLN PAREN CHARLIE PAREN HANDLE SUPPLY ARRANGEMENTS FOR AID TERRITORY SEMICLN PAREN DOG PAREN HANDLE MISCELLANEOUS CORRESPONDENCE SEMICLN PAREN EASY PAREN CLEAR ROL COMMODITIES SEMICLN PAREN FOX PAREN COOPERATE IN ELECTRIC POWER REHABILITATION AND DISTRIBUTION SEMICLN PAREN GEORGE PAREN ORGANIZE AND CLOSE OUT FILES AND RECORDS SEMICLN PAREN HOW PAREN DISCHARGE REMAINING RESPONSIBILITIES UNDER PAN FIVE EIGHT THREE PD
PARA SEVEN PD MORE COMPLETE OUTLINE WITH ORGANIZATIONAL CHART FOLLOWS BY LETTER PD

2857

PRIORITY

SUPPLY GROUP, ECONOMIC SECTION

546 CHARLES W. WALTON

G.J. LEONE
ASST. ADJUTANT
CWO, USA

DISTRIBUTION:-

- Chief Commissioner 1
- Executive Commissioner 1
- Liaison Division 1
- Archives 1
- Message Center 1
- Civil Affairs Section 10
- Navy S/C 3
- Land Forces S/C 5
- Air Force S/C 3
- Communications S/C 1
- G-1 (A) 3
- G-1 (B) 3

- PRO 2
- British Embassy 2
- American Embassy 2
- Food & Agriculture S/C 6
- Industry & Utilities 8
- Finance 15
- Trans. & Shipping S/C 5
- Labour S/C 3
- Commerce (FT) 3
- C.I. Branch 3
- Requisition Branch 5



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

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FX 56125
DEC 111907A

mc

TOP SECRET

CASE
G/5411
DEC 121530A
PRIORITY
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5 FEB 1946

AFHQ SIGNED SACRED CITE PH850

ACTION: ACWAR WASHINGTON FOR COMBINED CHIEFS OF STAFF AND FOR COMBINED CIVIL AFFAIRS COMM. CABINET OFFICES BRIT. CHIEFS OF STAFF. INFO ALCOM

TOP SECRET.

For Combined Chiefs of Staff and British Chiefs of Staff this is NAP 1099
For Combined Civil Affairs Committee this is MAT 963.

(1) I have conferred with the United States and British Ambassadors, UNRRA, and the Deputy President Allied Commission in TAM 719. Reply will be dispatched tomorrow 12 December. The basic principles of that signal are agreed but the advisability of the transfer of the sub-commissions listed in Para 2 (C) to all this questioned. The basic conception of my agreement the signal was that there would remain in Rome an AMG Headquarters for daily contact with the Italian Government.

(2) It is my understanding that nothing in paragraph 2 of FAN 634 prohibits the existence in Rome of an AMG Headquarters to maintain daily contact with the Italian Government in connection with AMG matters pertaining to ~~the~~ the two provinces under Military Government. In view of our comprehensive use of Italian Government machinery as the instrument for imposing military government, no other satisfactory solution is now apparent.

AG Dist

Info Action :- Exec Commissioner (2)

Info :- Chief Commissioner
Polad (A)
Polad (B)
O.A. Section
Econ Section (2)
File
Skoleton

5 FEB 1946
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TOP SECRET

ALLIED COMMISSION
HEADQUARTERS
576

SECRET

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

Ref: 600/EC.

19 December 1945.

SUBJECT: Reorganization of Allied Commission.

TO : 1/VP., Economic Section
VP., CA Section
VP., Est Section
Director, Navy S/C.
Director, Land Forces S/C (MFLA)
Director, Air Forces S/C
Director, Communications S/C
Chief Legal Adviser
Chief Financial Adviser

The attached copy of MAT 965 - EX 56242 dated 12 December 1945 is forwarded for your information.

F. H. M. ...
Brigadier,
Executive Commissioner.

Presented to all S/Sec. C/Sec.

2855

T	Init	Date
VP CA Sec		
Public Safety		
Public Health		
Legal		
Local Govt		
Patriots		

X X X X



1777

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Ref: 600/EC.

19 December 1945.

SUBJECT: Reorganisation of Allied Commission.

TO :

- VP., Economic Section
- VP., CA Section *INC 20/12*
- VP., Est Section
- Director, Navy S/C.
- Director, Land Forces S/C (MILA)
- Director, Air Forces S/C
- Director, Communications S/C
- Chief Legal Adviser
- Chief Financial Adviser

The attached copy of MAT 965 - FX 56242 dated 12 December 1945 is forwarded for your information.

For M. Cleary, Lt Colonel
 Brigadier,
 Executive Commissioner.

Reculate to all Spec CA Sec.

2855

T	Init	Date
VP CA Sec	<i>WV</i>	<i>12/12</i>
Public Safety	<i>WV</i>	<i>3/11</i>
Public Health	<i>WV</i>	<i>3/12</i>
Legal	<i>WV</i>	<i>4/11</i>
Local Govt	<i>WV</i>	<i>7/11</i>
Patriots	<i>WV</i>	<i>5/11</i>
Disper	<i>WV</i>	<i>7/11</i>
Education	<i>WV</i>	<i>7/11</i>
MFA & A	<i>WV</i>	<i>7 Jan</i>
CA Sec	<i>WV</i>	<i>7 Jan</i>

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PLEASE PASS QUICKLY

Recd 7 Jan 46!

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: FX 56242

Message Centre No: G/5541

Date/Time of Origin: 122042A

Date Time Rec'd : 141400

Precedence : ROUTINE

FROM : AFHQ SIGNED SACRED CITE FICEG

TO : (FOR ACTION) AGWAR FOR COMBINED CIVIL AFFAIRS COMMITTEE
(FOR INFO) CABINET OFFICES LONDON, AIGOM ROME.

SECRET.

This is MAT 965.

Reference your W 35740 - MAY 719 dated 29 November 1945.

PART (1). Discussion. A. The basic policy set forth in your para 1 is agreed, subject to detailed comment below presume that last two sentences of para 2 (A) EAW 437 continue to apply.

B. In the reorganization of AIGOM consideration must be given to the fact that within its present structure (but not as a separate entity) there exists the Headquarters of the AMG for Italy. It uses the machinery of Italian governmental in all phases of public life, it can remain effective only as long as it maintains the closest day to day contacts with the respective Italian Ministries. Even if AIGOM functions in connection with Italian controlled territory cease, some AMG Headquarters must remain in existence at the seat of the Italian Government as long as military government exists even over a small area. The AMG Headquarters should retain substantially the present structures as AIGOM but on a smaller scale.

C. It is agreed that the Service Sub-Commissions should remain in basic policy set forth for AIGOM until they become separate Service Missions. Agree also that Headquarters Executive Branch and Establishment Section should remain. If the foregoing remain, it appears desirable to retain the Deputy President in direct charge in ROME. Presume that it is intended that the French and Russian Representation in AIGOM shall remain. I now have several liaison officers in Italian Government territory for liaison with military formations and to keep me informed as to political and economic conditions. I desire to retain these, but those interested in the allocation and distribution of imported materials will revert to UNRRRA.

D. It is agreed that the Sub-Commissions listed in your paragraph 2B may be relinquished so far as they pertain to Italian Government territory. They will be required on a small scale for AMG territory. While not retained as a separate Sub-Commission it is proposed that certain functions of the Local Government Sub-Commission pertaining to electoral procedure and minority problems such as exist in BOLZANO shall be handled by the Executive Branch until after elections. Until UNRRRA takes over it appears desirable to retain a small medical supply unit in the Supply Group of the Economic Section when the Public Health Sub-Commission is abolished. A group from the Public Works and Utilities Sub-Commission on allocation and utilization of electric power will be similarly assigned on the abolishment of the Public Works and Utilities Sub-Commission. See (C) below re the supply subcommission.

E. The effectiveness of the sub-commissions listed in your para 2 C would be greatly lessened if removed from ROME. If they are placed under AFHQ and remain in ROME supervision will be most difficult. War Materials is largely liaison and has been Italian Prisoners of War has been absorbed by Land

SECRET.

This is MAT 965.

Reference your W 95740 - TAM 719 dated 29 November 1945.

PART (1). Discussion. A. The basic policy set forth in your para 1 is agreed, subject to detailed comment below pursuant that last two sentences of para 2 (A) PAR 437 continue to apply.

B. In the reorganization of ALCOM consideration must be given to the fact that within its present structure (but not as a separate entity) there exists the Headquarters of the AMG for Italy. It uses the machinery of Italian governmental in all phases of public life, it can remain effective only as long as it maintains the closest day to day contacts with the respective Italian Ministries. Even if ALCOM functions in connection with Italian controlled territory cease, some AMG Headquarters must remain in existence at the seat of the Italian Government as long as military government exists even over a small area. The AMG Headquarters should retain substantially the present structures as ALCOM but on a smaller scale.

C. It is agreed that the Service Sub-Commissions should remain in basic policy set forth for ALCOM until they become separate Service Missions. Agree also that Headquarters Executive Branch and Establishment Section should remain. If the foregoing remain, it appears desirable to retain the Deputy President in direct charge in ROME. Presuming that it is intended that the French and Russian Representation in ALCOM shall remain. I now have several liaison officers in Italian Government territory for liaison with military formations and to keep me informed as to political and economic conditions. I desire to retain these, but those interested in the allocation and distribution of imported materials will revert to UNRRA.

D. It is agreed that the Sub-Commissions listed in your paragraph 23 may be required so far as they pertain to Italian Government territory. They will be required on a small scale for AMG territory. While not retained as a separate Sub-Commission it is proposed that certain functions of the Local Government Sub-Commission pertaining to electoral procedure and minority problems such as exist in BOLZANO shall be handled by the Executive Branch until after elections. Until UNRRA takes over it appears desirable to retain a small medical supply unit in the Supply Group of the Economic Section when the Public Health Sub-Commission is abolished. A group from the Public Works and Utilities Sub-Commission on allocation and utilization of electric power will be similarly assigned on the abolishment of the Public Works and Utilities Sub-Commission. See (G) below re the supply sub-commission.

E. The effectiveness of the sub-commissions listed in your para 2 C would be greatly lessened if removed from ROME. If they are placed under AFHQ and remain in ROME supervision will be most difficult. War Materials is largely liaison and has been absorbed within economics. Italian Prisoners of War has been absorbed by Local Forces Sub-Commission. The others should remain for AMG purposes. No disadvantage can be seen in keeping them in ALCOM until they cease to function or until I can determine a more suitable assignment. Any transfer to AFHQ or other agencies will be notified to you prior to effective date. So far as the Italian Government is concerned, any transfer to AFHQ might well give rise to a feeling that military control was being tightened instead of being eased.

2854

(i) As regards Finance Sub-Commission, I have implemented TAM 692 set up an Allied Supply Accounting Agency responsible to AFHQ. It is located in ROME and attached to ALCOM for administration. Agreed that currency supply and accounting functions of Allied Financial Agency including various services to Allied Forces can be transferred to AFHQ. I recommend that the Chief Financial Advisor remain with ALCOM to handle financial problems under the Armistice and to negotiate the currency agreement under paras 12-17 of PAN 583.

(ii) A portion of the functions of the Transportation Sub-Commission should remain in the ALCOM Supply Group until UNRRA takes over. The remaining functions are liaison and should not come to AFHQ.

F. Your para 2 D is agreed except that similar Sub-Commissions must function for AMG territory. It is assumed that this proposal is based on UNRRA supply of Italy. Should Italy be supplied otherwise further consideration will be necessary.

(i) As to Industry, the functions of advising the Italian Government and developing and reviewing projects for reconstruction of utilities including railways and industries should be transferred to the Embassies. The Embassies point out however that they are not yet in position to assume this function owing to lack of personnel.

(ii) As to Commerce, the advisory function (consisting of negotiations for reopening private commercial trade) cannot be transferred to the Embassies because of their inability to receive them before 1 January 1946. The duties of screening export programmes and channelling clearances laid upon ALCOM by TAM 640 must be continued until the Combined Chiefs of Staff direct otherwise.

G. Read your para 2 E. The Displaced Persons Sub-Commission is less directly connected with the Italian Government than other Sub-Commissions. Plans are now under way transferring to AFHQ those displaced persons functions which UNRRA cannot undertake. With regard to the proposed Supply Sub-Commission and the transportation function, the Supply Group has been set up within the Economic Section in ROME which includes those functions (Food and Agriculture, Industry and Commerce) which are direct related to the import programme and which will be transferred to UNRRA when UNRRA takes over.

H. Your para 3 agreed except as pertains to AMG. I request prior consultation in respect of key positions. Desire to point out however that full advantage should be taken to change present incumbents to civil status or as is practicable before new personnel are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.

I. In view of above suggest deletion of your para 4.

PART (2)

A. Recommend pursuant to discussion in Part I that a directive be issued substantially as follows:

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining Headquarters Allied Military Government for territory under AMG control, and this absolute minimum for a temporary period. They are directed to reduce and terminate those temporary residual functions as expeditiously as practicable, eliminating them without further reference to Combined Chiefs of Staff when in your opinion they serve no useful purpose. All rights under the Armistice and additional conditions of Armistice of 29 September 1943 would still be held in reserve as set forth in para 1 of PAN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission. Last two sentences of para 2 of PAN 487 continue to apply.

2. In accordance with the above you should reorganize Allied Commission as follows

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(ii) As to Commerce, the advisory function (consisting of negotiations for reopening private commercial trade) cannot be transferred to the Embassies because of their inability to receive them before 1 January 1946. The duties of screening export programmes and channelling clearances laid upon ACOM by TAM 640 must be continued until the Combined Chiefs of Staff direct otherwise.

G. Read your para 2 E. The Displaced Persons Sub-Commission is less directly connected with the Italian Government than other Sub-Commissions. Plans are now under way transferring to AFHQ those displaced persons functions which UNRRA cannot undertake. With regard to the proposed Supply Sub-Commission and the transportation function, the Supply Group has been set up within the Economic Section in ROME which includes those functions (Food and Agriculture, Industry and Commerce) which are direct related to the import programme and which will be transferred to UNRRA when UNRRA takes over.

H. Your para 3 agreed except as pertains to AMG. I request prior consultation in respect of key positions. Desire to point out however that full advantage should be taken to change present incumbents to civil status or as is practicable before new personnel are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.

I. In view of above suggest deletion of your para 4.

PART (2)

A. Recommend pursuant to discussion in Part I that a directive be issued substantially as follows:

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining Headquarters Allied Military Government for territory under AMG control, and this absolute minimum for a temporary period. They are directed to reduce and terminate these temporary residual functions as expeditiously as practicable, eliminating them without further reference to Combined Chiefs of Staff when in your opinion they serve no useful purpose. All rights under the Armistice and additional conditions of Armistice of 29 September 1943 would still be held in reserve as set forth in para 1 of PAN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission. Last two sentences of para 2 (of PAN 487 continue to apply.

2. In accordance with the above you should reorganize Allied Commission as follows

A. Sub-Commissions whose functions are to be retained in Allied Commission:

- (1) Navy, Army, Air Force Sub-Commissions should remain with Allied Commission until they become separate service missions.

(2) HQ Executive Branch and Establishment Section with Sub-Liaison Groups may be required in the field. Size will depend on responsibilities still remaining in Allied Commission.

(3) Sub-Commissions required for the exercise of military government in AMG territories. These Sub-Commissions will interest themselves only to subject pertaining to military government in being and only to the extent they affect such military government in being.

(4) Local Government (functions to be absorbed in Executive Branch).

(5) French and Russian representatives with their presently authorized staffs will remain in Allied Commission.

B. Sub-Commissions whose functions are to be abolished except as they pertain to military government in being and territory included therein:

Education;

Monuments, Fine Arts and Archives;

Public Works and Utilities (except electric power unit which is transferred to Supply Group);

Public Health (except for medical supply functions which are transferred to Supply Group);

Legal (Supply Groups); (Legal Advisor to Allied Commission and reviewing officers will be retained);

Patricia's Branch of Local Government Sub-Commission.

C. Sub-Commissions whose functions, except as they pertain to military government in being, will be eliminated or transferred to other agencies including AFHQ to the extent to which you consider their functions are necessary to carrying out of policies laid down by Combined Chiefs of Staff:

Communications;

Public Safety;

War Materials (less Italian Prisoners of War already absorbed in Land Forces Sub-Commission);

Public Relations;

Finance (currency, combined billing, services to Armies and para 10 of FAW 583 Position of Chief Financial Advisor will be retained in Allied Commission who will be responsible for negotiating agreement foreseen in paras 12-17 of FAW 583);

2853

Displaced Persons and Refugees.

D. Sub-Commissions whose functions are to be transferred to the United States and United Kingdom Embassies as soon as is necessary personnel can be procured:

Industry (advisory functions);

Commerce (advisory functions).

Commerce Sub-Commission will continue in Allied Commission to perform function undertaken in FAW 583 until other arrangements are made.

B. Sub-Commissions whose functions are to be abolished except as they pertain to military government in being and territory included therein:

Education;

Monuments, Fine Arts and Archives;

Public Works and Utilities (except electric power unit which is transferred to Supply Group);

Public Health (except for medical supply functions which are transferred to Supply Group);

1. Legal (Supply Groups); (Legal Advisor to Allied Commission and reviewing officers will be retained);

Patriots Branch of Local Government Sub-Commission.

C. Sub-Commissions whose functions, except as they pertain to military government in being, will be eliminated or transferred to other agencies including AFHQ to the extent to which you consider their functions are necessary to carrying out of policies laid down by Combined Chiefs of Staff:

Communications;

Public Safety;

War Materials (less Italian Prisoners of War already absorbed in Land Forces Sub-Commission);

Public Relations;

Finance (currency, combined billing, services to Armies and para 10 of FAN 583 Position of Chief Financial Advisor will be retained in Allied Commission who will be responsible for negotiating agreement foreseen in paras 12-17 of FAN 583);

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Commerce (advisory functions).

Commerce Sub-Commission will continue in Allied Commission to perform function undertaken in TAM 640 until other arrangements are made.

Labour;

Finance (advisory functions and duties under FAN 583 except paras 10, 12 and 1

Feed (insofar as NOT concerned with imports);

Agriculture (advisory functions).

E. Sub-Commissions whose functions are to be retained in Allied Commission until UNRRA takes over;

Food;

Industry (except advisory functions);

Economic Staff Branches having supply functions;

Transportation Sub-Commission (handling of transport and warehousing problems connected with imported supplies, and requirements and allocation problems connected with the imported supplies for the transportation system itself.

3. Either the United States or United Kingdom Governments will civilianise any of the posts in any Sub-Commission remaining in Allied Commission after consultation with you. The present process of introducing into the Sub-Commissions whose functions are to be taken over by UNRRA and civilian personnel who intend to transfer to UNRRA when the latter assumes the functions of these Sub-Commissions will be continued.

AC DIST

INFO/ACTION: EXEC COMAR (2)

INFO: CHIEF COMAR

POLAD (A)

POLAD (B)

FILE (SKELTON)

connected with imported supplies, and requirements and allocation problems connected with the imported supplies for the transportation system itself.

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AC DIST

INFO/ACTION: EXEC COMMR (2)
INFO: CHIEF COMMR
POLAD (A)
POLAD (B)
FILE (SKELETON)

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

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SECRET

Comments on TAM 719

INTRODUCTORY

It is perhaps desirable to consider the functions of Civil Affairs, to determine which of those functions still exist and how they can best be performed. Civil Affairs was created to keep the people from interfering whether directly or indirectly with the operations of the army. This it did by controlling and administering the population seeing that they were fed, that their movements were controlled, that disease did not break out and by policing them and punishing crime.

In order to save manpower, Civil Affairs worked through the existing administrative machinery and, as the Italian Government proved its willingness to cooperate, this administration eventually evolved first to control of the Administrative machine, the Allied Control Commission, and later to a looser supervision when its functions were chiefly observatory and advisory. It has become also the natural customary and official channel of communication with the Italian Government and its Ministries; it has a personal acquaintance with the principal actors on the stage, a knowledge of their ways and of the Italian Governmental machine.

As its functions changed, so did the work it was doing. In the early phases before the Italian administrative had recommenced, it actually fed and directly controlled the people. It re-started administration which it then directed. It at first issued its own ordinances, then encouraged the restored administration to legislate according to the requirements of the time, later it merely advised until now in Italian administered territory almost it merely watches.

It watches first to see that the Armistice terms laid down by the Supreme Commander are carried out so far as the same are still applicable and are to be carried out. It watches Italian legislation to ensure that laws unsuitable for Allied purposes are not brought into force in AMG territory. It watches Italian legislation also to see that the laws are not of a fascist or dictatorial nature such as the war was fought to end and that they are not contrary to or compromise Allied interests. It watches Italian Administration to see that it is purged from fascism not merely as to personnel but as to method, that teaching is purged, that democratic methods are adopted and as for over 20 years knowledge of democratic methods and advances in democratic thought have been kept from the Italian people, to advise them upon such methods.

What of this work continues.

IN ALLIED MILITARY GOVERNMENT TERRITORY

In XIII Corps area the freeing of the Army from necessity to concern itself with the control of the population is still necessary. If any trouble developed there, AMG becomes immediately of prime importance. It is not a functional group can then be organized - it is one which must be ready to relieve the army from the word go. This is not a duty which can be achieved by attaching a G-5 Group to XIII Corps HQ. Rome must still be scrutinized. It is still necessary to keep in contact with the Ministry of Interior which controls the prefectural system, with the Police heads who control the Carabinieri, with the Ministry of Justice which finds the personnel for the Italian Courts, with the Ministry of Food which determines the ration scale. It is also necessary to be at the centre of information, to gather political information and information as to clandestine and subversive movements. While XIII Corps functions therefore an effective HQ in Rome is necessary.

IN ITALIAN ADMINISTERED TERRITORY

directly with the operations of the army. This it did by controlling and administering the population seeing that they were fed, that their movements were controlled, that disease did not break out and by policing them and punishing crime.

In order to save manpower, Civil Affairs worked through the existing administrative machinery and, as the Italian Government proved its willingness to cooperate, this administration eventually evolved first to control of the Administrative machine, the Allied Control Commission, and later to a looser supervision when its functions were chiefly observatory and advisory. It has become also the natural customary and official channel of communication with the Italian Government and its Ministries; it has a personal acquaintance with the principal actors on the stage, a knowledge of their ways and of the Italian Governmental machine.

As its functions changed, so did the work it was doing. In the early phases before the Italian administrative had recommenced, it actually fed and directly controlled the people. It re-started administration which it then directed. It at first issued its own ordinances, then encouraged the restored administration to legislate according to the requirements of the time, later it merely advised until now in Italian administered territory almost it merely watches.

It watches first to see that the Armistice terms laid down by the Supreme Commander are carried out so far as the same are still applicable and are to be carried out. It watches Italian legislation to ensure that laws unsuitable for Allied purposes are not brought into force in AMG territory. It watches Italian legislation also to see that the laws are not of a fascist or dictatorial nature such as the war was fought to end and that they are not contrary to or compromise Allied interests. It watches Italian Administration to see that it is purged from fascism not merely as to personnel but as to method, that teaching is purged, that democratic methods are adopted and as for over 20 years knowledge of democratic methods and advances in democratic thought have been kept from the Italian people, to advise them upon such methods.

What of this work continues.

IN ALLIED MILITARY GOVERNMENT TERRITORY

In XIII Corps area the freeing of the Army from necessity to concern itself with the control of the population is still necessary. If any trouble develops there, AMG becomes immediately of prime importance. It is not a function which can then be organized - it is one which must be ready to relieve the army from the word go. This is not a duty which can be achieved by attaching a G-5 Group to XIII Corps HQ. Rome must still be scrutinised. It is still necessary to keep in contact with the Ministry of Interior which controls the prefectural system, with the Police heads who control the Carabinieri, with the Ministry of Justice which finds the personnel for the Italian Courts, with the Ministry of Food which determines the ration scale. It is also necessary to be at the centre of information, to gather political information and information as to clandestine and subversive movements. While XIII Corps functions therefore an effective HQ in Rome is necessary.

IN ITALIAN ADMINISTERED TERRITORY

In the remainder of Italy there are still troops, depots and installations. While these continue they still have need of quarters, supplies and transportation. There is need of an agency to deal with the Italian administration and with the Italian people. Above all, especially in view of the position of XIII Corps, there is a necessity to maintain control over at least a portion of the Italian telecommunications system and of the railways, roads and harbours by which supplies to XIII Corps and to Austria may have to be moved. For these purposes close contact with the Italian Ministries continues to be necessary.

CENTRAL GOVERNMENTAL FUNCTIONS

Then there is the question of the Central Government and the fulfillment of such of the Armistice terms as still subsist, defascising, the developing of democratic institutions, the contact with proposed legislation, the contact with police intelligence channels, the contact with political personages all of which must take place in Rome. It is as idle to suppose that this can be dealt with efficiently by the Inexpert as it is to suggest that one may have a valuable criticism of the rendering of a sonata by an untrained ear. If one is going to see that there is a free and independent election, one requires the knowledge not of a voter, but of one who has organized elections, who knows why certain safeguards have been invented and how to prevent certain frauds and malpractices. It is necessary to have persons with knowledge of police methods and ways not merely to obtain information, but because they know the ways and can make reasonable suggestions. This necessity may be emphasized by pointing out the unreliability of police intelligence which has been forwarded to this HQ by AFHQ.

As to defascising there are already 150 laws; if an observer or adviser is to be of any use, he must know not only what is newly proposed but how it changes the existing law. He must know how the defascising machine works. There are over 300 courts of five different kinds attending to different classes of persons. So also with proposed legislation it is quite insufficient to have an expert who knows only English or American law; he must be acquainted not merely with Italian law but with the Italian rules of interpretation.

It will be seen therefore that there is still need for the specialist and that he must be at Rome. The Allied Commission is strictly speaking a branch of AFHQ, but if it were abolished as such, its work would still have to be done in Rome.

It is believed that it would have a bad moral effect on the Italian people if the Government came directly under the Military Commander instead of the Allied Commission which is thought of as only quasi-military.

Now to revert to the actual proposals.

CIVIL AFFAIRS SECTION

LEGAL S/C. It is essential should be continued not merely as an adviser but also to scrutinize Italian legislation and to review AMG cases and adviser as to the execution of sentences by Italian Courts in AMG territory.

LEGAL GOVT S/C. It is essential that this should continue not only of the necessity to supervise the inauguration of democratic election machinery, but as the link between the Italian Govt and local administration in NE Italy and in connection with minority problems which may arise on the French frontier in the Val d'Aosta, in the Ato Adige and in Venezia Giulia.

PUBLIC SAFETY S/C. It is essential that this commission should continue - and not as proposed, at AFHQ - it must be in contact with police HQ here for reasons of intelligence, training and operations.

2851

MPA & A S/C. There is no further need for this body as protector of ancient monuments, but representation in Italy of the central organization for tracing looted art treasures is necessary. It needs not be under AC, though that would not be inconvenient. SOME arrangements should be made.

Further, so long as service and other organizations retain Italian Archives for exploitation, some liaison officer to safeguard Italian interests and to make representations to the Allies is desirable.

EDUCATION S/C. It is a fact that knowledge of advances in Education thought

voter, but of one who has organized elections, who knows why certain safeguards have been invented and how to prevent certain frauds and malpractices. It is necessary to have persons with knowledge of police methods and ways not merely to obtain information, but because they know the ways and can make reasonable suggestions. This necessity may be emphasized by pointing out the unreliability of police intelligence which has been forwarded to this HQ by AFHQ.

As to defascising there are already 150 laws; if an observer or adviser is to be of any use, he must know not only what is newly proposed but how it changes the existing law. We must know how the defascising machine works. There are over 300 courts of five different kinds attending to different classes of persons. So also with proposed legislation it is quite insufficient to have an expert who knows only English or American law; he must be acquainted not merely with Italian law but with the Italian rules of interpretation.

It will be seen therefore that there is still need for the specialist and that he must be at Rome. The Allied Commission is strictly speaking a branch of AFHQ, but if it were abolished as such, its work would still have to be done in Rome.

It is believed that it would have a bad moral effect on the Italian people if the Government came directly under the Military Commander instead of the Allied Commission which is thought of as only quasi-military.

Now to revert to the actual proposals.

CIVIL AFFAIRS SECTION

LEGAL S/C. It is essential should be continued not merely as an adviser but also to scrutinise Italian legislation and to review AMI cases and adviser as to the execution of sentences by Italian Courts in AMI Territory.

LOCAL GOVT S/C. It is essential that this should continue not only of the necessity to supervise the inauguration of democratic election machinery, but as the link between the Italian Govt and local administration in NE Italy and in connection with minority problems which may arise on the French frontier in the Val d'Aoste, in the Alto Adige and in Venezia Giulia.

PUBLIC SAFETY S/C. It is essential that this commission should continue - and not as proposed, at AFHQ - it must be in contact with police HQ here for reasons of intelligence, training and operations.

MFA & A S/C. There is no further need for this body as protector of ancient monuments, but representation in Italy of the central organization for tracing looted art treasures is necessary. It needs not be under AC, though that would not be inconvenient. SOME arrangements should be made.

Further, so long as service and other organisations retain Italian Archives for exploitation, some liaison officer to safeguard Italian interests and to make representations to the Allies is desirable.

EDUCATION S/C. It is a fact that knowledge of advances in Education thought have been kept from the Italian people. They are ignorant of modern ideas. If Italian teaching (and future Italian thought and action depends thereon) is to be educated in modern advances, it will need contact with British and Italian educators. This is not essentially at AC, but it is desirable that contact be maintained through AC until other satisfactory arrangements are made.

PUBLIC HEALTH S/C. Control of NE Italy is still necessary; a link between NE Italy and the Ministry of Health is also necessary. The Sub-Commission could be reduced practically to an adviser.

DISMAGED PERSONS AND REHABILITATION S/C. This is a function not concerning the Italian people - it is concerned with the maintenance and movement of aliens. It is a function which should be intimately related to the rest of Europe. The work of quartering, feeding and moving these people is one that is more easily undertaken by AFHQ than by AG. While it requires officers of suitable personality, it does not require experience or knowledge outside that which many army officers have. This is a function which should be taken over by AFHQ until UNRRA can take it over completely.

SUMMARY OF CIVIL AFFAIRS SECTION

Legal }
 Local Govt } should continue
 Public Safety }

WFA & A }
 Education }
 need not continue as such but some special arrangements appear desirable and it may be desirable that for nominal continuation until the special arrangements are made - this need not take long - appropriate personnel could be attached to the embassies as advisers.

Public Health } a minimum staff for liaison and advice and control of NE.

DP & R }
 IFW } should both be transferred to AFHQ.

Civil Affairs Section itself should be maintained to supervise and co-ordinate and to advise in general questions and also as adviser on Espionage and Defascism.

CIVILIANISATION

As to the suggestion of increased civilianisation. This proposal is akin to the policy of appeasement and a pandering to a false sentimentality. It is psychologically unsound. The subconscious is always building up feelings to protect itself from any feeling of inferiority. Hence hero worship as an excuse for obedience and for not thinking. The Germans and Italians had a good understanding of psychology. If a man is placed in a position of authority he is obeyed. Uniform is something to be respected, - it is not merely a form of militarism. A military form is of value to the Italians themselves. The uniform gives the Italians the excuse for obeying which his subconscious needs - there will be much less friction for without that excuse the tendency to resist or argue will be greater. Not through fear or coercion but because in one case it will not occur to the mind to question, in the other it will.

A request by an officer in uniform will be unhesitatingly carried out where a similar request by a civilian will be queried. A brusquerie or want of consideration by an officer will be excused where in a civilian it would give offence. The Italian is a follower of correct form; an officer in uniform arouses no criticism whereas nondescript and varied civilian clothes will cause criticism if not in some cases contempt. An officer in uniform will always be recognised as a superior - or representing a superior - a civilian is more likely to be regarded as an equal, even sometimes as an inferior.

It is considered that the nucleus of Allied Commission which should remain should be military for the sake of the Italians as much as for ourselves (after all we are representing the Supreme Commander) and that a military organisation will work with less friction.

Legal }
 Local Govt }
 Public Safety }

should continue

MFA & A }
 Education }

need not continue as such but some special arrangements appear desirable and it may be desirable that for nominal continuation until the special arrangements are made - this need not take long - appropriate personnel could be attached to the embassies as advisers.

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It is considered that the nucleus of Allied Commission which should remain should be military for the sake of the Italians as much as for ourselves (after all we are representing the Supreme Commander) and that a military organisation will work with less friction.

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72.
3 DEC 1945

SECRET & PERSONAL.

URGENT.

47A

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

MC

Ref: 600/EC.

3 Dec 1945.

SUBJECT: Reorganisation of Allied Commission.

TO :

- A/VP, Economic Section.
- A/VP, CA Section.
- A/VP, Est Section
- Director, Navy S/C.
- Director, Land Forces S/C.
- Director, Air Forces S/C.
- Director, Communications S/C.
- Polad (A)
- Polad (B)
- Chief Legal Adviser
- Chief Financial Adviser.

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1. Reference this office letter 600/EC of 1 Dec 45 (not to last four addressees).
2. Attached are copies of TAM 719, draft reply by AFHQ received yesterday, and comments and suggested amendments to draft AFHQ MAT cable, to serve as basis of discussion for this afternoon's meeting.
3. Addressees please note, meeting will now be held at 1600 hours, today (Monday, 3 Dec) in the Chief Commissioner's Conference Room. Polads (A) and (B), Chief Legal Adviser and Chief Financial Adviser are requested to attend.

MSL/JC.

FH H. Cleary Lt Colonel 2849
 Brigadier,
 Executive Commissioner.

SECRET

AGWAR for CCS

CABINET OFFICES for BRITISH CHIEFS OF STAFF

This is MAT

Ref your W-85740 - TAM 719 dated 29 Nov 45.

Part I. Discussion.

A. The basic policy set forth in your para 1 is agreed, except as to the provision of AMG requirements. *Subject to the comments below*

B. In the reorganization of ALOOM consideration must be given to the fact that within its present structure there exists the headquarters of the allied military Government for Italy. As long as military government remains, there must be in existence a headquarters located at the seat of the Italian Government. AMG does not govern directly but uses the machinery of the Italian government agencies in all phases of public life. It can be effective only by the closest day to day contact with the respective Italian ministries. Such an AMI headquarters must retain substantially the present structure of AC on a reduced scale. It would deal only with AMG matters and except as indicated otherwise in this paper not interest itself in 'Kings' Italy. *such functions would be*

C. It is agreed that the Service sub-commissions should remain in AC unless or until they form the nucleus of separate service missions.

Agree that HQ Ex Branch and Establishment Section should remain.

2848

D. It is agreed that the sub-commissions listed in your para 2 b. may be abolished so far as they pertain to 'Kings' Italy. They should be retained on a small scale for AMG purposes.

E. The effectiveness of the sub-commissions listed in your para 2 would be greatly lessened if removed from Rome. If they were to be placed under AMHQ and remain in Rome supervision would be most difficult. War

There are little more than liaison groups. The others in this

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Part I. Discussion.

A. The basic policy set forth in your para 1 is agreed, except as to the provision of AMG requirements. *Subject to the comments below*

B. In the reorganization of ALOM consideration must be given to the fact that within its present structure there exists the headquarters of the allied military government for Italy. As long as military government remains, there must be in existence a headquarters located at the seat of the Italian Government. AMG does not govern directly but uses the machinery of the Italian government agencies in all phases of public life. It can be effective only by the closest day to day contact with the respective Italian ministries. Such an AMG headquarters must retain substantially the present structure of AG on a reduced scale. It would deal only with AMG matters and except as indicated otherwise in this paper not interest itself in 'Kings' Italy. *Such functions would be*

C. It is agreed that the service sub-commissions should remain in AG unless or until they form the nucleus of separate service missions.

D. It is agreed that the sub-commissions listed in your para 2 b. ²⁸⁴⁸ may be abolished so far as they pertain to 'Kings' Italy. They should be retained on a small scale for AMG purposes.

E. The effectiveness of the sub-commissions listed in your para 2 would be greatly lessened if removed from Rome. If they were to be placed under AFHQ and remain in Rome supervision would be most difficult. War Material and POW are little more than liaison groups. The others in this category should remain in being for AMG functions. No disadvantage is seen for keeping them with AG for the present while details are being worked out to determine to what agency if any their functions in connection with 'Kings' Italy can best be transferred. It is believed preferable

SECRET

to allow me to use discretion in connection with this group keeping in mind the policy of the CCS that the IC shall retain the minimum essential functions.

F. Your para 2 d. is agreed except that similar sub-commissions must function for AMG territory. It is assured that this proposal is based on UNRRA supply of Italy. Should Italy be furnished essential commodities on a national basis a reconsideration of this reorganization would be required.

G. Ref your para 2 e. The DP sub-commission is less directly connected with the Italian Government than other sub-commissions. Plans are under way now to transferring to AFHQ those functions of the DP sub-commission which UNRRA cannot undertake, such as repatriation of Reich Germans from Bolzano and the administration of categories of DPs which are not covered by the UNRRA charter. Your views on the food and transportation sub-commissions are agreed.

H. Your para 3 agreed except as pertains AMG. Desire to point out however that full advantage should be taken to change present incumbents to civil status so far as practicable before new officials are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.

I. Your para 4 is agreed.

PART II.

A. Recommend pursuant to discussion in Part I that a directive be issued substantially as follows:

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining a headquarters military Government for territory under AMG control, and the absolute minimum for a temporary period. You are directed to reduce and

2847

function for AMG territory. It is assured that this proposal is based on UNRRA supply of Italy. Should Italy be furnished essential commodities on a national basis a reconsideration of this reorganization would be required.

G. Ref your para 2 e. The DP sub-commission is less directly connected with the Italian Government than other sub-commissions. Plans are under way now to transferring to AMG those functions of the DP sub-commission which UNRRA cannot undertake, such as repatriation of Reich Germans from Bolzano and the administration of categories of DPs which are not covered by the UNRRA charter. Your views on the food and transportation sub-commissions are agreed.

H. Your para 3 agreed except as pertains AMG. Desire to point out however that full advantage should be taken to change present incumbents to civil status so far as practicable before new officials are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.

I. Your para 4 is agreed.

PART II.

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4. Recommend pursuant to discussion in Part I that a directive be issued substantially as follows:

L. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining a headquarters Military Government for territory under AMG control, and the absolute minimum for a temporary period. You are directed to reduce and terminate those temporary residual functions as expeditiously as practicable, eliminating them without further reference to CCS when in your opinion they serve no useful purposes. All rights under the Armistice and Additional Conditions of Armistices of 29 September 1943 would still be held in reserve

SECRET

as set forth in para 1 of FAN 487; the power of enforcement will in all cases remain with SACRED as President of Allied Commission.

2. In accordance with the above you should reorganise Allied Commission as follows:

(A) Sub-commissions whose functions are to be retained in Allied Commission:

(1) Navy, Army, Air Force Sub-Commissions should remain with Allied Commission unless or until they form nucleus of separate service missions.

(2) Hq Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining in AG.

(3) Sub-commissions required for the exercise of military government in AMG territories. These sub-commissions will interest themselves only to subjects pertaining to military government in being and only to the extent they affect such military government in being.

(B) Sub-commissions whose functions are to be abolished except as they pertain to military government in being and territory included therein:

Education

Local Government and Patriots

Monuments, Fine Arts and Archives

Public Health

Public Works and Utilities

Legal (~~except as~~ Advisor to the President)

(C) Sub-commissions whose functions, except as they pertain to military government in being, will be eliminated or transferred to other agencies including AFHQ to the extent to which you consider their functions

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in Allied Commission;

(1) Navy, Army, Air Force Sub-Commissions should remain with Allied Commission unless or until they form nucleus of separate service missions.

(2) Hq Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining in AC.

(3) Sub-commissions required for the exercise of military government in AEG territories. These sub-commissions will interest themselves only to subjects pertaining to military government in being and only to the extent they affect such military government in being.

(B) Sub-commissions whose functions are to be abolished except as they pertain to military government in being and territory included therein:

Education

Local Government and Patriots

Monuments, Fine Arts and Archives

Public Health

Public Works and Utilities

Legal (except as Advisor to the President)

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(C) Sub-commissions whose functions, except as they pertain to military government in being, will be eliminated or transferred to other agencies including AFHQ to the extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

Communications

Public Safety

War Materials and HOW

SECRET

Public Relations

Transportation (but see subpara E below)

Finance (currency, combined billing, services to

armies and paras 10, 12 - 17 FAN 583)

Displaced Persons and Refugees.

(D) Sub-commissions whose functions are to be transferred to the United States and United Kingdom Embassies as soon as necessary personnel can be procured:

Industry and Commerce (advisory functions)

Labor

Agriculture (advisory functions)

Finance (advisory functions and duties under FAN 583 except paras 10, 12 and 17)

Food (insofar as not concerned with imports).

(E) Sub-commissions whose functions are to be retained in AC until UNRRA takes over:

Food, which should be reorganized into a supply sub-

commission and include any functions of other

economic sub-commission relating to imports

Transportation Sub-commission (bids for imported

supplies and functions in respect to warehouses - 2845 ing imported supplies).

3. Either the United States or United Kingdom Governments will civilianize at their discretion any of the posts in any sub-commission remaining in AC except that personnel in sub-commissions dealing solely with military government territory will not be civilianized without previous consideration by you. It would be advantageous if there were introduced into the sub-commissions whose functions are to be taken over

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(D) Sub-commissions whose functions are to be transferred to the United States and United Kingdom Embassies as soon as necessary personnel can be procured:

Industry and Commerce (advisory functions)

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3. Either the United States or United Kingdom Governments will civilianize at their discretion any of the posts in any sub-commission remaining in AC except that personnel in sub-commissions dealing solely with military government territory will not be civilianized without previous consideration by you. It would be advantageous if there were introduced into the sub-commissions whose functions are to be taken over by UNRRA any civilian personnel who intended to transfer to UNRRA when the latter assumes the functions of these sub-commissions.

4. As part of civilianization of Allied Commission, the Allied Financial Agency will be transferred from Allied Commission Finance sub-commission and attached directly to AFHQ but you may retain Allied

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

785016

SECRET

Financial Agency Headquarters in Rome if you so desire. Prior to completion of civilianization of Allied Commission you should proceed with such measures as are necessary to establish, as authorized in TAM 692, a combined agency within AFHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to Italy under combined military responsibility.

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

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measures as are necessary to establish, as authorized in TAM 692, a combined agency within AFHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to Italy under combined military responsibility.

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SECRET.

TO : AFHQ FOR MORGAN INFO CABINET OFFICES FOR BRITISH CHIEFS OF STAFF

FROM: AGWAR FROM CCS.

29/11

THIS is TAM 719.

There follows draft directive which CCAC proposes submitting to CCS for approval.

"1. It is desirable to remove from Allied Commission as many functions as possible, retaining only absolute minimum for temporary period. All rights under the Armistice and surrender instrument would still be held in reserve as set out in paragraph 1 of FAN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission.

2. In accordance with the above you should reorganise Allied Commission as follows:

(A) Subcommissions whose functions are to be retained in AC.

1. Navy, Army Air Force Subcommissions should remain with AC unless or until they form nucleus of separate service missions.

2. HQ Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining with AC.

(B) Subcommissions whose functions are to be abolished.

- Education
- Local Government and Patriots
- Monuments Fine Arts and Archives
- Public Health
- Public Works and Utilities
- Legal (but Legal Advisor to President of AC may be necessary)

(C) Subcommissions whose functions are to be transferred to AFHQ to extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

- Communications
- Public Safety
- War Materials & IPOW
- Public Relations
- Transportation (but see subpara E below)
- Finance (currency, combined billing, etc, services to Armies and paras 10, 12 - 17 FAN 583).

(D) Subcommissions whose functions are to be transferred to the UNITED STATES and UNITED KINGDOM Embassies as soon as necessary personnel can be procured:

- Industry and Commerce (advisory functions)
- Labour
- Agriculture (advisory functions)
- Finance (advisory functions, and duties under FAN 583 except paragraphs 10, 12 - 17).
- Food (insofar as not concerned with imports).

2843

(E) Subcommissions whose functions are to be retained in AC until

as possible, retaining only absolute minimum for temporary period. All rights under the Armistice and surrender instrument would still be held in reserve as set out in paragraph 1 of FAN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission.

2. In accordance with the above you should reorganise Allied Commission as follows:

(A) Subcommissions whose functions are to be retained in AC.

1. Navy, Army Air Force Subcommissions should remain with AC unless or until they form nucleus of separate service missions.

2. HQ Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining with AC.

(B) Subcommissions whose functions are to be abolished.

- Education
- Local Government and Patriots
- Monuments Fine Arts and Archives
- Public Health
- Public Works and Utilities
- Legal (but Legal Advisor to President of AC may be necessary)

(C) Subcommissions whose functions are to be transferred to AFHQ to extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

- Communications
- Public Safety
- War Materials & IPOW
- Public Relations
- Transportation (but see subpara E below)
- Finance (currency, combined billing, etc, services to Armies and paras 10, 12 - 17 FAN 583).

(D) Subcommissions whose functions are to be transferred to the UNITED STATES and UNITED KINGDOM Embassies as soon as necessary personnel can be procured:

- Industry and Commerce (advisory functions) : 2843
- Labour
- Agriculture (advisory functions)
- Finance (advisory functions, and duties under FAN 583 except paragraphs 10, 12 - 17).
- Food (insofar as not concerned with imports).

(E) Subcommissions whose functions are to be retained in AC until UNRRA takes over:

- Displaced Persons and Refugees
- Food which should be reorganised into a supply subcommission and include any functions of other economic subcommission relating to imports.

SECRET

Transportation subcommission (bids for imported supplies and functions in respect to warehousing imported supplies).

3. Either the UNITED STATES or UNITED KINGDOM Governments will civilianise at their discretion any of the posts in any subcommission remaining in AC. It would be advantageous if there were introduced into the relative subcommissions any civilian personnel (of UNITED STATES or UNITED KINGDOM nationality) who intend to transfer to UNRRA when the latter takes over.

4. As part of civilianization of Allied Commission, the Allied Financial Agency will be transferred from Allied Commission Finance Subcommission and attached directly to AFHQ but you may retain Allied Financial Agency Headquarters in ROME if you so desire. Prior to completion of civilianization of Allied Commission you should proceed with such measures as are necessary to establish, as authorized in TAM 692, a combined agency within AFHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to ITALY under combined military responsibility."

5. As very early action on lines of above is desired your comments on above draft directive urgently requested in MAT series.

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COMMENTS ON TAM 719 and AFHQ Draft MAT.

1. Para I of TAM 719.

Is it proposed to remove altogether from AC the function of acting as the "organ through which the policy of the United Nations towards the Italian Government is conducted and the relations of the United Nations with the Italian Govt are handled?"

In spite of the abolition of the Political Section by FAN 487 and of the permission therein given for the Italian Govt to have direct relations with foreign diplomatic representatives, it was laid down in para 2(a) that "there is NO intention to make any change in the responsibility of the CCS acting through the Allied Commission" and the CCS have "continued to transmit directives in regard to combined views of two Governments on matters of major policy". Will this practice now cease?

2. (a) It is suggested, therefore, that para A of Part I of draft MAT (page 1) bear following additions: "Presume last two sentences of para 2(a) in FAN 487 continue to apply".
(b) It is suggested that para A(1) of Part II of draft MAT bear following addition: "Last two sentences of para 2(a) in FAN 487 continue to apply".

3. TAM 719 makes no reference to AMG.

Para B of Part I draft MAT covers this adequately in principle **2841**
(a) It is suggested that the words "including VENEZIA GIULIA" be added after "for Italy" at end of first sentence.

(b) It is suggested that the words "Italian Government territory" be substituted for "King's Italy" at end of para and elsewhere in the draft.

4. TAM 719, para 2A(1). /the Service Sub-Commissions must remain in

the Italian Govt are handled?"

In spite of the abolition of the Political Section by FAN 487 and of the permission therein given for the Italian Govt to have direct relations with foreign diplomatic representatives, it was laid down in para 2(a) that "there is NO intention to make any change in the responsibility of the CCS acting through the Allied Commission" and the CCS have "continued to transmit directives in regard to combined views of two Governments on matters of major policy". Will this practice now cease?

- 2. (a) It is suggested, therefore, that para A of Part I of draft MAT (page 1) bear following additions: "Presume last two sentences of para 2(a) in FAN 487 continue to apply".
- (b) It is suggested that para A(1) of Part II of draft MAT bear following addition: "Last two sentences of para 2(a) in FAN 487 continue to apply".

3. TAM 719 makes no reference to AMG.

Para B of Part I draft MAT covers this adequately in principle **2841**

(a) It is suggested that the words "including VENEZIA GIULIA" be added after "for Italy" at end of first sentence.

(b) It is suggested that the words "Italian Government territory" be substituted for "King's Italy" at end of para and elsewhere in the draft.

4. TAM 719, para 2A(1). /the Service Sub-Commissions must remain in

the AC which is the only authorised agency which give them legality.

Separate service missions can have no legal status if they are divorced from

AC unless it is proposed to impose new missions under the Armistice Terms or

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negotiate / the agreement of the Italian Government to this end.
(a) It is suggested that the words "unless and until they form the nucleus of separate service commissions" be omitted from Part I (c) (Page 1) and Part II, 2(A)(1) (Page 3) of draft MAT.

5. TAM 719 makes no mention of the Deputy President. It is essential that the President (in CASERTA) should have a Deputy in ROME to be in daily contact with the Italian Government.

TAM 719 makes no mention of French and Russian Representatives on the Allied Commission. It is presumed that they will be retained.

(a) It is suggested that the following should be added to the last line of draft MAT Part I (c) (Page 1):

"I shall require Deputy President in ROME and presume French and Russian Representatives on Allied Commission will remain".

(b) It is suggested that first sentence of Part II, para 2 of draft MAT (Page 3) should read:

"In accordance with the above you should reorganise Allied Commission under Deputy President (who is also Chief Civil Affairs Officer Allied Military Government) as follows:"

(c) It is suggested that a new sub-para clause to be numbered 2(A)(4) be inserted in draft MAT (Page 3) to read:

"(4) French and Russian Representatives with their presently authorised staffs will remain in Allied Commission". ; 2840

6. Neither TAM 719 nor draft MAT make any reference to liaison groups in the field in Italian Govt territory. CCS policy on this is not known although AFHQ have approved in principle with exception of Economic Group. We should get this matter settled.

(a) It is suggested that the following should be added to Part I (c) of draft MAT (Page 1):

"It is my policy also to retain small liaison groups in Italian Govt

that the President (in CASERTA) should have a Deputy in ROME to be in daily contact with the Italian Government.

TAM 719 makes no mention of French and Russian Representatives on the Allied Commission. It is presumed that they will be retained.

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"I shall require Deputy President in ROME and presume French and Russian Representatives on Allied Commission will remain".

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"In accordance with the above you should reorganise Allied Commission under Deputy President (who is also Chief Civil Affairs Officer Allied Military Government) as follows:"

(c) It is suggested that a new sub-para clause to be numbered 2(A)(4) be inserted in draft MAT (Page 3) to read:

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6. Neither TAM 719 nor draft MAT make any reference to liaison groups in the field in Italian Govt territory. CCS policy on this is not known although AFHQ have approved in principle with exception of Economic Group. We should get this matter settled.

(a) It is suggested that the following should be added to Part I (C) of draft MAT (Page 1):

"It is my policy also to retain small liaison groups in Italian Govt territory numbering approximately 60 in all to maintain liaison between ^{with} Allied military commanders and Italian local governments and keep me generally informed of situation".

(b) It is suggested that following should be added to first line of 2(A)(2) of draft MAT (Page 3):

"with such licison groups as may be required in the field".

7. TAM 719, para 2(B) - Sub-Commissions whose functions are to be abolished.

(a) Education and M.F.A.A. - No comments.

(b) Local Government - This Sub-Commission is largely concerned with the scrutiny of Italian legislation regarding electoral procedure, epuration, defascism, minorities in AOSTI and SUD TYROL, some of which is definitely connected with the Armistice Terms. US Embassy recently wrote "My (US) Government is of opinion that AC operating through Local Govt S/C should continue its functions of rendering advice to the Italian Govt to ensure that the procedure in local elections is fair, free and democratic....." This Sub-Commission is the watchdog of the AC on such matters and its abolition prior to the elections would seem premature.

(c) Public Health.

(i) It is considered desirable that DMS, AFHQ should have on his staff an officer experienced in Italian medical and public health work.

(ii) If the Sub-Commission is abolished it will be necessary to set up a small medical supply unit in the Economic Supply Group.

(d) Public Works & Utilities. Electricity throughout Italy is so short that it will be necessary to retain in AC a unit working on allocation and utilisation of electric power which is closely connected with the industrial programme as a whole and the use to which imported fuel and coal are put. It is not believed that the Embassies can assume this function.

(e) The Legal Adviser will be needed in the AC at ROME not only to the President and Deputy President but to the residue of Sub-Commissions and Branches in the Commission. He is particularly needed as adviser on AMG matters.

Suggestions.

(A) It is suggested that Part I (D) of draft MAT (Page 1) be altered to

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

(b) Local Government - This Sub-Commission is largely concerned with the scrutiny of Italian legislation regarding electoral procedure, epuration, defascism, minorities in AOSTA and SUD TYROL, some of which is definitely connected with the Armistice Terms, US Embassy recently wrote "My (US) Government is of opinion that AC operating through Local Govt S/C should continue its functions of rendering advice to the Italian Govt to ensure that the procedure in local elections is fair, free and democratic....." This Sub-Commission is the watchdog of the AC on such matters and its abolition prior to the elections would seem premature.

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(e) The Legal Adviser will be needed in the AC at ROME not only to the President and Deputy President but to the residue of Sub-Commissions and Branches in the Commission. He is particularly needed as adviser on AMG matters.

Suggestions.

(4) It is suggested that Part I (D) of draft MAT (Page 1) be altered to read "It is agreed.....pertain to Italian Govt territory with exception of Local Government Sub-Commission and small unit of Public Works and Utilities. Former is required to advise Italian Govt on electoral procedure in view of coming elections and other legislation connected with

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-4-

epuration and defascism with which Allied Govts are closely interested; latter to work on utilisation and allocation of electric power which is and present military needs closely connected with industrial import programme/and is in short supply".

(B) It is suggested that draft MAT Part II, para 2 (A) should bear a further additional para as follows:

"(5) Local Government and electrical unit of Public Works & Utilities Sub-Commission".

(C) It is suggested that "Local Government" be omitted from draft MAT Part II, para 2(B) and that:

(1) words "except electrical unit" be added to Public Works and Utilities "

(2) words "except adviser to Allied Commission" be substituted for existing words in paren after "Legal".

8. TAM 719, par.C.

Both AC and AFHQ agree that this proposal as a whole is unacceptable.

Draft MAT Part I (E) (Page 1) and Part II para 2(C)(Page 3) suggest a temporising / modification leaving discretion to SACMED. This is acceptable but following points should be made:

(a) War Materials Disposal Sub-Commission has already been abolished and reduced to Captured Enemy Materials Branch of Economic Section.

This Branch could pass to AFHQ by 1 Jan 46.

(b) Italian POW, part of WMD S/C, has already been transferred to Land Forces S/C where it should remain.

(c) Finance.

2838

(i) In the accounting field we have already set up an Allied Supply Accounting Agency responsible to AFHQ.

(ii) AFA consist of one officer. He could be transferred to AFHQ while remaining physically in ROME.

(iii) The post of Chief Financial Adviser to the AC should be

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of original para as follows:

"(5) Local Government and electrical unit of Public Works & Utilities Sub-Commission".

(C) It is suggested that "Local Government" be omitted from draft MAT Part II, para 2(B) and that:

(1) words "except electrical unit" be added to Public Works and Utilities".

(2) word "except adviser to Allied Commission" be substituted for existing words in paren after "Legal".

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(c) Finance.

2838

(i) In the accounting field we have already set up an Allied Supply Accounting Agency responsible to AFHQ.

(ii) AFA consist of one officer. He could be transferred to AFHQ while remaining physically in ROME.

(iii) The post of Chief Financial Adviser to the AC should be retained.

The arguments regarding the ultimate disposition of the other Sub-Commissions can be submitted to AFHQ in due course.

Suggestions.

(A) It is suggested that draft MAT Part I (E), third sentence, should be amended to read:

"War Materials has been virtually abolished and reduced to Captured Enemy Materials Branch of Economic Section"; Italian POW has been absorbed by Land Forces S/C where it should remain; Allied Supply Accounting Agency already detached from Finance Sub-Commission and working under AFHQ".

9. TAM 719, 2(D). Sub-Commissions whose functions are to be transferred to Embassies as soon as necessary personnel can be procured.

(a) The phrase "as soon as necessary personnel can be procured" is indefinite and removes from AFHQ's hands the decision as to when these functions can be taken out of AC. A definite date would seem preferable.

(b) Industry. Setting up of an Industrial Projects Staff has been proposed to the American Embassy and has been discussed informally with the British Embassy staff. If this proposal is adopted by the American Embassy, the function desired (which we are only just beginning to tackle) could be transferred to the Embassy, and possibly a limited number of personnel might appropriately be transferred as well.

(c) Commerce. General negotiations with the Italian Govt. for the re-opening of private trade which have been spearheaded by the Economic Section of AC, could be transferred to the Embassies, preferably about a month from now, after some of the present arrangements have been completed.

However, TAM 640 lays upon AC two very specific operating functions: The screening of Italy's export programmes, and acting as the channel to the Combined Boards for the clearance of international commodity movements

involving items on the Reserved Commodity List. The Economic Section is now developing recommendations as to how these operating functions can be liquidated as far as AC is concerned.

(d) Labour. It is agreed that this function should be transferred to an Embassy basis as soon as AMC is finished in the North.

Labour

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(c) Commerce. General negotiations with the Italian Govt. for the re-opening of private trade which have been spearheaded by the Economic Section of AC, could be transferred to the Embassies, preferably about a month from now, after some of the present arrangements have been completed. However, TAM 640 lays upon AC two very specific operating functions: The screening of Italy's export programmes, and acting as the channel to the Combined Boards for the clearance of international commodity movements involving items on the Reserved Commodity List. The Economic Section is now developing recommendations as to how these operating functions can be liquidated as far as AC is concerned.

(d) Labour. It is agreed that this function should be transferred to an Embassy basis as soon as AMC is finished in the North.

(e) Food and Agriculture. The draft directive assumes that there are some advisory functions in food and agriculture which are not connected with our import programme for food and agriculture supplies. This assumption is erroneous, and there are, therefore, no food and agricultural

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delivered

functions which can appropriately be transferred to the Embassies.

(f) "Duties under FAN 583 other than the currency agreement". These functions, involving the watching of Italy's financial transactions to make sure that the few remaining points which interest the CGS are policed, could be transferred to the Embassies.

Suggestions.

(A) It is suggested that draft MAT Part I (F) (Page 1) contain the following addition:

"There are no advisory functions in Food and Agriculture Sub-Commissions which have already been amalgamated which are not connected with the import programme and there is, therefore, nothing to transfer to the Embassies".

(B) It is suggested that the following amendments be made to draft MAT Part II, para 2(D) (Page 4):

- (1) Substitute "on, _____" for "as soon as necessary personnel can be procured".
- (2) Omit (Agriculture (advisory functions) "Food (in so far as not concerned with imports"

10. TAM 719, para E. Sub-commissions to be retained in AC until UNRRM takes over.

(a) Displaced Persons. We have recently submitted proposals to AFHQ whereby the Sub-Commission is transferred to UNRRM leaving a small branch to operate in VENEZLIA GIULLA, UDINE and BOLZANO, and to supervise the administration of camps generally which AFHQ itself has laid down as an AC responsibility. The work is so connected with AMG and other residual functions of AC that it is strongly recommended that the proposal be adopted and no comment made on TAM 917. ; 2836

(b) Food. In these sub-commissions which are concerned with imported supplies (Food and Agriculture, Industry and Utilities) there can be no distinction drawn between supply functions and advisory functions. All of the work which we do with the Italian Government in these fields is

(A) It is suggested that draft MAT Part I (F) (Page 1) contain the following addition:

"There are no advisory functions in Food and Agriculture Sub-Commissions which have already been amalgamated which are not connected with the import programme and there is, therefore, nothing to transfer to the Embassies".

(B) It is suggested that the following amendments be made to draft MAT Part II, para 2(D) (Page 4):

(1) Substitute "on, _____" for "as soon as necessary personnel can be procured".

(2) Omit (Agriculture (advisory functions)
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10. TAM 719, para E. Sub-commissions to be retained in AC until UNRRA takes over.

(a) Displaced Persons. We have recently submitted proposals to AFHQ whereby the Sub-Commission is transferred to UNRRA leaving a small branch to operate in VENEZIA GIULIA, UDINE and BOLZANO, and to supervise the administration of camps generally which AFHQ itself has laid down as an AC responsibility. The work is so connected with AMG and other residual functions of AC that it is strongly recommended that the proposal be adopted and no comment made on TAM 917. 2836

(b) Food. In these sub-commissions which are concerned with imported supplies (Food and Agriculture, Industry and Utilities) there can be no distinction drawn between supply functions and advisory functions. All of the work which we do with the Italian Government in these fields is related in one way or another with the fact that we are the ROME end of Italy's basic supply pipeline. All functions which are tied to supply in this way have already been drawn together into the Supply Group of the Economic Section. Thus we have already done what the directive calls for,

but on a somewhat higher administrative level and with a somewhat broader conception of the meaning of the word "supply" than contemplated in the draft directive itself.

(c) Transportation. Agreed with drafting amendments.

Suggestions.

(A) It is suggested that Part I (G) of draft MAT (Page 2) be amended to read as follows:

"(1) Displaced Persons. Agreed. This will be reduced to a small branch.

(2) Food. Organised as now into a supply group.

(3) Transportation Sub-Com. (Handling of operating problems connected with imported supplies, screening of requirements and participation in allocation and distribution plans with respect to import requirements of transportation system). "

11. TLM 719, para 3.

The process of diluting sub-commissions with civilians and those intending to join UNRRA has begun. Further introduction of civilians from outside is impracticable in view of the short life of AC under this directive. In any case their introduction should be done in consultation with the AC.

(a) It is suggested that draft MAT Part I, H (Page 2) bear the following addition to the first sentence:

"and would prefer prior consultation with AC".

(b) It is suggested that draft MAT, para 3 (Page 4) should be amended to read:

"Either US or UK Govts will civilianise any of the posts in any Sub-Commissions remaining in AC after consultation with you. The present process of introducing into the Sub-commissions..... assumes the functions of these sub-commissions will be continued".

2835



(a) It is suggested that Part I (G) of draft MAT (Page 2) be amended to read as follows:

- "(1) Displaced Persons. Agreed. This will be reduced to a small branch.
- (2) Food. Organised as now into a supply group.
- (3) Transportation Sub-Com. (Handling of operating problems connected with imported supplies, screening of requirements and participation in allocation and distribution plans with respect to import requirements of transportation system). "

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! 2835

"and would prefer prior consultation with AC".

(b) It is suggested that draft MAT, para 3 (Page 4) should be amended to read:

"Either US or UK Govts will civilianise any of the posts in any Sub-Commissions remaining in AC after consultation with you. The present process of introducing into the Sub-commissions..... assumes the functions of these sub-commissions will be continued".

12. TAM 719, para 4. As noted above AEA consists of one British officer. It would not appear that his attachment to AFHQ or otherwise would affect the civilianisation of the AC.

(a) It is suggested that draft MAT Part I, para I (Page 2) be amended to

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

read:

"As AFA now consists of one (British) officer only I suggest that your para 4 be omitted".

(b) It is suggested that draft MIF Part II, para 4 (Pages 4 and 5) be omitted.

MSL

3 December 1945.
MSL/JG.

1 2834

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

SECRET & PERSONAL.

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

46A

Ref: 600/EC.

1 December 1945.

SUBJECT: Future of the Allied Commission.

- TO :
- A/Vice President, Economic Section.
 - A/Vice President, CA Section.
 - A/Vice President, Establishment Section.
 - Director, Navy Sub-Commission.
 - Director, Land Forces S/C (NMIA).
 - Director, Air Forces S/C.
 - Director, Communications Sub-Commission.

The Chief Commissioner has directed me to pass copies of the attached telegram for your personal information, not for publication at this stage. He would be glad if you would furnish your preliminary comments on the telegram to the Executive Commissioner by 0900 hours, Sunday, 2nd December. The Chief Commissioner proposes to hold a meeting to discuss the telegram and to prepare the Allied Commission's comments thereon at 1500 hours, Monday, 3 December 1945.

MSL/JG.

for *Francis* Lt. Colonel
Brigadier,
Executive Commissioner.

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

SECRET

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War 35740

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ROUTINE

AFHQ
ACTION ALCOM

SECRET.

This is TAM 719 (To MORSEAN for FHQB from GCS cite COAG repeated information AMSSC for SOS). There follows draft directive which COAG proposes submitting to GCS for approval:

Quote. Para One. It is desirable to remove from Allied Commission as many functions as possible, retaining only absolute minimum for temporary period. All rights under the armistice and surrender instrument would still be held in reserve as set out in Para 1 of FAN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission.

Para two. In accordance with the above you should reorganise Allied Commission as follows:

- A. Subcommissions whose functions are to be retained in Allied Commission
 - (i) Navy, Army, Air Force Subcommissions should remain with Allied Commission unless or until they form nucleus of separate service missions.
 - (ii) HQ Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining with Allied Commission.

B. Subcommissions repeat Subcommissions whose functions are to be abolished:

- Education.
- Local Government and Patriots.
- Monuments Fine Arts and Archives.
- Public Health.

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Cont'd Page 2.

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Public Works and Utilities.

(but legal adviser to President of Allied Commission may be necessary).

C. Subcommissions whose functions are to be transferred to AFHQ to extent to which you consider their functions are necessary to carrying out of policies laid down by Combined Chiefs of Staff:

Communications.

Public Safety.

War Materials and IPOW.

Public Relations.

Transportation (but see sub para E. below).

Finance Currency, combined billing etcetra, services to armies and paras 10, 12 - 17 PAN 583.

D. Subcommissions whose functions are to be transferred to the United States and United Kingdom Embassies as soon as necessary personnel can be procured:

Industry and Commerce (Advisory Functions).

Labour.

Agriculture (Advisory Functions).

Finance (Advisory Functions and Duties) under PAN 583 except para 10, 12 - 17.

Food (insofar as NOT repeat NOT concerned with imports).

E. Subcommissions whose functions are to be retained in Allied Commission until UNRRA takes over:

Displaced Persons and Refugees.

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Food which should be reorganised into a supply subcommission and include any functions of other economic subcommission relating to imports.

Transportation Subcommission (bids for imported supplies and

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functions in respect to warehousing imported supplies).

Para 3. Either the United States or United Kingdom Governments will civilianize at their discretion any of the posts in any subcommission remaining in Allied Commission. It would be advantageous if there were introduced into the relative subcommissions any civilian personnel (of United States or United Kingdom nationality) who intend to transfer to UNRRA when the latter takes over.

Para 4. As part of civilianization of Allied Commission, the Allied Financial Agency will be transferred from Allied Commission Finance Subcommission and attached directly to AFHQ, you may retain Allied Financial Agency HQ in Rome if you so desire. Prior to completion of civilianization of Allied Commission you should proceed with such measures as are necessary to establish as authorized in TAM 692 a combined agency within AFHQ to take over from Allied Commission functions of accounting, billing for civilian supplies furnished to Italy under combined military responsibility. Unquote.

Para 5. As early action on lines above is desired your comments on above draft directive urgently requested in MAT repeat MAT series.

DISTRIBUTION:
ACTION - Exec Commissioner
INFO - Chief Commissioner

1823

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

785016

1 OCT 1945
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EX 46681
SER 302300A

HEADQUARTERS
1 OCT 1945

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OCT 011300A
IMMEDIATE

AMHQ SIGNED ALL GREEN SITE PAGES

(1) AGAS FOR COMBINED CHIEFS OF STAFF. (2) CABINET OFFICES WHITEHALL FOR BRITISH CHIEFS OF STAFF (3) INFO BUREAU FOR COMMISSIONERS IN CHIEF (4) USFET MAIN. (5) TRFET MAIN (6) ALCOM

SECRET.

1. In view FAR 601 and FAR 608, it is thought desirable to report the present status of plans for the future of AMHQ and its associated headquarters. (This is MAP 1075).

2. COM. CEF. is being activated effective 1 October 1945 to conduct purely British Army matters in this theatre. United States matters will continue to be handled by HQ MTCUSA. AMHQ, as such will then become a comparatively small integrated HQ whose activities will be restricted to essentially Allied matters.

3. HQ MTCUSA will be dissolved about 1 December 1945. Subject any directions that you or the US Joint Chiefs of Staff may give as a result of the review of the appointment Supreme Allied Commander foreshadowed in FAR 608, it is understood that a detachment of U.S. personnel under the administrative control USFET will then be provided to play their part in the remaining Allied activities in ITALY.

4. Meanwhile the British Naval Headquarters of C in C MED is already in the process of moving to MALTA and HQ RAF MIDEAST will have completed its move to MIDEAST by the end of October, leaving a small subordinate air headquarters in I 2830. COM. CEF. will also decrease in size as British commitments in ITALY are reduced.

5. Location in ROME of the military headquarters responsible for ITALY would have substantial military advantages and would facilitate closer contact with AMHQ

SECRET

ALLIED COMMISSION
HEADQUARTERS
13/11

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

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- 2 -

(EX 46681 cont'd)

COMMISSION and its sub commissions and with British and United States Ambassadors. Up till now however practical difficulties moving and accommodating headquarters so large as AFHQ has prevented such a step.

6. After dissolution of AFHQ these difficulties will no longer be serious. It is estimated location headquarters in ROME would then involve at the most the move of the following approximate numbers of personnel:

AFHQ British personnel 150 all ranks AFHQ U.S. personnel 100 all ranks G-2, G-3, and associated units (additional British personnel 4500 all ranks air HQ RAF ITALY 750 all ranks.

7. My U. S. and British political advisers have pointed out that move to ROME raises political issues which State Department and Foreign Office will represent to you. I do not however consider these factors override military advantage which I have referred to above. Moreover in the event of reduction function of the ALLIED COMMISSION location Allied military headquarters in ROME would be all the more desirable in order contact could be made with the Italian Government through the appropriate channels.

8. It is therefore intended that unless you issue instructions to the contrary headquarters listed in paragraph 6 above should after dissolution AFHQ move to ROME.

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LIST

INFO-ACTION: Ex Commissioner 2
INFO: Chief Commissioner
POLAD (A)
POLAD (B)
Est Sec
CA Sec
Icon Sec 2
File

SECRET

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

H/32A/CA ✓

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

64A

13242/E

18 July 1945

SUBJECT: Financial Directive for Italy.

TO : Distribution below.

1. Herewith, for your information, is copy of letter 13242/E dated 16 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.

W. W. Stone
WALTER 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 & IFF 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 " ")
- AMC Commissioner, Naples Commune } 7, of which 2 for
- " " Livorno Zone } Finance Officer
- " " Ancona Commune (5)

Copy to all sps 91 form

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

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HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

480 394

13242/F

18 July 1945

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, 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

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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.

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(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.

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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 Kingdom.

(b) submit fortnightly reports in accordance 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 programs 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 program. 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 Commission. I should be grateful if you would keep me as closely informed as possible of your progress in the development of the program 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 channeled 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 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 Lira 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:

Walter D. Stone
Rear Admiral, USN
Chief Commissioner

Professor Ferruccio Parri,

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 intransigence of the Allied Commission. 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.

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Yours very truly,

Alexy Stone
Rear Admiral, USN
Chief Commissioner

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

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

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

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

4/22 A/cr ✓

18 May 1945

SUBJECT: Future of Allied Commission

TO: Executive Commissioner

1. This memorandum is based on the premises that the administration by the Allies of Northern Italy will be completed without any unmanageable disorders and that there will be a reasonable restoration of economic life without leaving outstanding any large problems of an economic character, such as widespread unemployment; in short, that Allied Military Government can be terminated in all the Northern areas, except VENEZIA GIULIA, on 1 August or, at latest, 1 September 1945.

2. On this basis, I am of opinion that we can, on the closure of AME, take the following steps to reorganize the Civil Affairs Section and its Sub-Commissions:

- a) PATRIOTS BRANCH can be abolished.
- b) LOCAL GOVERNMENT SUB-COMMISSION can be abolished or, at most, will consist of 1 or 2 Local Government Advisers who will advise the Chief Commissioner and the Italian Government, if so required, on the holding of national and local elections and the reorganization of the local government structure. (See, for example, the recent proposals put forward by the United States Ambassador on a semi-Federalisation of the Italian Government.)
- c) EDUCATION SUB-COMMISSION can be abolished or, at most, will consist of 1 or 2 Educational Advisers, a large part of whose duties will be to obtain the de-requisitioning of schools and to foster cultural relations with the United Nations.
- d) PUBLIC HEALTH SUB-COMMISSION can be abolished. AFHQ, through the COMD (2665 Regt.), already handle the distribution of medical supplies to Army areas and the Italian Government (EMMESA) and their personnel are only attached to this Commission. This function can therefore be taken completely out of Allied Commission. UNRRA can step in on the WELFARE side and can deal with questions of epidemics, e.g. typhus, malaria. There is, however, one objection to the complete abolition of this Sub-Commission, namely the continued presence of Public Health personnel in areas retained under AMG, principally VENEZIA GIULIA and secondly NAFIZI. Unless Public Health functions in these areas are handed over completely to UNRRA it will be necessary to retain at Headquarters a small body to control and direct activities in the Field.
- e) MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION. In my opinion it will be necessary for this Commission to retain 1 or 2 Advisers on Monuments and Fine Arts. Many problems of the looted works of art taken to GERMANY will remain to be tied up with SHAEF.
- f) LEGAL SUB-COMMISSION. It will be necessary to retain 2 Legal Advisers

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- f) LEGAL SUB-COMMISSION. It will be necessary to retain 2 Legal Advisers to advise the Chief Commissioner on the many problems that arise over the Armistice Terms, Italian Decrees and other current matters. These will probably be civilians. If, however, this Headquarters retains its reviewing functions over AME Courts in VENEZIA GIULIA and other AME areas, it will be necessary to retain 1 or 2 reviewing officers in addition.

/ s) PUBLIC SAFETY....

e) **PUBLIC SAFETY SUB-COMMISSION.** While Public Safety Officers remain in the Field in an advisory capacity after the termination of Allied Military Government activities, it will be necessary to retain a small Public Safety Headquarters, but as Officers are withdrawn from the Field such Headquarters can be reduced, until it is finally abolished by, say, the end of the year. At that stage, if not earlier, a high-powered Mission should be constituted to advise the Italian Government on the reorganization of the Police and police methods. In my opinion there are no personnel at present on this Commission who have the necessary qualifications to carry out this very important work and it will be necessary to introduce fresh blood from Great Britain and America.

h) **DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION.** This Sub-Commission will probably have to continue with, if anything, an increased personnel both at Headquarters and in the Field, for a number of months, because on the most optimistic estimate the problem of Repatriation cannot be completed before 5 or 6 months have elapsed. I very much doubt whether UNRRA can step in as early or as effectively as originally contemplated. It will be necessary for this Sub-Commission to keep in very close contact with SHAEF over matters of major policy and it might be more convenient for the Sub-Commission to operate directly under AFHQ.

i) **REPATRIATION.** It is presumed that Expiration will, on the termination of Allied Military Government, be left entirely to the Italian Government and if so the Staff Branch dealing with this subject can be abolished.

j) **MINE CLEARANCE.** The Staff Branch dealing with this problem can, in my opinion, be abolished for the question of Mine Clearance must be one entirely for the Italian Government, either without assistance from Allied Commission or receiving assistance from Land Forces Sub-Commission. 25

3. If the proposals I have outlined above, namely the abolition of two or three Sub-Commissions and the replacement in the case of Monuments & Fine Arts, Education, Legal, Public Safety and possibly Local Government of a small number of highly qualified advisors, leaving outstanding only one Sub-Commission (Displaced Persons and Repatriation) with big field operations, I very much doubt whether there is any necessity for a Vice President and his Staff to coordinate their activities. The work of this Section has always been concerned very largely with Allied Military Government territory and I believe that in the Autumn this Section as such could be abolished and the work formerly carried out by the Section placed under the Executive Commissioner or Chief of Staff with possibly a small increase in his Staff.

4. In advancing the above proposals I have not consulted the Directors of Sub-Commissions, except in a most general and informal way, but if the above policy is agreed then I should propose in, say six weeks or two months, when a clearer view of the situation in the North end of the strength and character of any reconstituted government in ROME is possible, to submit detailed plans after close consultation with the Directors of Sub-Commissions.

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4. In advancing the above proposals I have not consulted the Directors of Sub-Commissions, except in a most general and informal way, but if the broad policy is agreed then I should propose in, say six weeks or two months, when a clearer view of the situation in the North and of the strength and character of any reconstituted government in ROME is possible, to submit detailed plans after close consultation with the Directors of Sub-Commissions.

G. E. Brown
G. E. BROWN, BRIG.
VP CA SECTION

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

H/32A/CA ✓

HEADQUARTERS ALLIED COMMISSION.
INCOMING MESSAGE.

(H2a)

Originator's Reference: F 74570
Date/Time of Origin : MAY 122213B

Message Centre No: R/552
Date/Time Rec'd : MAY 130930
Precedence : PRIORITY+

FROM : AFHQ SIGNED SACRED CITE FIGET
TO : HQ ALGOM ROBE

SECRET.

gph

Refer ALGOM 7111.

In accordance with para 2 C of FAN 487 any new Italian Government will be requested to confirm adherence to obligations under armistice. Consider it appropriate, however, that at some time to reaffirm the general principle of FAN 487. Accordingly undertaking will include following sentence: "It is understood that the rights under the armistice and surrender instrument with respect to control of the Italian Government will be held in reserve in the matter of day to day administration, subject to overriding military needs".

- 2. Undertaking regarding institutional question required as heretofore.
- 3. Terms of FAN 487 will be followed regarding SACRED'S approval of service ministers and appointments.

Message Centre Distribution:
ACTION - Executive Com. 2824
INFO - A/President
Chief Commissioner
File

Exec. Commissioner Distribution:

US Ambassador
Br Ambassador
CA Section

(5707)

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

SECRET

10 am 10/15/45

CAS
HIA

4/22/45 ✓

10 AM 1945

RECEIVED 1945

2818

18 April 1945

WOL/BS

SUBJECT: PAN 1477

TO : Chief Administrative Officer, AFHQ

Reference your letter dated 29 March 1945, subject as above.

1. As requested in paragraph 2 thereof, the following confirmations and answers are submitted:

a. Para 2 a. The United States and British Ambassadors have nominated their representatives to the Commission. Ambassador Kirk has designated Mr. W. G. Lowmyer and Mr. Robert McFride to act during his absence as Political Advisors to the Chief Commissioner. In their letter 87.122/45 of 3 March 1945 the British Embassy have nominated Mr. H. L. G.A. Hopkinson and Mr. A. G. Halford as Political Advisors to the Chief Commissioner in the absence of the Ambassador.

b. Para 2 b.

(1) (ii) While the Italian Government has given oral assurance that they will keep the Commission advised of any negotiations in which they may engage with other governments, I am not wholly satisfied that the Commission is being fully informed. Accordingly, I am now taking steps to correct this situation with the Prime Minister.

(2) (iii) The Italian Government has officially appointed as its Ambassador to France Signor Giuseppe Saragat, who is expected to arrive at his new post not later than 20 April 1945. My Political Advisors inform me that according to information received at the American and British Embassies, the Italian Government have so far made no official approach to either the Yugoslav or Greek Governments with a view to restoring direct relations. Similarly, neither the Yugoslav nor the Greek Governments have made any approach to the Italian Government to the same end.

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c. Para 2 d.

(1) The only effective alteration in Document "A" is the deletion of the previous Article 7 which required

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Ltr HQ AG, AOCIL/RO
Sub: PAN 487
* To: AMIQ

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consent of SACMED to the removal of Italian officials hitherto appointed by AMG. The deletion of this clause does not, in the opinion of Allied Commission, involve the necessity for any other alteration to the terms of the document.

- (2) The wording of article 14 of Document "A" has been simplified because all those provisions requiring repetition on the occasion of each successive restoration have now been made applicable by specific decrees to all future restorations, and therefore it is the opinion of the Allied Commission that the Italian Government need only be required on this occasion to issue the form of decree defining the territory plus the President of Council's proclamation. This is in accordance with the policy of simplification as originally planned.
- (3) Document "B" is substantially unaltered.
- (4) Document "C" is substantially unaltered.
- (5) Paragraph 3 of the Proclamation recognises as legal, valid and binding all appointments to and removals from offices effected by the Allied Military Government; this clause is obviously necessary to protect officials who have acted under AMG authority, and in the case of appointments made by AMG and expressed by them to be temporary, does not bind the Italian Government to continue the office-holders in office. In any case, this clause is not affected by the proposed change in the terms of restoration since the recognition of the legal, valid and binding nature of the appointments could not be varied by any subsequent consent of SACMED to the removal of the officials concerned.
- (6) No document is required for the purpose of preserving the right of veto of military appointments since this right, which springs from an agreement between Lt. Gen. Mason MacFarlane and Marshal Badoglio dated 13 March 1944, is preserved by the Aide Memoire of 24 February 1945 for the appointments concerned.

2822

d. Para 2 f.

- (1) Negotiations are already taking place between the Italian Government, The British Council, and the C.W.I., with regard to the matters mentioned in para 2f of PAN 487.

SECRET

Ltr HQ AG, 4001/53,
Sub: PAN 487
To: AMHQ

(2) So far as this Commission is concerned, the Minister of Public Instruction is most anxious for an interchange of knowledge and learning and he has set up the following Committees to formulate plans to put before the Allied Commission:

(a) Two Committees to consider the interchange of professors and students between Italy and the United Nations. These Committees have been asked to report on the facilities that can be made available to foreign students and professors in Italian universities and also on the facilities which they would like to receive from the United Nations.

The Minister has asked that the United Nations might also begin formulating plans.

(b) A third Committee is formulating a plan to facilitate the exchange of books and periodicals between the United Nations and Italy. In the first place this Committee will confine its attention to scholarly publications published during the war years, when the interchange was interrupted.

This Committee will also prepare lists of former foreign subscribers to Italian periodicals with a view to making these subscribers to resume their subscriptions; the Committee will also furnish a list of Italian bodies which formerly subscribed to United Nations publications, with a view to resuming their subscription.

(3) In the field of medical science discussions are only at a preliminary stage and the Italian Government is considering the formulation of proposals for an interchange of scientific journals and also of medical representatives. The Italian Government have already requested the presence of Dr. Hackett of the Rockefeller Foundation this **21st** to make a survey of Italian public health administrative methods and to make a recommendation for improvement.

(4) Italian Scout Organizations are already in contact with the International, British and American Scout Organizations and Lady Baden Powell has expressed the desire to visit Italy this summer with a view to reviving the Italian Girl Guide movement.

SECRET

Ltr HQ AC, AGCL/AC,
Sub: PAN 407
To: ARHQ

(5) A number of educational books of the United Nations are already being translated and printed in Italian.

e. Para 2 g.

(1) Italian Government Territory:

(a) A Decree-Law of 28 September 1944 and a Ministerial Decree of 18 October 1944 have been made by the Italian Government and provide for the compilation of electoral lists or registers of voters. The preparation of the registers is proceeding. The Government state that the earliest date on which the registers can be completed is about 15 May 1945.

(b) The Italian Government are preparing a Decree as to the conduct of local elections: they intend to revive the pre-Fascist law. It appears that the electoral procedure proposed to be re-introduced is in several respects not adapted to ensure freedom and secrecy of voting. It has been decided to tender advice to the Italian Government as to the improvements that might be made.

(2) Military Government Territory:

(a) Consent has been given to the taking in Military Government Territory of the measures preliminary to the compilation of electoral lists. Firstly, instructions have been given for the revision of the "anagrafe" or population registers. Secondly, the forms, regulations and other matter for use in compiling the lists have been distributed to Provincial Capitals, Allied Commission having provided the transport.

(b) At the suggestion of the Allied Commission, the Italian Government have agreed to amend the **2820** referred to in para. (1)(a) above so as to permit the preparation of electoral lists to be commenced on dates to be fixed by AMG.

f. Para 2 k. The Commission is prepared to designate officers of Headquarters, Allied Commission, dealing with AMG functions from those dealing only with AG functions, insofar as it may be practicable. There are obvious

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Ltr HQ AG, AGCM/AD
 S&B: PAR 487
 DoI: AFM

difficulties in this segregation, particularly with respect to duplication of personnel which would be necessary if the headquarters is separated. The Commission is now so short of personnel that in the interest of conservation of manpower, it is essential that this duplication be avoided. This is particularly necessary in the more important subcommittees of the Economic Section which, as PAR 487 so rightly points out, are concerned with supply programs in which Italy must be treated as a whole.

The particular subcommittees which you mentioned in the above-cited paragraph as forming a part of the Headquarters, as being almost solely concerned with ASD territory, do nevertheless have certain important functions with respect to the Italian Government which they could not perform if not located at the Headquarters of the Commission. For example:

LOCAL GOVERNMENT REPRESENTATION. The primary function of this Subcommittee is to provide referees and other officials for provinces in ASD territory. This necessitates almost daily consultation with the personnel officials of the Ministry of the Interior, and it is quite impracticable for the Headquarters of the Subcommittee to be located otherwise than in Rome.

Discussions are at present going on with the Government as to the organization of elections and the most up-to-date methods of ensuring an independent, free and secret vote.

LABOR REPRESENTATION. Labor Subcommittee is concerned with labor needs of Allied Europe and to that extent is largely decentralized to the various Labor Offices in ASD territory. The HQ staff dealing exclusively with such questions is at the minimum.

The Subcommittee also deals with labor relationships, organization, wage changes and industrial unrest. On these questions it has a general interest covering the whole of Italy and it is essential that there should be uniformity as far

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Ltr HQ MC, 4002/10
Sub: FAR 487
To: AFHQ

as possible. Now again the AMO action is decentralized to Regional Labor Officers in AMO territory but the direction is centralized at AFHQ. The approach to these questions in Italian Government territory necessarily differs from the approach in AMO territory but the policy is the same.

MONUMENTS & FINE ARTS, and EDUCATION SUBCOMMISSIONS
Representation of the Monuments & Fine Arts, and the Education Subcommission at AFHQ will be reduced to the absolute minimum necessary to handle Italian Government consultation work on problems of restoration financing, textbook issuance, and the arranging for appointment of educational officials in AMO territory.

Nevertheless, as soon as operations permit, the Commission will establish an advance Headquarters in Military Government territory where all matters affecting military government will be dealt with, excepting those that require consultation with the Italian Government or with the Commission itself.

WALTER W. STONE
Rear Admiral, USN
Chief Commissioner

3 Incls:
Documents "A", "B", "C"

1 2818

Copies to: G-5, AFHQ (with incls)
CC " "
CAS " "
Economic Sec " "
EST. SEC. " "

SECRET

SECRET

DOCUMENT "A"

TERMS OF RESTORATION OF
ADDITIONAL ITALIAN TERRITORY.

WHEREAS, successively on the 11th February 1944, on the 20th July 1944, on the 15th August 1944 and on the 16th October 1944, certain territory in Italy previously occupied by the Allied Forces has been restored to the jurisdiction of the Italian Government, and

WHEREAS, since said last mentioned date additional territory in Italy has been liberated from German domination, and

WHEREAS, the Italian Government has requested that certain additional areas now occupied by the Allied Forces be restored to the jurisdiction of the Italian Government, and

WHEREAS, it is the desire of the United Nations to comply with this request in so far as may be compatible with the successful prosecution of the war, and

WHEREAS, it is necessary for the successful prosecution of the war that certain rights, powers and immunities in all Italian territory which has been liberated from German domination be retained by the Allied Forces

NOW, THEREFORE, I, SIR HAROLD R.L.G. ALEXANDER, G.C.B., C.S.I., D.S.O., M.C., A.D.C., Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby terminate Allied Military Government in the territory described below. The Italian Government will resume the government of that territory, subject to the terms and conditions hereinafter set forth.

Territory Restored: That portion of Italy comprising the Provinces of

Terms of Restoration: Without prejudice to any rights, powers and immunities of the United Nations under the Armistice terms heretofore granted to the Italian Government, all of which remain in full force and effect throughout all Italian territory, there are hereby reserved to the United Nations and to the Supreme Allied Commander, Mediterranean Theater and to such officers or other representatives, including the Allied Commission, as he may designate, the rights, powers and immunities described below, in any part of the said territory and in all other Italian territory which has been liberated from German domination and is now under the jurisdiction of the Italian Government, hereinafter referred to as "the Unoccupied Territory."

1. There will be made available to the Allied Forces such facilities, utilities and installations as may be required by the Supreme Allied Commander, Mediterranean Theater or his agents for such dis-positions, use or operation as may be determined.

...in Italy previously occupied by the Allied forces has been restored to the jurisdiction of the Italian Government, and

WHEREAS, since said last mentioned date additional territory in Italy has been liberated from German domination, and

WHEREAS, the Italian Government has requested that certain additional areas now occupied by the Allied Forces be restored to the jurisdiction of the Italian Government, and

WHEREAS, it is the desire of the United Nations to comply with this request in so far as may be compatible with the successful prosecution of the war, and

WHEREAS, it is necessary for the successful prosecution of the war that certain rights, powers and immunities in all Italian territory which has been liberated from German domination be retained by the Allied Forces

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1. There will be made available to the Allied Forces such facilities, utilities and installations as may be required by the Supreme Allied Commander, Mediterranean Theater or his agents for such dispositions, use or operation as may be determined.
2. The right to maintain and quarter troops in such parts of the Unoccupied Territory as they may see fit.
3. The right to hold or require the Italian Government to hold in custody prisoners of war and civilian internees as may be directed by the Supreme Allied Commander, Mediterranean Theater.

/The right to declare....

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- 4. The right to declare any area to be a Military Zone and to exercise therein the rights of an occupying power or enforce such other controls as may be determined by the Supreme Allied Commander, Mediterranean Theater.
- 5. The right to convene Allied Military Tribunals for the trial of any person violating any order or regulation issued by the Allied Military Authorities and of any person otherwise doing any act hostile to the Allied Forces or any member thereof in any part of the Unoccupied Territory, and to inflict such punishment upon such person as such Tribunals may direct.
- 6. The right to conduct and carry to ultimate conclusion the trial by Allied Military Tribunals of any person charged with an offense heretofore committed and cognizable under any proclamation or order heretofore issued by or on behalf of the Allied Military Governor.
- 7. The right to requisition private and public property and services.
- 8. The right to reoccupy the whole or any part of the Unoccupied Territory at any time or to take such other steps or exercise such other powers in any part of such territory as may from time to time be deemed necessary for the proper prosecution of the war.
- 9. The right to import and export and to control and supervise the distribution to the civilian population of such civilian supplies as the Allied Forces may determine without the payment of any import, tax, charge or duty of any kind whatsoever either to the Italian Government or to any of its political subdivisions or agencies except as may from time to time be agreed by the Supreme Allied Commander, Mediterranean Theater.
- 10. The right to engage in such operations and import and export such military or other supplies or property of any nature as may be deemed necessary for the proper prosecution of the war free from the imposition of any import, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political subdivisions or agencies.
- 11. Any official or other representative or, in respect of any activities for official account, any agent of the United Nations, civilian or military, may enter and remain within the Unoccupied Territory free from the imposition of any import, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political subdivisions or agencies.

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regulation issued by the Allied Military authorities and of any person otherwise doing any act hostile to the Allied forces or any member thereof in any part of the Unoccupied Territory, and to inflict such punishment upon such person as such Tribunals may direct.

6. The right to conduct and carry to ultimate conclusion the trial by Allied Military Tribunals of any person charged with an offense heretofore committed and cognizable under any proclamation or order heretofore issued by or on behalf of the Allied Military Governor.

7. The right to requisition private and public property and services.

8. The right to reoccupy the whole or any part of the Unoccupied Territory at any time or to take such other steps or exercise such other powers in any part of such territory as may from time to time be deemed necessary for the proper prosecution of the war.

9. The right to import and export and to control and supervise the distribution to the civilian population of such civilian supplies as the Allied Forces may determine without the payment of any impost, tax, charge or duty of any kind whatsoever either to the Italian Government or to any of its political subdivisions or agencies except as may from time to time be agreed by the Supreme Allied Commander, Mediterranean Theater.

10. The right to engage in such operations and import and export such military or other supplies or property of any nature as may be deemed necessary for the proper prosecution of the war free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political subdivisions or agencies. 2816

11. Any official or other representative or, in respect of any activities for official account, any agent of the United Nations, civilian or military, may enter and remain within the Unoccupied Territory free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political subdivisions or agencies.

12. No member of the Allied Forces or any official or other representative or agent of the United Nations, civilian or military, shall be brought to trial in any Italian Court for any cause whatsoever either civil or criminal without the consent of the Supreme Allied Commander, Mediterranean Theater.

/ 13. All expenses.....

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3.

- 13. All expenses and costs arising from the maintenance of Allied troops or other personnel within the Unoccupied Territory will be chargeable to the Italian Government as a part of the cost of occupation.
- 14. As in the case of prior restoration of territory to its jurisdiction, the Italian Government will duly and promptly issue such decrees and proclamations as require repetition in such a form and manner as to be applicable to the additional territory now being restored.

Field Marshal
 Supreme Allied Commander, Mediterranean
 Theater and Military Governor.

I have read the above terms and on behalf of the Italian Government agree to accept the territory to be restored on such terms. I further undertake to execute and publish a Proclamation by the Italian Government (hereto annexed as Document "C").

I also agree that the said restoration shall take place on

Witness:

Witness:

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Declassified E.O. 12356 Section 3.3/NND No. 785014

promptly issue such decrees and proclamations as require repetition in such a form and manner as to be applicable to the additional territory now being restored.

Field Marshal
Supreme Allied Commander, Mediterranean
Theater and Military Governor.

I have read the above terms and on behalf of the Italian Government agree to accept the territory to be restored on such terms. I further undertake to execute and publish a Proclamation by the Italian Government (hereto annexed as Document "G").

I also agree that the said restoration shall take place on

Witness:

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Witness:

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DOCUMENT "B"

Allied Military Government of Occupied Territory

PROCLAMATION NO. 16(D)

WHEREAS, I assumed all powers of government and jurisdiction in the territory of Italy occupied by my troops and over its inhabitants and military government was established to exercise those powers in such territory under my direction, and

WHEREAS, in the exercise of such powers, Proclamations and Orders have been issued from time to time by me or my predecessor or under my or his authority throughout such territory, and

WHEREAS, the United Nations have consented at the request of the Italian Government to restore as much of the said occupied territory to the jurisdiction of the Italian Government as may be compatible with military exigencies;

NOW, THEREFORE, I, SIR HAROLD R.L.G. ALEXANDER, G.C.B., C.S.I., D.S.O., M.C., A.D.C., Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby proclaim as follows :

Allied Military Government established by me or my predecessor and all Proclamations and Orders heretofore issued by me or by him or under my or his authority in that portion of Italy comprising the Provinces of

are hereby terminated as of 0001 hours on the day of 1945. The Italian Government will thereafter administer the above territory, subject to all powers, rights and immunities of the United Nations and of the Supreme Allied Commander, Mediterranean Theater and the Allied Commission.

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Field Marshal
Supreme Allied Commander, Mediterranean
Theater and Military Governor.

Dated:

WHEREAS, I assumed all powers of government and jurisdiction in the territory of Italy occupied by my troops and over its inhabitants and military government was established to exercise those powers in such territory under my direction, and

WHEREAS, in the exercise of such powers, Proclamations and Orders have been issued from time to time by me or my predecessor or under my or his authority throughout such territory, and

WHEREAS, the United Nations have consented at the request of the Italian Government to restore as much of the said occupied territory to the jurisdiction of the Italian Government as may be compatible with military exigencies;

NOW, THEREFORE, I, SIR HAROLD R.L.G. ALEXANDER, G.C.B., C.S.I., D.S.O., M.C., A.D.C., Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby proclaim as follows:

Allied Military Government established by me or my predecessor and all Proclamations and Orders heretofore issued by me or by him or under my or his authority in that portion of Italy comprising the Provinces of

are hereby terminated as of 0001 hours on the _____ day of _____ 1945. The Italian Government will thereafter administer the above territory, subject to all powers, rights and immunities of the United Nations and of the Supreme Allied Commander, Mediterranean Theater and the Allied Commission.

Dated:

Field Marshal
Supreme Allied Commander, Mediterranean
Theater and Military Governor.

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

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DOCUMENT "G"

Proclamation by the Italian Government to be signed by the President of the Council

PROCLAMATION.

To the Italian people:

The United Nations have acceded to the request of the Italian Government that further territory, in addition to that already restored, be restored to Italian Government administration as of today's date, in accordance with the terms and conditions necessary for the conduct of the war.

The provisions hereof concern the Provinces of

The restoration is subject to the following conditions:

1. Military Government in the territory restored as of this date having been terminated by the Allied Military Government, all powers of government and jurisdiction in the territory restored and over its inhabitants, and final administrative responsibility, subject only to the rights reserved to the United Nations, are vested in the Government of Italy.
2. All Proclamations and Orders heretofore issued by the Military Governor or under his authority by his delegates in the said territory and which have been terminated therein by the Military Governor as upon its restoration, are hereby recognized by the Italian Government as having been validly issued during the time they were operative and are declared to be of the same legal effect as if they had been issued by the Italian Government in accordance with Italian law, and they will be so recognized by all Italian courts and officials.
3. All acts done by any member of the Allied Forces in pursuance of such Proclamations or Orders, and all official action of any nature taken by the Allied Military Government in pursuance thereof including all appointments to and removals from any office, public or private, will be recognized by all Italian courts and officials as legal, valid and binding.
4. All sentences imposed by Allied Military Courts are hereby recognized by the Italian Government as valid and legal and of the same effect as if imposed by an Italian court and will be so recognized by all Italian courts and Italian officials unless set aside or modified by or with the consent of the Allied Commission.

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To the Italian people:

The United Nations have acceded to the request of the Italian Government that further territory, in addition to that already restored, be restored to Italian Government administration as of today's date, in accordance with the terms and conditions necessary for the conduct of the war.

The provisions hereof concern the Provinces of

The restoration is subject to the following conditions:

1. Military Government in the territory restored as of this date having been terminated by the Allied Military Government, all powers of government and jurisdiction in the territory restored and over its inhabitants, and final administrative responsibility, subject only to the rights reserved to the United Nations, are vested in the Government of Italy.

2. All Proclamations and Orders heretofore issued by the Military Governor or under his authority by his delegates in the said territory and which have been terminated therein by the Military Governor as upon its restoration, are hereby recognized by the Italian Government as having been validly issued during the time they were operative and are declared to be of the same legal effect as if they had been issued by the Italian Government in accordance with Italian law, and they will be so recognized by all Italian courts and officials.

3. All acts done by any member of the Allied Forces in pursuance of such Proclamations or Orders, and all official action of any nature taken by the Allied Military Government in pursuance thereof including all appointments to and removals from any office, public or private, will be recognized by all Italian courts and officials as legal, valid and binding.

4. All sentences imposed by Allied Military Courts are hereby recognized by the Italian Government as valid and legal and of the same effect as if imposed by an Italian court and will be so recognized by all Italian courts and Italian officials unless set aside or modified by or with the consent of the Allied Commission.

Rome.

President of the Council of Ministers.

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HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

4/32A/CA

16 April, 1945

SUBJECT: FAN.457

TO : Executive Commissioner

1. Reference your 4004/172/EC dated 4 April 1945.
2. The following comments are submitted on paras 2D, 2E, 2F and 2D of FAN.457 :

3. Para. 2D :

a) The only effective alteration in Document "A" is the deletion of the previous Article 7 which required consent of SACMED to the removal of Italian officials. The deletion of this clause does not, in the opinion of Allied Commission, involve the necessity for any other alteration to the terms of the document.

b) The wording of Article 14 of Document "A" has been simplified because all those provisions requiring repetition on the occasion of each successive restoration have now been made applicable by specific decrees to all future restorations, and therefore it is the opinion of the Allied Commission that the Italian Government need only be required on this occasion to issue the form of Decree defining the territory plus the President of Council's proclamation. This is in accordance with the policy of simplification as originally planned.

c) Document "B" is substantially unaltered.

d) Document "C" is substantially unaltered.

e) Paragraph 3 of the Proclamation recognises as legal, valid and binding all appointments to and removals from offices effected by the Allied Military Government; this clause is obviously necessary to protect officials who have acted under AMG authority, and in the case of appointments made by AMG and expressed by them to be temporary, does not bind the Italian Government to continue the office-holders in office. In any case, this clause is not affected by the proposed change in the terms of restoration since the recognition of the legal, valid and binding nature of the appointments could not be varied by any subsequent consent of SACMED to the removal of the officials concerned.

f) No document is required for the purposes of preserving the right of veto of military appointments since this

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TO : Executive Commissioner

1. Reference your 4004/172/EC dated 1 April 1945.
2. The following comments are submitted on paras 20, 27, 33 and 34 of EN.487 :

3. Para. 20

a) The only effective alteration in Document "A" is the deletion of the previous Article 7 which required consent of SACMED to the removal of Italian officials. The deletion of this clause does not, in the opinion of Allied Commission, involve the necessity for any other alteration to the terms of the document.

b) The wording of Article 14 of Document "A" has been simplified because all those provisions requiring repetition on the occasion of each successive restoration have now been made applicable by specific decrees to all future restorations, and therefore it is the opinion of the Allied Commission that the Italian Government need only be required on this occasion to issue the form of decree defining the territory plus the President of Council's proclamation. This is in accordance with the policy of simplification as originally planned.

c) Document "B" is substantially unaltered.

d) Document "C" is substantially unaltered.

e) Paragraph 3 of the Proclamation recognises as legal, valid and binding all appointments to and removals from offices effected by the Allied Military Government; this clause is obviously necessary to protect officials who have acted under AMG authority, and in the case of appointments made by AMG and expressed by them to be temporary, does not bind the Italian Government to continue the office-holders in office. In any case, this clause is not affected by the proposed change in the terms of restoration since the recognition of the legal, valid and binding nature of the appointments could not be varied by any subsequent consent of SACMED to the removal of the officials concerned.

f) No document is required for the purpose of preserving the right of veto of military appointments since this right, which springs from an agreement between Lt.Gen. Mason Macfarlane and Marshal Badoglio dated 13 March 1944, is preserved by the Aide Memoire of 24 Feb 45 for the appointments concerned.

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Para. 2F:

a) Negotiations are already taking place between the Italian Government, the British Council, and the O.W.I., with regard to the matters mentioned in para. 2F of PAN 437.

b) So far as this Commission is concerned, the Minister of Public Instruction is most anxious for an interchange of knowledge and learning and he has set up the following Committees to formulate plans to put before the Allied Commission:

1) Two committees to consider the interchange of professors and students between Italy and the United Nations. These Committees have been asked to report on the facilities that can be made available to foreign students and professors in Italian universities and also on the facilities which they would like to receive from the United Nations.

The Minister has asked that the United Nations might also begin formulating plans.

ii) A third Committee is formulating a plan to facilitate the exchange of books and periodicals between the United Nations and Italy. In the first place this Committee will confine its attention to scholarly publications published during the war years, when the interchange was interrupted.

This Committee will also prepare lists of former foreign subscribers to Italian periodicals with a view to asking these subscribers to resume their subscriptions. The Committee will also furnish a list of Italian bodies which formerly subscribed to United Nations publications, with a view to resuming their subscription.

c) In the field of medical science discussions are only at a preliminary stage and the Italian Government is considering the formulation of proposals for an interchange of scientific journals. **2811** also of medical representatives. The Italian Government have already requested the presence of Dr. Hackett of the Rockefeller Foundation this summer to make a survey of Italian Public Health administrative methods and to make a recommendation for improvement.

d) Italian Scout Organizations are already in contact with the International, British and American Scout Organizations and Lady Baden Powell has expressed the desire, much appreciated by this Commission, to visit Italy this summer with a view to reviving the Italian Girl Guide movement.

e) A number of educational books of the United Nations are already being translated and printed in Italian.

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- d) Italian Scout Organizations are already in contact with the International, British and American Scout Organizations and Lady Baden Powell has expressed the desire, much appreciated by this Commission, to visit Italy this summer with a view to reviving the Italian Girl Guide movement.

- e) A number of educational books of the United Nations are already being translated and printed in Italian.

5. Para. 2C :

a) Italian Government Territory:

i) A Decree-Law of 28 September 1944, and a Ministerial Decree of 16 October 1944, have been made by the Italian Government and provide for the compilation of electoral lists or registers of voters. The preparation of the registers is proceeding. The Government state that the earliest date on which the registers can be completed is about 15 May 1945.

ii) The Italian Government are preparing a decree as to the conduct of local elections: they intend to revive the pre-Fascist law. It appears that the electoral procedure proposed to be re-introduced is in several respects not adapted to ensure freedom and secrecy of voting. It has been decided to tender advice to the Italian Government as to the improvements that might be made.

b) Military Government Territory:

i) Consent has been given to the taking in Military Government Territory of two measures preliminary to the compilation of electoral lists. Firstly, instructions have been given for the revision of the "anagrafe" or population registers. Secondly, the forms, regulations and other matter for use in compiling the lists have been distributed to Provincial Capitals, Allied Commission having provided the transport.

ii) At the suggestion of the Allied Commission, the Italian Government have agreed to amend the decrees referred to in para. a (i) above so as to permit the preparation of electoral lists to be commenced on dates to be fixed by AMG.

6. Para. 3 D :

a) This section remains of opinion that it is not feasible to segregate officers of AC, HQ dealing with AMF functions.

b) In the case of Local Government, Monuments & Fine Arts, and Education Sub-Commissions, all of which deal primarily with AMG territory and only when requested to do so advise the Italian Government, it might be thought that such segregation would be possible, but in fact, this is not so, as the following illustration will show:

4) LOCAL GOVERNMENT SUB-COMMISSION. The primary function of this Sub-Commission is to provide prefects and other officials for Provinces in AMG territory. This necessitates almost daily consultation with the personnel officials of the Ministry of the Interior, and it is quite impracticable for the Headquarters of the Sub-Commission to be located otherwise than in **ROME**.

Furthermore, elaborate discussions are at present going on between the Sub-Commission and the Government as to the organisation of elections and the Sub-Commission is advising the Government on the most

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the Government states that the earliest date on which the registers can be completed is about 15 May 1945.

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ii) At the suggestion of the Allied Commission, the Italian Government have agreed to amend the decrees referred to in para. a (i) above so as to permit the preparation of electoral lists to be commenced on dates to be fixed by AMG.

Para. 3 D:

a) This Section remains of opinion that it is not feasible to segregate officers of AG, HQ dealing with AMG functions.

b) In the case of Local Government, Monuments & Fine Arts, and Education Sub-Commissions, all of which deal primarily with AMG territory and only when requested to do so advise the Italian Government, it might be thought that such segregation would be possible, but in fact, this is not so, as the following illustration will show:

1) LOCAL GOVERNMENT SUB-COMMISSIONS. The primary function of this Sub-Commission is to provide prefects and other officials for Provinces in AMG territory. This necessitates almost daily consultation with the personnel officials of the Ministry of the Interior, and it is quite impracticable for the headquarters of the Sub-Commission to be located otherwise than in ROME.

Furthermore, elaborate discussions are at present going on between the Sub-Commission and the Government as to the organisation of elections and the Sub-Commission is advising the Government on the most up-to-date methods of ensuring an independent, free and secret vote.

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14) MONUMENTS & FINE ARTS SUB-COMMISSION. The actual work of restoration is now carried on exclusively in AMG territory, but here again it is essential that the Headquarters of the Sub-Commission should remain in ROME, for they frequently have to consult the Government on problem affecting work in AMG territory. Such problems include the provision of finance for restoration work, the provision of new superintendents in AMG territory and the regulation of priority for repair work.

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iii) EDUCATION SUB-COMMISSION. Here again, frequent consultation is necessary with the Government over the policy in issuing text books, arranging for a supply of educational officials in AMG territory and so forth.

c) Thus, although on the face of it these three sub-Commissions deal primarily with AMG territory, their segregation into Headquarters in such territory, e.g. in FLORENCE, would entail a vast amount of travelling to and from ROME, without securing any corresponding advantages.

d) With regard to the remaining Sub-Commissions of this Section, for the same reasons stated above, close contact with the Italian Government is essential and no advantage is to be gained by moving these Sub-Commissions from Allied Commission Headquarters.

e) It must also be stressed that it would be impracticable to divide the Headquarters of any of these Sub-Commissions into two, e.g. a part at Allied Commission Headquarters and a part in AMG territory; such an arrangement would involve enormous duplication and inconvenience and would have no corresponding advantages.

G.R. UZZAM, Brigs
VP CA Section.

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DOCUMENT "A"

TERMS OF RESTORATION OF
ADDITIONAL ITALIAN TERRITORY.

WHEREAS, successively on the 11th February 1944, on the 20th July 1944, on the 15th August 1944 and on the 16th October 1944, certain territory in Italy previously occupied by the Allied Forces has been restored to the jurisdiction of the Italian Government, and

WHEREAS, since said last mentioned date additional territory in Italy has been liberated from German domination, and

WHEREAS, the Italian Government has requested that certain additional areas now occupied by the Allied Forces be restored to the jurisdiction of the Italian Government, and

WHEREAS, it is the desire of the United Nations to comply with this request in so far as may be compatible with the successful prosecution of the war, and

WHEREAS, it is necessary for the successful prosecution of the war that certain rights, powers and immunities in all Italian territory which has been liberated from German domination be retained by the Allied Forces.

NOW, THEREFORE, I, SIR HAROLD R.L.G. ALEXANDER, G.C.B., C.S.I., D.S.O., M.C., A.D.C., Field Marshal, Supreme Allied Commander, Mediterranean Theatre and Military Governor, hereby terminate Allied Military Government in the territory described below. The Italian Government will resume the government of that territory, subject to the terms and conditions hereinafter set forth.

Territory Restored: That portion of Italy comprising the Provinces of

Terms of Restoration: Without prejudice to any rights, powers and immunities of the United Nations under the Armistice terms heretofore granted to the Italian Government, all of which remain in full force and effect throughout all Italian territory, there are hereby reserved to the United Nations and to the Supreme Allied Commander, Mediterranean Theater and to such officers or other representatives, including the Allied Commission, as he may designate, the rights, powers and immunities described below, in any part of the said territory and in all other Italian territory which has been liberated from German domination and is now under the jurisdiction of the Italian Government, hereinafter referred to as "the Unoccupied Territory."

1. There will be made available to the Allied Forces such facilities, utilities and installations as may be required by the Supreme Allied Commander, Mediterranean Theater or his agents for such dispositions, use or operations as may be determined.

The right to maintain and quarter troops in such

the 15th August 1944 and on the 16th October 1944, certain territory in Italy previously occupied by the Allied Forces has been restored to the jurisdiction of the Italian Government, and

WHEREAS, since said last mentioned date additional territory in Italy has been liberated from German domination, and

WHEREAS, the Italian Government has requested that certain additional areas now occupied by the Allied Forces be restored to the jurisdiction of the Italian Government, and

WHEREAS, it is the desire of the United Nations to comply with this request in so far as may be compatible with the successful prosecution of the war, and

WHEREAS, it is necessary for the successful prosecution of the war that certain rights, powers and immunities in all Italian territory which has been liberated from German domination be retained by the Allied Forces.

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1. There will be made available to the Allied Forces such facilities, utilities and installations as may be required by the Supreme Allied Commander, Mediterranean Theater or his agents for such positions, use or operations as may be determined.
2. The right to maintain and quarter troops in such parts of the Unoccupied Territory as they may see fit.
3. The right to hold or require the Italian Government to hold in custody prisoners of war and civilian internees as may be directed by the Supreme Allied Commander, Mediterranean Theater.

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- 4. The right to declare any area to be a Military Zone and to exercise therein the rights of an occupying power or enforce such other controls as may be determined by the Supreme Allied Commander, Mediterranean Theater.
- 5. The right to convene Allied Military Tribunals for the trial of any person violating any order or regulation issued by the Allied Military Authorities and of any person otherwise being not hostile to the Allied Forces or any member thereof in any part of the Unoccupied Territory, and to inflict such punishment upon such person as such Tribunals may direct.
- 6. The right to conduct and carry to ultimate conclusion the trial by Allied Military Tribunals of any person charged with an offense heretofore committed and cognizable under any proclamation or order heretofore issued by or on behalf of the Allied Military Governor.
- 7. The right to requisition private and public property and services.
- 8. The right to reconquer the whole or any part of the Unoccupied Territory at any time or to take such other steps or exercise such other power in any part of such territory as may from time to time be deemed necessary for the proper prosecution of the war.
- 9. The right to import and export and to control and supervise the distribution to the civilian population of such civilian supplies as the Allied Forces may determine without the payment of any impost, tax, charge or duty of any kind whatsoever either to the Italian Government or to any of its political subdivisions or agencies except as may from time to time be agreed by the Supreme Allied Commander, Mediterranean Theater.
- 10. The right to engage in such operations and import and export such military or other supplies or property of any nature as may be deemed necessary for the proper prosecution of the war free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political subdivisions or agencies.
- 11. Any official or other representative or, in respect of any activities for official account, any agent of the United Nations, civilian or military, may enter and remain within the Unoccupied Territory free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political subdivisions or agencies.

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- 5. The right to convene Allied Military Tribunals for the trial of any person violating any order or regulation issued by the Allied Military Authorities and of any person otherwise doing any act hostile to the Allied Forces or any member thereof in any part of the Unoccupied Territory, and to inflict such punishment upon such person as such Tribunals may direct.
- 6. The right to conduct and carry to ultimate conclusion the trial by Allied Military Tribunals of any person charged with an offense heretofore committed and cognizable under any proclamation or order heretofore issued by or on behalf of the Allied Military Government.
- 7. The right to requisition private and public property and services.
- 8. The right to reconquer the whole or any part of the Unoccupied Territory at any time or to take such other steps or exercise such other powers in any part of such territory as may from time to time be deemed necessary for the proper prosecution of the war.
- 9. The right to import and export and to control and supervise the distribution to the civilian population of such civilian supplies as the Allied Forces may determine without the payment of any impost, tax, charge or duty of any kind whatsoever either to the Italian Government or to any of its political subdivisions or agencies except as may from time to time be agreed by the Supreme Allied Commander, Mediterranean Theater.
- 10. The right to engage in such operations and import and export such military or other supplies or property of any nature as may be deemed necessary for the proper prosecution of the war free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political subdivisions or agencies.
- 11. Any official or other representative or, in respect of any activities for official account, any agent of the United Nations, civilian or military, may enter and remain within the Unoccupied Territory free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political subdivisions or agencies.
- 12. No member of the Allied Forces or any official or other representative or agent of the United Nations, civilian or military, shall be brought to trial in any Italian Court for any cause whatsoever either civil or criminal without the consent of the Supreme Allied Commander, Mediterranean Theater.

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- 13. All expenses and costs arising from the maintenance of Allied troops or other personnel within the Unoccupied Territory will be chargeable to the Italian Government as a part of the cost of occupation.
- 14. As in the case of prior restoration of territory to its jurisdiction, the Italian Government will duly and promptly issue such decrees and proclamations as require repetition in such a form and manner as to be applicable to the additional territory now being restored.

Field Marshal
 Supreme Allied Commander, Mediterranean
 Theater and Military Governor.

I have read the above terms and on behalf of the Italian Government agree to accept the territory to be restored on such terms. I further undertake to execute and publish a Proclamation by the Italian Government (hereto annexed as Document "C").

I also also agree that the said restoration shall take place on

Witness:

Witness:

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

SECRET

DOCUMENT

Allied Military Government of Occupied Territory

PROCLAMATION NO. 16 (D)

WHEREAS, I assumed all powers of government and jurisdiction in the territory of Italy occupied by my troops and over its inhabitants and military government was established to exercise those powers in such territory under my direction, and

WHEREAS, in the exercise of such powers, Proclamations and Orders have been issued from time to time by me or my predecessor or under my or his authority throughout such territory, and

WHEREAS, the United Nations have consented at the request of the Italian Government to restore as much of the said occupied territory to the jurisdiction of the Italian Government as may be compatible with military exigencies;

NOW, THEREFORE, I, SIE HAROLD R. L. G. ALEXANDER, G. C. B., C. S. I., D. S. O., M. C., A. D. C., Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby proclaim as follows:

Allied Military Government established by me or my predecessor and all Proclamations and Orders heretofore issued by me or by him or under my or his authority in that portion of Italy comprising the Provinces of

are hereby terminated as of 0001 hours on the _____ day of 1945. The Italian Government will thereafter administer the above territory, such to all powers, rights and immunities of the United Nations and of the Supreme Allied Commander, Mediterranean Theater and the Allied Commission.

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Field Marshal
Supreme Allied Commander, Mediterranean
Theater and Military Governor

Dated:

PROCLAMATION NO. 16 (D)

WHEREAS, I assumed all powers of government and jurisdiction in the territory of Italy occupied by my troops and over its inhabitants and military government was established to exercise those powers in such territory under my direction, and

WHEREAS, in the exercise of such powers, Proclamations and Orders have been issued from time to time by me or my predecessor or under my or his authority throughout such territory, and

WHEREAS, the United Nations have consented at the request of the Italian Government to restore as much of the said occupied territory to the jurisdiction of the Italian Government as may be compatible with military exigencies;

NOW, THEREFORE, I, SIR HAROLD R.L.G. ALEXANDER, G.C.B., C.S.I., D.S.O., M.C., A.D.C., Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby proclaim as follows:

Allied Military Government established by me or my predecessor and all Proclamations and Orders heretofore issued by me or by him or under my or his authority in that portion of Italy comprising the Provinces of

are hereby terminated as of 0001 hours on the day of 1945. The Italian Government will thereafter administer the above territory, such to all powers, rights and immunities of the United Nations and of the Supreme Allied Commander, Mediterranean Theater and the Allied Commission.

Dated:

Field Marshal
Supreme Allied Commander, Mediterranean
Theater and Military Governor

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DOCUMENT "C"

Proclamation by the Italian Government to be signed by the President of the Council

PROCLAMATION

To the Italian people:

The United Nations have acceded to the request of the Italian Government that further territory, in addition to that already restored, be restored to Italian Government administration as of today's date, in accordance with the terms and conditions necessary for the conduct of the war.

The provisions hereof concern the Provinces of

The restoration is subject to the following conditions:

1. Military Government in the territory restored as of this date having been terminated by the Allied Military Government, all powers of government and jurisdiction in the territory restored and over its inhabitants, and final administrative responsibility, subject only to the rights reserved to the United Nations, are vested in the Government of Italy.
2. All Proclamations and Orders heretofore issued by the Military Governor or under his authority by his delegates in the said territory and which have been terminated therein by the Military Governor as upon its restoration, are hereby recognized by the Italian Government as having been validly issued during the time they were operative and are declared to be of the same legal effect as if they had been issued by the Italian Government in accordance with Italian law, and they will be so recognized by all Italian courts and officials.
3. All acts done by any member of the Allied Forces in pursuance of such Proclamations or Orders, and all official acts of any nature taken by the Allied Military Government in pursuance thereof including all appointments to and removals from any office, public or private, will be recognized by all Italian courts and officials as legal, valid and binding.
4. All sentences imposed by Allied Military Courts are hereby recognized by the Italian Government as valid and legal and of the same effect as if imposed by an Italian court and will be so recognized by all Italian courts and Italian officials unless set aside or modified by or with the consent of the Allied Commission.

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To the Italian people:

The United Nations have acceded to the request of the Italian Government that further territory, in addition to that already restored, be restored to Italian Government administration as of today's date, in accordance with the terms and conditions necessary for the conduct of the war.

The provisions hereof concern the Provinces of

The restoration is subject to the following conditions:

1. Military Government in the territory restored as of this date having been terminated by the Allied Military Government, all powers of government and jurisdiction in the territory restored and over its inhabitants, and final administrative responsibility, subject only to the rights reserved to the United Nations, are vested in the Government of Italy.
2. All Proclamations and Orders heretofore issued by the Military Governor or under his authority by his delegates in the said territory and which have been terminated therein by the Military Governor as upon its restoration, are hereby recognized by the Italian Government as having been validly issued during the time they were operative and are declared to be of the same legal effect as if they had been issued by the Italian Government in accordance with Italian law, and they will be so recognized by all Italian courts and officials.
3. All acts done by any member of the Allied Forces in pursuance of such Proclamations or Orders, and all official action of any nature taken by the Allied Military Government in pursuance thereof including all appointments to and removals from any office, public or private, will be recognized by all Italian courts and officials as legal, valid and binding.
4. All sentences imposed by Allied Military Courts are hereby recognized by the Italian Government as valid and legal and of the same effect as if imposed by an Italian court and will be so recognized by all Italian courts and Italian officials unless set aside or modified by or with the consent of the Allied Commission.

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Rome.

President of the Council of Ministers.

BONOMI

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HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

10 April 1945

MINUTES OF MEETING WITH MINISTER OF PUBLIC INSTRUCTION
HELD IN VICE PRESIDENT'S OFFICE AT 1600 HRS ON 9 APRIL 1945.

PRESENT: Brigadier G.R. WYJON, Vice President, Civil Affairs Section,
Lt. Arangio RUIZ, Minister of Public Instruction,
Com. Ben GREGG, Chief of the Cabinet,
Dr. WICKSTEAD, Secretary to the Minister of Public Instruction,
Lt. Col. C.W. Washburne, Education Sub-Commission,
Lt. Col. J.V. Ward-Perkins, Monuments and Fine Arts Sub-Commission,
Maj. TOLLARD, Civil Affairs Section.

- 1 The Vice President explained that he had asked the Minister of Public Instruction to attend this meeting in order to discuss para. 9 of Aide Memoire dated 24 Feb 45.
- 2 After some general discussion it was agreed that it was desirable to arrange for:
 - (a) the interchange of professors and students between the United Nations and Italy; and
 - (b) the exchange of books and periodicals.

PROFESSORS AND STUDENTS.

- 3 The Minister stated that he was appointing two committees to study means for arranging for the interchange of professors and students.
- 4 On a suggestion from the Vice President that facilities for professors and students coming from abroad should be considered, the Minister agreed to ask his Committee to find out what facilities could be offered by Italian Universities for these students and professors, and it was agreed that the United Nations would supply information about the facilities which they might be able to offer.

- 5 The Minister said he would prepare a plan indicating the number of professors and students which he thought could be interchanged with the United Nations and in what branches of learning.

- 6 The Minister promised to ask Italian Universities to advise the United Nations about the specialities in study offered by Italian Universities.

BOOKS AND PERIODICALS.

- 7 The plan to facilitate the exchange of books and periodicals between the United Nations and Italy is to be limited by two considerations:
 - (a) only books and magazines published during the war years, when interchange was interrupted, would be sent;
 - (b) these are to be scholarly publications.

- 8 The Minister would arrange to appoint Committees to make lists of Italian subscribers to learned journals of the United Nations and to find out whether they wished to fill out their files so far as possible and

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... Minister of Public Instruction,
Com. Sen BERGIO, Chief of the Cabinet,
Dr. MUSLISI, Secretary to the Minister of Public Instruction,
Lt. Col. C.W. Washburne, Education Sub-Commission,
Lt. Col. J.V. Ward-Perkins, Monuments and Fine Arts Sub-Commission,
Maj. POLLETT, Civil Affairs Section.

1. The Vice President explained that he had asked the Minister of Public Instruction to attend this meeting in order to discuss para. 9 of Aide Memoire dated 21 Feb 45.
2. After some general discussion it was agreed that it was desirable to arrange for:
 - (a) the interchange of professors and students between the United Nations and Italy; and
 - (b) the exchange of books and periodicals.

PROFESSORS AND STUDENTS.

3. The Minister stated that he was appointing two committees to study means for arranging for the interchange of professors and students.
4. On a suggestion from the Vice President that facilities for professors and students coming from abroad should be considered, the Minister agreed to ask his Committee to find out what facilities could be offered by Italian Universities for these students and professors, and it was agreed that the United Nations would supply information about the facilities which they might be able to offer.
5. The Minister said he would prepare a plan indicating the number of professors and students which he thought could be interchanged with the United Nations and in what branches of learning.

6. The Minister promised to ask Italian Universities to advise the United Nations about the specialities in study offered by Italian Universities **2803**

BOOKS AND PERIODICALS.

7. The plan to facilitate the exchange of books and periodicals between the United Nations and Italy is to be limited by two considerations:
 - (a) only books and magazines published during the war years, when interchange was interrupted, would be sent;
 - (b) these are to be scholarly publications.
8. The Minister would arrange to appoint Committees to make lists of Italian subscribers to learned journals of the United Nations and to find out whether they wished to fill out their files so far as possible and whether they wished to resume their subscriptions; likewise, the Committees would furnish a list of United Nations subscribers to Italian journals, for the same purpose.
9. The Minister's Committees will furnish lists (by categories, e.g. medicine, archaeology, economics, history, etc.) of books published in Italy in each field since January 1940.

The United Nations, likewise, would be asked to supply similar lists to the Italian Government.

10. It was pointed out by Lt. Col. WARD-PARKINS:

- (a) both IRI and the British Council had independently begun work on these problems, and that the British Council would probably be the eventual channel for action for the United Kingdom,
- (b) that in many cases there would be few copies of those learned books available and that, therefore,
- (c) bibliographies should be realistic to the extent that where existing quantities of books were limited, numbers available would be indicated (at any rate in general terms), and consideration would be given to eventual allocation.

11. It was pointed out by the Vice President, and agreed by the Minister, that the importation and exportation of learned journals and books would be contingent upon the shipping space available, but that the bibliographies would be prepared as quickly as possible so that the needs would be known when space became available.

W.G.S. Duttard
M.A.S. DUTTARD, Major,
Civil Affairs Section.

Distribution:

- Minister of Public Instruction,
- Civil Affairs Section,
- Education Sub-Commission,
- Museums, Fine Arts and Archives, Sub-Commission,

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HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

16 April, 1945

4/32A/GA

21b

SUBJECT: FAN. 437
TO: Executive Commissioner

- 28 -

- 1. Reference your 4001/172/EC dated 1 April 1945.
- 2. The following comments are submitted on paras. 2D, 2F, 2G and 3D of FAN. 437:

3. Para. 2D:

a) The only effective alteration in Document "A" is the deletion of the previous Article 7 which required consent of SACRED to the removal of Italian officials. The deletion of this clause does not, in the opinion of Allied Commission, involve the necessity for any other alteration to the terms of the document.

- 39B

b) The wording of Article 14 of Document "A" has been simplified because all those provisions requiring repetition on the occasion of each successive restoration have now been made applicable by specific decrees to all future restorations, and therefore it is the opinion of the Allied Commission that the Italian Government need only be required on this occasion to issue the form of decree defining the territory plus the President of Council's proclamation. This is in accordance with the policy of simplification as originally planned.

- 39C

c) Document "B" is substantially unaltered.

- 39D

d) Document "C" is substantially unaltered.

e) Paragraph 3 of the Proclamation recognises as legal, valid and binding all appointments to and removals from offices effected by the Allied Military Government; this clause is obviously necessary to protect officials who have acted under AMG authority, and in the case of appointments made by AMG and expressed by them to be temporary, does not bind the Italian Government to continue the office-holders in office. In any case, this clause is not affected by the proposed change in the terms of restoration since the recognition of the legal, valid and binding nature of the appointments could not be varied by any subsequent consent of SACRED to the removal of the officials concerned.

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f) No document is required for the purpose of preserving the right of veto of military appointments since this is covered by an agreement between Lt. Gen. Mason

TO: Executive Commissioner

- 28 -

- 1. Reference your 4001/172/EC dated 1 April 1945.
- 2. The following comments are submitted on paras. 20, 21, 22 and 23 of EN.457:

3. Para. 20:

a) The only effective alteration in Document "A" is the deletion of the previous Article 7 which required consent of SACRED to the removal of Italian officials. The deletion of this clause does not, in the opinion of Allied Commission, involve the necessity for any other alteration to the terms of the document.

- 39a

b) The wording of Article 14 of Document "A" has been simplified because all those provisions requiring repetition on the occasion of each successive restoration have now been made applicable by specific decrees to all future restorations, and therefore it is the opinion of the Allied Commission that the Italian Government need only be required on this occasion to issue the form of decree defining the territory plus the President of Council's proclamation. This is in accordance with the policy of simplification as originally planned.

- 39c

c) Document "B" is substantially unaltered.

- 39d

d) Document "C" is substantially unaltered.

e) Paragraph 3 of the Proclamation recognises as legal, valid and binding all appointments to and removals from offices effected by the Allied Military Government; this clause is obviously necessary to protect officials who have acted under AMG authority, and in the case of appointments made by AMG and expressed by them to be temporary, does not bind the Italian Government to continue the office-holders in offices. In any case, this clause is not affected by the proposed change in the terms of restoration since the recognition of the legal, valid and binding nature of the appointments could not be varied by any subsequent consent of SACRED to the removal of the officials concerned.

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f) No document is required for the purpose of preserving the right of veto of military appointments since this right, which springs from an agreement between Lt. Gen. Mason MacFarlane and Marshal Badoglio dated 13 March 1944, is preserved by the Aide Memoire of 24 Feb 45 for the appointments concerned.

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/ Para. 23

Para. 2F:

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a) Negotiations are already taking place between the Italian Government, The British Council, and the O.W.I., with regard to the matters mentioned in para. 2F of NAV 487.

b) So far as this Commission is concerned, the Ministry of Public Instruction is most anxious for an interchange of knowledge and learning and he has set up the following Committees to formulate plans to put before the Allied Commission:

- i) Two Committees to consider the interchange of professors and students between Italy and the United Nations. These Committees have been asked to report on the facilities that can be made available to foreign students and professors in Italian universities and also on the facilities which they would like to receive from the United Nations.

The Minister has asked that the United Nations might also begin formulating plans.

- ii) A third Committee is formulating a plan to facilitate the exchange of books and periodicals between the United Nations and Italy. In the first place this Committee will confine its attention to scholarly publications published during the war years, when the interchange was interrupted.

This Committee will also prepare lists of former foreign subscribers to Italian periodicals with a view to asking these subscribers to resume their subscriptions; the Committee will also furnish a list of Italian bodies which formerly subscribed to United Nations publications, with a view to resuming their subscription.

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- o) In the field of medical science discussions are only a preliminary stage and the Italian Government is considering the formulation of proposals for an interchange of scientific journals and also of medical representatives. The Italian Government have already requested the presence of Dr. Hackett of the Rockefeller Foundation this summer to make a survey of Italian Public Health administrative methods and to make a recommendation for improvement.

d) Italian Scout Organisations are already in contact with the International, British and American Scout Organisations and Lady Baden Powell has expressed the desire, much appreciated by this Commission, to visit Italy this summer with a view to reviving the Italian Girl Guide movement.

- e) A number of educational books of the United Nations are already being translated and printed in Italian.

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i) Two Committees to consider the interchange of professors and students between Italy and the United Nations. These Committees have been asked to report on the facilities that can be made available to foreign students and professors in Italian universities and also on the facilities which they would like to receive from the United Nations.

The Minister has asked that the United Nations might also begin formulating plans.

ii) A third Committee is formulating a plan to facilitate the exchange of books and periodicals between the United Nations and Italy. In the first place this Committee will confine its attention to scholarly publications published during the war years, when the interchange was interrupted.

This Committee will also prepare lists of former foreign subscribers to Italian periodicals with a view to asking these subscribers to resume their subscriptions; the Committee will also furnish a list of Italian bodies which formerly subscribed to United Nations publications, with a view to resuming their subscription.

c) In the field of medical science discussions are only at a preliminary stage and the Italian Government is considering the formulation of proposals for an interchange of scientific journals and also of medical representatives. The Italian Government have already requested the presence of Dr. Hackett of the Rockefeller Foundation this summer to make a survey of Italian Public Health administrative methods and to make a recommendation for improvement.

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e) A number of educational books of the United Nations are already being translated and printed in Italian.

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Para. 2 G :

a) Italian Government Territory:

i) A Decree-Law of 23 September 1944 and a Ministerial Decree of 18 October 1944 have been made by the Italian Government and provide for the compilation of electoral lists or registers of voters. The preparation of the registers is proceeding. The Government state that the earliest date on which the registers can be completed is about 15 May 1945.

ii) The Italian Government are preparing a decree as to the conduct of local elections: they intend to revive the pre-Fascist law. It appears that the electoral procedure proposed to be re-introduced is in several respects not adapted to ensure freedom and secrecy of voting. It has been decided to tender advice to the Italian Government as to the improvements that might be made.

b) Military Government Territory:

1) Consent has been given to the taking in Military Government Territory of two measures preliminary to the compilation of electoral lists. Firstly, instructions have been given for the revision of the "anagrafe" or population registers. Secondly, the forms, regulations and other matter for use in compiling the lists have been distributed to Provincial Capitals, Allied Commission having provided the transport.

ii) At the suggestion of the Allied Commission, the Italian Government have agreed to amend the decrees referred to in para. 2 (i) above so as to permit the preparation of electoral lists to be commenced on dates to be fixed by AMF.

Para. 3 D :

a) This Section remains of opinion that it is not feasible to segregate officers of AC. HQ dealing with AMF functions.

b) In the case of Local Government, Mountains & Pine Arts, and Education Sub-Commissions, all of which deal primarily with AMF territory and only when requested to do so advise the Italian Government, it might be thought that such segregation would be possible, but, in fact, this is not so, as the following illustration will show:

LEGAL GOVERNMENT SUB-COMMISSION. The primary function of this Sub-Commission is to provide Prefects and other officials for Provinces in AMF territory. This necessitates almost daily consultation with the personnel officials of the Ministry of the Interior, and it is quite impracticable for the Headquarters of the Sub-Commission to be located otherwise than in ROME.

Furthermore, elaborate discussions are at present going on between the Sub-Commission and the Government as to the organization of elections and the

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of registers of voters. The preparation of the registers is proceeding. The Government state that the earliest date on which the registers can be completed is about 15 May 1945.

ii) The Italian Government are preparing a decree as to the conduct of local elections: they intend to revive the pre-Fascist law. It appears that the electoral procedure proposed to be re-introduced is in several respects not adapted to ensure freedom and secrecy of voting. It has been decided to tender advice to the Italian Government as to the improvements that might be made.

b) Military Government Territory:

i) Consent has been given to the taking in Military Government Territory of two measures preliminary to the compilation of electoral lists. Firstly, instructions have been given for the revision of the "enagrafe" or population registers. Secondly, the forms, regulations and other matter for use in compiling the lists have been distributed to Provincial Capitals, Allied Commission having provided the transport.

ii) At the suggestion of the Allied Commission, the Italian Government have agreed to amend the decrees referred to in para. a (i) above so as to permit the preparation of electoral lists to be commenced on dates to be fixed by A.M.F.

6. Para. 3 D:

a) This Section remains of opinion that it is not feasible to segregate officers of A.C. HQ dealing with A.M.F. functions.

b) In the case of Local Government, Monuments & Fine Arts, and Education Sub-Commissions, all of which deal primarily with A.M.F. territory and only when requested to do so advise the Italian Government, it might be thought that such segregation would be possible, but, in fact, this is not so, as the following illustration will show:

1) LOCAL GOVERNMENT SUB-COMMISSION. The primary function of this Sub-Commission is to provide Prefects and other officials for Provinces in A.M.F. territory. This necessitates almost daily consultation with the personnel officials of the Ministry of the Interior, and it is quite impracticable for the Headquarters of the Sub-Commission to be located otherwise than in Rome.

Furthermore, elaborate discussions are at present going on between the Sub-Commission and the Government as to the organization of elections and the Sub-Commission is advising the Government on the most up-to-date methods of ensuring an independent, free and secret vote.

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11) MEMORANDUMS & THE AIG SUB-COMMISSIONS. The actual work of restoration is now carried on exclusively in AIG territory, but here again it is essential that the Headquarters of the Sub-Commission should remain in ROME, for they frequently have to consult the Government on problems affecting work in AIG territory. Such problems include the provision of finance for restoration work, the provision of new superintendents in AIG territory and the regulation of priority for repair work.

111) EDUCATION SUB-COMMISSION. Here again, frequent consultation is necessary with the Government over the policy in issuing text books, arranging for a supply of educational officials in AIG territory and so forth.

c) Thus, although on the face of it these three Sub-Commissions deal primarily with AIG territory, their segregation into Headquarters in such territory, e.g. in FLORENCE, would entail a vast amount of travelling to and from ROME, without securing any corresponding advantages.

d) With regard to the remaining Sub-Commissions of this Section, for the same reasons stated above, close contact with the Italian Government is essential and no advantage is to be gained by moving these Sub-Commissions from Allied Commission Headquarters.

e) It must also be stressed that it would be inadvisable to divide the Headquarters of any of these Sub-Commissions into two, e.g. a part at Allied Commission Headquarters and a part in AIG territory; such an arrangement would involve enormous duplication and inconvenience and would have no corresponding advantages.

GRV

G. R. UYVOIN, Brigs.
VP CA SECTION.

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SECRET

DOCUMENT "A"

TERMS OF RESTORATION OF
ADDITIONAL ITALIAN TERRITORY.

WHEREAS, successively on the 11th February 1944, on the 20th July 1944, on the 15th August 1944 and on the 16th October 1944, certain territory in Italy previously occupied by the Allied Forces has been restored to the jurisdiction of the Italian Government, and

WHEREAS, since said last mentioned date additional territory in Italy has been liberated from German domination, and

WHEREAS, the Italian Government has requested that certain additional areas now occupied by the Allied Forces be restored to the jurisdiction of the Italian Government, and

WHEREAS, it is the desire of the United Nations to comply with this request in so far as may be compatible with the successful prosecution of the war, and

WHEREAS, it is necessary for the successful prosecution of the war that certain rights, powers and immunities in all Italian territory which has been liberated from German domination be retained by the Allied Forces

NOW, THEREFORE, I, SIR HAROLD R. L. G. ALEXANDER, G. C. B., G. S. I., D. S. O., M. C., A. D. C., Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby terminate Allied Military Government in the territory described below. The Italian Government will resume the government of that territory, subject to the terms and conditions hereinafter set forth.

Territory Restored: That portion of Italy comprising the Provinces of

Terms of Restoration: Without prejudice to any rights, powers and immunities of the United Nations under the Armistice terms heretofore granted to the Italian Government, all of which remain in full force and effect throughout all Italian territory, there are hereby reserved to the United Nations and to the Supreme Allied Commander, Mediterranean Theater and to such officers or other representatives, including the Allied Commission, as he may designate, the rights, powers and immunities described below, in any part of the said territory and in all other Italian territory which has been liberated from German domination and is now under the jurisdiction of the Italian Government, hereinafter referred to as "the Unoccupied Territory."

1. There will be made available to the Allied Forces such facilities, utilities and installations as may be required by the Supreme Allied Commander, Mediterranean Theater or his agents for such dispositions, use or operation as may be determined.

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on August 24th and on the 27th October 1945
certain territory in Italy previously occupied by the Allied
Forces has been restored to the jurisdiction of the Italian
Government, and

WHEREAS, since said last mentioned date additional territory
in Italy has been liberated from German domination, and

WHEREAS, the Italian Government has requested that certain
additional areas now occupied by the Allied Forces be restored to
the jurisdiction of the Italian Government, and

WHEREAS, it is the desire of the United Nations to comply with
this request in so far as may be compatible with the successful
prosecution of the war, and

WHEREAS, it is necessary for the successful prosecution of the
war that certain rights, powers and immunities in all Italian
territory which has been liberated from German domination be re-
tained by the Allied Forces

NOW, THEREFORE, I, SIR HAROLD P. L. G. ALEXANDER, G. C. B., C. S. I.,
D. S. O., M. C., A. D. C., Field Marshal, Supreme Allied Commander,
Mediterranean Theater and Military Governor, hereby terminate
Allied Military Government in the territory described below. The
Italian Government will resume the government of that territory,
subject to the terms and conditions hereinafter set forth.

Territory Restored: That portion of Italy comprising the
Provinces of

Terms of Restoration: Without prejudice to any rights, powers
and immunities of the United Nations under the Armistice terms
heretofore granted to the Italian Government, all of which remain
in full force and effect throughout all Italian territory, there
are hereby reserved to the United Nations and to the Supreme
Allied Commander, Mediterranean Theater and to such officers or
other representatives, including the Allied Commission, as he may
designate, the rights, powers and immunities described below, in
any part of the said territory and in all other Italian territory
which has been liberated from German domination and is now under
the jurisdiction of the Italian Government, hereinafter referred
to as "the Unoccupied Territory."

1. There will be made available to the Allied Forces
such facilities, utilities and installations as
may be required by the Supreme Allied Commander,
Mediterranean Theater or his agents for such dis-
positions, use or operation as may be determined.
2. The right to maintain an quarter troops in such
parts of the Unoccupied Territory as they may see
fit.
3. The right to hold or require the Italian Government
to hold in custody prisoners of war and civilian
internees as may be directed by the Supreme Allied
Commander, Mediterranean Theater.

/The right to declare.....

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- 4. The right to declare any area to be a Military Zone and to exercise therein the rights of an occupying power or enforce such other controls as may be determined by the Supreme Allied Commander, Mediterranean Theater.
- 5. The right to convene Allied Military Tribunals for the trial of any person violating any order or regulation issued by the Allied Military Authorities and of any person otherwise doing any act hostile to the Allied Forces or any member thereof in any part of the Unoccupied Territory, and to inflict such punishment upon such person as such Tribunals may direct.
- 6. The right to conduct and carry to ultimate conclusion the trial by Allied Military Tribunals of any person charged with an offence heretofore committed and cognizable under any proclamation or order heretofore ~~submitted~~ issued by or on behalf of the Allied Military Governor.
- 7. The right to regulation private and public property and services.
- 8. The right to recover the whole or any part of the Unoccupied Territory at any time or to take such other steps or exercise such other powers in any part of such territory as may from time to time be deemed necessary for the proper prosecution of the war.
- 9. The right to import and export and to control and supervise the distribution to the civilian population of such civilian supplies as the Allied Forces may determine without the payment of any impost, tax, charge or duty of any kind whatsoever either to the Italian Government or to any of its political subdivisions or agencies except as may from time to time be agreed by the Supreme Allied Commander, Mediterranean Theater.
- 10. The right to engage in such operations and import and export such military or other supplies or property of any nature as may be deemed necessary for the proper prosecution of the war free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political subdivisions or agencies.
- 11. Any official or other representative or, in respect of any activities for official account, any agent of the United Nations, civilian or military, may enter and remain within the Unoccupied Territory free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political sub-divisions or agencies.

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regulation issued by the Allied Military Authorities and of any person otherwise doing any act hostile to the Allied Forces or any member thereof in any part of the Unoccupied Territory, and to inflict such punishment upon such person as such Tribunals may direct.

6. The right to conduct and carry to ultimate conclusion the trial by Allied Military Tribunals of any person charged with an offence heretofore committed and cognizable under any proclamation or order heretofore issued by or on behalf of the Allied Military Governor.

7. The right to requisition private and public property and services.

8. The right to recover the whole or any part of the Unoccupied Territory at any time or to take such other steps or exercise such other powers in any part of such territory as may from time to time be deemed necessary for the proper prosecution of the war.

9. The right to import and export and to control and supervise the distribution to the civilian population of such civilian supplies as the Allied Forces may determine without the payment of any impost, tax, charge or duty of any kind whatsoever either to the Italian Government or to any of its political subdivisions or agencies except as may from time to time be agreed by the Supreme Allied Commander, Mediterranean Theater.

10. The right to engage in such operations and import and export such military or other supplies or property of any nature as may be deemed necessary for the proper prosecution of the war free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political subdivisions or agencies.

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11. Any official or other representative or, in respect of any activities for official account, any agent of the United Nations, civilian or military, may enter and remain within the Unoccupied Territory free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political subdivisions or agencies.

12. No member of the Allied Forces or any official or other representative or agent of the United Nations, civilian or military, shall be brought to trial in any Italian Court for any cause whatsoever either civil or criminal without the consent of the Supreme Allied Commander, Mediterranean Theater.

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3.

- 13. All expenses and costs arising from the maintenance of Allied troops or other personnel within the Unoccupied Territory will be chargeable to the Italian Government as a part of the cost of occupation.
- 14. As in the case of prior restorations of territory to its jurisdiction, the Italian Government will duly and promptly issue such decrees and proclamations as require repetition in such a form and manner as to be applicable to the additional territory now being restored.

Field Marshal
 Supreme Allied Commander, Mediterranean
 Theater and Military Governor.

I have read the above terms and on behalf of the Italian Government agree to accept the territory to be restored on such terms. I further undertake to execute and publish a Proclamation by the Italian Government (hereeto annexed as Document "C").

I also agree that the said restoration shall take place on

Witness:

Witness:

2795

SECRET

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DOCUMENT 72

Allied Military Government of Occupied Territory

PROCLAMATION NO. 16 (D).

WHEREAS, I assumed all powers of Government and jurisdiction in the territory of Italy occupied by my troops and over its inhabitants and military government was established to exercise those powers in such territory under my direction, and

WHEREAS, in the exercise of such powers, Proclamations and Orders have been issued from time to time by me or my predecessor or under my or his authority throughout such territory, and

WHEREAS, the United Nations have consented at the request of the Italian Government to restore as much of the said occupied territory to the jurisdiction of the Italian Government as may be compatible with military exigencies;

NOW, THEREFORE, I, SIR HAROLD P. L. G. ALEXANDER, G. C. B., G. S. I., D. S. O., M. C., A. D. C., Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby proclaim as follows :

Allied Military Government established by me or my predecessor and all Proclamations and Orders heretofore issued by me or by him or under my or his authority in that portion of Italy comprising the Provinces of

are hereby terminated as of 0001 hours on the day of 1945. The Italian Government will thereafter administer the above territory, subject to all powers, rights and immunities of the United Nations and of the Supreme Allied Commander, Mediterranean Theater and the Allied Commission.

Field Marshal,
Supreme Allied Commander, Mediterranean
Theater and Military Governor.

2794

Dated:

SECRET.

39d

DOCUMENT "C"

Proclamation by the Italian Government to be signed by the President of the Council

PROCLAMATION

To the Italian people:

The United Nations have acceded to the request of the Italian Government that further territory, in addition to that already restored, be restored to Italian Government administration as of today's date, in accordance with the terms and conditions necessary for the conduct of the war.

The provisions hereof concern the Provinces of

The restoration is subject to the following conditions:

1. Military Government in the territory restored as of this date having been terminated by the Allied Military Government, all powers of Government and jurisdiction in the territory restored and over its inhabitants, and final administrative responsibility, subject only to the rights reserved to the United Nations, are vested in the Government of Italy.
2. All Proclamations and Orders heretofore issued by the Military Governor or under his authority by his delegates in the said territory and which have been terminated therein by the Military Governor as upon its restoration, are hereby recognized by the Italian Government as having been validly issued during the time they were operative and are declared to be of the same legal effect as if they had been issued by the Italian Government in accordance with Italian law, and they will be so recognized by all Italian courts and officials.
3. All acts done by any member of the Allied Forces in pursuance of such Proclamations or Orders, and all official action of any nature taken by the Allied Military Government in pursuance thereof including all appointments to and removals from any office, public or private, will be recognized by all Italian courts and officials as legal, valid and binding.
4. All sentences imposed by Allied Military Courts are hereby recognized by the Italian Government as valid and legal and of the same effect as if imposed by an Italian court and will be so recognized by all Italian courts and Italian officials unless set aside or modified by or with the consent of the Allied Commission.

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To the Italian people:

The United Nations have acceded to the request of the Italian Government that further territory, in addition to that already restored, be restored to Italian Government administration as of today's date, in accordance with the terms and conditions necessary for the conduct of the war.

The provisions hereof concern the Provinces of

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1. Military Government in the territory restored as of this date having been terminated by the Allied Military Government, all powers of government and jurisdiction in the territory restored and over its inhabitants, and final administrative responsibility, subject only to the rights reserved to the United Nations, are vested in the Government of Italy.
2. All Proclamations and Orders heretofore issued by the Military Governor or under his authority by his delegates in the said territory and which have been terminated therein by the Military Governor as upon its restoration, are hereby recognized by the Italian Government as having been validly issued during the time they were operative and are declared to be of the same legal effect as if they had been issued by the Italian Government in accordance with Italian law, and they will be so recognized by all Italian courts and officials.
3. All acts done by any member of the Allied Forces in pursuance of such Proclamations or Orders, and all official action of any nature taken by the Allied Military Government in pursuance thereof including all appointments to and removals from any office, public or private, will be recognized by all Italian courts and officials as legal, valid and binding.
4. All sentences imposed by Allied Military Courts are hereby recognized by the Italian Government as valid and legal and of the same effect as if imposed by an Italian court and will be so recognized by all Italian courts and Italian officials unless set aside or modified by or with the consent of the Allied Commission.

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President of the Council of Ministers.

BONOMI

Rome.

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

HEADQUARTERS ALLIED COMMISSION
APO 394
Public Health Sub-Commission

38^a
10 APR 1945

PH/GMT/mtc
9 April, 1945

AC/3093/1/PH

SUBJECT: - Fan.487 - "New Deal" for Italy.

TO : - VP, CA Section, HQ AC.

204

1. Reference your 4/32.A/CA dated 2nd April, the Italian Government has already requested that Dr. Hackett of the Rockefeller Foundation be permitted to visit Italy during the summer of 1945 in order to make a complete survey of Italian Public Health administrative methods and procedure and recommend methods by which these may be modernized and improved. Apart from this specific request which was for a definite purpose and did not envisage a general interchange of medical representatives, the Italian Public Health authorities have never broached the latter subject. However, when approached unofficially with such a proposal they showed the greatest interest in the idea. It is felt that if the matter were put to them officially they would be eager to advance concrete proposals as to the methods by which they would consider the scheme could best be implemented.

2. The Italian Medical profession is most anxious to obtain up-to-date Anglo-American scientific literature as it feels that for the past four years it has been cut off from modern thought and developments in the medical world. The lack of medical literature has in the past been met in a small way by FWS, but it is now understood that the United States Information Service which has recently come to Rome, intends to meet this need very fully and has plans for the shipping to Italy, on a large scale, all types of scientific journals.

G. S. Parkinson Lt. Col.
G. S. PARKINSON, Brigadier
Director, **2791**
Public Health Sub-Commission.

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

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

34a

1/32.A/CA

6 April, 1945

SUBJECT: FAN.487 - "New Deal" for Italy.
TO: Education Sub-Commission

35a

1. Reference your Progress Report on Para. 2 F of FAN.487
2. Please arrange a meeting for ¹⁶⁰⁰~~1700~~ hours Monday 9 April, to be held in the office of VP CA Section, to discuss "Plans for implementing para.9 of the Aide Memoire dated 24 February 1945".

The following persons should be present :
Brigadier G. R. Upjohn,
The Minister of Public Instruction
Lt. Col. Washburn, Education Sub-Commission
Lt. Col. Ward-Perkins, Monuments and Fine Arts S/O.
(in the absence of Lt. Col. de Wald on duty).

G. R. UPJOHN, Brig.
VP CA SECTION.

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4/32A/CA ✓

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HEADQUARTERS ALLIED COMMISSION
APO 394
Public Health Sub-Commission

- 4 APR 1945

PH/GMF/ja
4 April 1945

AC/3093/1/PH

SUBJECT: - Fan.487 - "New Deal" for Italy.

TO : - VP, CA Section,
HQ AC.

299

1. Reference your 4/32.A/CA dated 2nd April, the Italian Government has never expressed to this Sub-Commission any desire either for members of the Medical profession of the United Nations to visit Italy or for members of the Italian Medical profession to visit the United Nations.

2. The most urgent requirement which is frequently voiced is for the importation of scientific literature. This need has been met in the past in a small way, by PWB, but it is now understood that the United States Information Service which has recently come to Rome, intends to meet this need very fully and has plans for the shipping to Italy, on a large scale, all types of scientific journals.

G. S. Parkinson
Brig

G. S. PARKINSON, Brigadier
Director,
Public Health Sub-Commission.

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

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HEADQUARTERS ALLIED COMMISSION
Education Subcommittee
AFO 394

4 April 1945

Summary of Progress Report on Para 2f of FAN. 487

Introductory note: All steps here summarized have been taken in close co-operation with the Minister of Public Instruction. Most of them were initiated before FAN. 487 was issued.

1. Allied books for publication in Italian.
 - a. Books on education. Work is well underway toward publishing, in Italian, a series of books on British, American, Chinese, and possibly Russian education. Eight of the possible twelve to eighteen books have been tentatively decided upon; one is in the press, others are being translated.
 - b. Books on social sciences. A similar series of books on the history and political and economic problems of Allied nations is being contemplated. Half a dozen books have been received for consideration.
 - c. Juvenile literature. A carefully selected list of forty books for children has been obtained and sample copies have either arrived or are en route. They deal with lives of children in many lands, with science and history: some are simply good stories. Arrangements for publication are just being started, in cooperation with USIS (OWI).
2. Publications in English for reference.
 - a. Books under para 1 a and b above, not selected for translation, will be made available for reference in English.
 - b. Literature has been obtained from the leading engineering schools of Britain and the United States for the Italian Society of Engineers' committee on the reform of engineering education.
3. Rehabilitation of libraries and laboratories.
 - a. A survey has been made of most urgent needs in universities and scientific and technical institutes for scholarly publications and technical apparatus. Attempts have been inaugurated to raise funds in the United States to meet these needs, and the American Library Association has been asked to send immediately Italy's share of the scholarly publications it has collected for Europe during the war. 2780
 - b. The Minister has been asked to prepare a requisition for books and apparatus needed and to attempt to have some Italian credits in the United States allocated for their purchase.

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4. Exchange of scholars.

- a. Arrangements to send a professor of physics to the United States have progressed as far as possible until the Ambassador receives a reply from his telegram to Washington requesting permission for him to enter.
- b. New York University has offered some fellowships in the field of art to advanced Italian students and the Minister has been asked to select the students.
- c. The Minister has agreed to explore possibilities of offering similar fellowships in Italy to American students.
- d. Professor Elliott of Northwestern University and Professor Borgesi of the University of Chicago are trying to arrange a fund for interchange of professors and specialists between the United States and Italy. They are working in coordination with the Education Subcommittee.
- e. The Minister has agreed to try to facilitate the giving of credit to Italian students who study abroad.

5. Interchange of artists. First exploratory steps have been taken toward an interchange of American and Italian concert artists.

6. Boy Scouts and Girl Guides.

- a. The Catholic and non-denominational Scout organizations have been federated and provisionally recognized by the International organization.
- b. Scout manuals and other literature have been obtained from Britain and the United States and made available to Italian Scout leaders.
- c. Italian Scout organizations have been kept in contact with British, American, and International Scout organizations.
- d. American Girl Scouts have appropriated 1000 dollars to Italian Guides.
- e. International Boy Scouts has appropriated £150 to Italian Scouts.
- f. American Boy Scouts are raising money for Italian Scouts.

7. Cooperation with other agencies.

- a. The Education Subcommittee has a good working agreement as to division of labor with USIS (OWI).
- b. It is planned to have a similar arrangement with British Information Service.
- c. The policy of the Education Subcommittee is to make full use of the interests and contacts of other organizations concerned with cultural interchange.

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Carleton W. Washburne
 CARLETON W. WASHBURNE, Lt. Col., AUS
 Director of Education

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

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HEADQUARTERS ALLIED COMMISSION
Education Subcommittee
APO 394

358

4 April, 1945

Progress Report on Para 2 f. of FAN. 487.

Introductory note: All of the following steps have been taken in close consultation with the Minister of Public Instruction and are in full accord with his desires. Most of them were initiated long before FAN. 487 was issued, but it is believed that all are in accordance with its principles.

1. Allied books for publication in Italian.

a. Books on education. Both the preceding and present Minister expressed a strong wish to have available, in Italian, books which would give Italian educationists a knowledge of the organization, methods, experiences, and problems of education, from nursery school through the university, in the Allied countries. Leading authorities in Britain and the United States have been consulted, and about fifty books have been received for consideration. The Russian and Chinese embassies have likewise been consulted and the Chinese Minister of Education has sent an excellent pamphlet on Chinese education during recent years. No Russian publications have arrived.

A leading publisher, Le Monnier, of Florence, has been selected by the Minister of Public Instruction, and has agreed to have a series of book on Allied education translated and to publish them. By joint agreement between the Minister, the Publisher and the Education Subcommittee the first books of the series have been selected, one of which is in the press and others of which are being translated. So far, the probable order of publication will be as follows:

1. Introduction to American Education - De Young (McGraw Hill)
2. Education Act of 1944, combined with The New Education Act - A Citizen's Guide - Shearman (Workers Ed. Ass'n).
3. Chinese Education during the war - Chen Li Fu (Min. of Ed.).
4. Exploring the Curriculum - Giles, McCutcheon and Zechiel (Harpers).
5. History of Elementary Education in England and Wales - Birchenough (univ. Tutorial Press).
6. Policy and Progress in Secondary Education (British) - Graves (T. Nelson & Sons).
7. Red Brick University (British) - Truscot (Faber & Faber).
8. A Living Philosophy of Education - Washburne (John Day).

The total series will probably consist of 12 to 18 volumes. Russian and Chinese books will be interspersed if and when suitable ones are received.

b. Books on the Social Sciences. Half a dozen comprehensive and highly significant books on American history, politics, and economics have been received for consideration as part of a series in the social science field

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analogous to the series on education. The Minister would like to have us proceed with this, but work is still in the exploratory stage.

c. Juvenile Literature. An expert in juvenile literature (Brett) in consultation with the juvenile literature specialist of the American Library Association, has selected forty of the best children's books for publication in Italian. The books describe life in many lands, and include also science and general literature. An annotated list of all forty, and, samples of a number, have arrived, and the rest are on their way. Work is in progress, in cooperation with the United States Information Service, toward finding a publisher. U.S.I.S. will clear translation rights.

2. Publications in English for reference.

- a. Such of the books under paras. 1 a and b as we decide not to publish in Italian for the present will be made available, through the Minister, for reference and use by persons who can read English.
- b. In response to the request of the Society of Engineers, considering the reform of engineering education in Italy, literature has been received from the leading engineering schools of Britain and the United States and presented to the Society's committee.

3. Rehabilitation of libraries and laboratories.

- a. Through Regional Education Officers in M.G. Territory and the Minister in I.G. territory, universities and scientific and technical institutes have been asked to submit requests for the most urgently needed books, periodicals and apparatus. A large number of such requests have been received and are now being combined and tabulated in the Ministry. To satisfy this need the Education Subcommittee has so far taken the following steps: (1) Through Myron Taylor has wired Washington requesting donations from foundations and individuals; (2) through personal correspondence has requested the soliciting of funds by interested persons in the United States; (3) has requested the American Library Association (directly and through OWI) to send immediately all or part of Italy's share of publications collected during the war;
- b. The Minister has, at our suggestion, appointed commissions to prepare definite lists of publications and apparatus needed which will have to be imported from Britain and America. He has agreed to try to have made available to pay for them a part of the \$ 10,000,000 of Italian credit in the United States.

4. Exchange of scholars.

a. Physics professor to United States. All possible steps have been taken here toward facilitating the travel of Prof. Cacciapuoti to the United States to study recent developments regarding cosmic rays and nuclear physics, as requested by the Italian National Research Council and the Minister. We are now awaiting a reply from Washington to the American Ambassador's cable for permission.

b. New York University has offered several fellowships to advanced Italian students in the fine arts. The Minister has been asked to take steps toward selecting the students and New York University has been asked for further details.

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- c. New York University has also asked what possibilities exist for American students of art to study in Italy. The Minister has agreed to work out some kind of offer.
- d. Prof. Thomas Elliott of Northwestern University and Prof. Borgesi of the University of Chicago are trying to raise a fund to enable professors and specialists from the United States to come to Italy to lecture and act as consultants, and vice versa. The Education Subcommittee, on whose suggestion they are acting, has agreed to find out in what fields of work such persons are most needed and desired in Italy, and to find, through the Minister, the best persons in Italy to send to the United States.
- e. The Minister has been requested to work out with the Superior Council of Education means for facilitating the recognition of the work of students who go to other countries to study.

5. Interchange of Artists.

First steps have been taken in regard to exploring the possibility of ^{sending} musicians to America, and vice versa. There has been consultation with a leading Italian impresario, and a full letter, with suggestions as to ways and means, has been sent to the Columbia Concert Corporation Foreign Office.

6. Scouts and Guides.

The Education Subcommittee has been active in furthering the development of Boy Scouts and Girl Guides in Italy. In cooperation with the international, British, and American organizations, it has facilitated the following steps:

- a. The Catholic and Non-denominational Italian Scout organizations have been federated, and each of them and the federation accorded provisional recognition by the International Boy Scouts. The Minister of Public Instruction is president of the Federation.
- b. Literature and manuals on both Boy Scouts and Girl Guides have been obtained from Britain and the United States, and distributed here.
- c. Italian Scout and Guide organizations have been put and kept in communication with British, American, and International organizations.
- d. A grant of \$ 1000 has been obtained from the American Girl Scouts to help inaugurate the Italian Girl Guides, to be used for goods for uniforms, for Italian publications, etc.
- e. The International Boy Scouts has set up a credit of £. 150 for similar purposes for the Italian non-denominational Boy Scouts.
- f. The American Boy Scouts are raising a "World Friendship Fund" to aid ²⁷⁸⁵ in liberated countries and have promised to allocate part of this to Italy.

7. Cooperation with other agencies.

- a. The United States Information Service (OWI) and the Education Subcommittee have been working closely together in regard to a number of the above projects. A general working agreement has been reached whereby, in general, the Education Subcommittee will be responsible for exploring Italian needs and desires, seeing that both things and persons coming to Italy are properly channeled, and finding Italian personnel for other countries, while USIS will be responsible for procurement in the United States, shipping to Italy, and the proper channeling in the United States of persons sent from Italy.
- b. It is hoped to make similar contact and arrangements with the British Information Service as soon as it is effectively established here.
- c. Wherever other organizations have an interest in cultural interchange of any kind between Italy and Allied countries, it is the policy of the Education Subcommittee to capitalize fully on that interest and to work with the other organizations in such a way as to prevent overlapping of effort and to make use of the specialized knowledge and contacts of each.

Carleton W. Washburne

CARLETON W. WASHBURNE
Lt. Col., A. U. S.
Director of Education.

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

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HEADQUARTERS ALLIED COMMISSION

APC 394

Subcommission for Monuments Fine Arts and Archives
(Tel. 48-081, ext. 442 & 254; 478480)

340

20004/4/MFAA

2 April 1945

Subject: FAN.487 - "New Deal" for Italy.

To : CA Section.

1. Reference your A/32.A/CA of 2 April 45, thanks to the continued non-appointment of a Director General of Fine Arts, this Subcommission has been unable to obtain any official information of the Italian Government's views on the matter of FAN. 487, para 2F. It has however received many enquiries from Italian libraries and other official cultural institutions, which make it abundantly clear that American and British learned and cultural publications are strongly desired.

2. One of the libraries concerned, that of the R. Istituto d'Arte e d'Archeologia, undertook to produce a bibliography of Italian publications in the field of archaeology and art-history since 1939. This list was sent in February to Princeton University and to the Society of Antiquaries, London, whence it has received wide circulation. These bodies have in return undertaken the compilation of bibliographies of American and British publications for circulation in Italy.

3. It is understood that an American agency has already widely circularized Italian libraries for the renewal of exchange of American and Italian learned periodicals.

4. As regards the exchange of British and Italian learned periodicals and other books the Deputy Director on 22 March approached Mr. M. Stewart of the British Embassy with a view to discovering what was the proposed role of the British Council in the matter, and on his invitation submitted the memorandum herewith attached, Appendix A, especially paras 4 and 5. **2783**

5. An exchange of articles on recent classical research-work in England and Italy has been arranged between the Journal of Roman Studies and the Bollettino del Museo dell'Impero Romano.

6. This Subcommission would welcome clarification as to the proposed activities of the following bodies:

Cultural Section of the O. W. F. Division, Prof. A. P.

To : CA Section.

1. Reference your A/32.A/CA of 2 April 45, thanks to the continued non-appointment of a Director General of Fine Arts, this Subcommittee has been unable to obtain any official information of the Italian Government's views on the matter of PAN. 487, para 2F. It has however received many enquiries from Italian libraries and other official cultural institutions, which make it abundantly clear that American and British learned and cultural publications are strongly desired.

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6. This Subcommittee would welcome clarification as to the proposed activities of the following bodies:

- a. Cultural Section of the O.W.I., Director Prof. C.R. Morey.
- b. The British Council.

It is known that the former of these bodies proposes to handle the proposed movement of artists and scholars between Italy and America.

Ernest T. De Wald

ERNEST T. DE WALD
Lt. Col. Spec. Res.
Director.

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Appendix "A"
to letter 20004/9/
MFAA
2 Apr 45.

MEMORANDUM ON EXCHANGE OF BRITISH AND
ITALIAN LEARNED PUBLICATIONS

1. Since 1939 there has been in Italy a large output of important scientific, historical and artistic publications, many of which are already unobtainable and many more will shortly become so. Not only have the complete stocks of certain large publishers, such as Hoepli been destroyed; but the presence in Italy of large numbers of interested individuals, both German and Allied, has resulted in the exhaustion of many small editions which would in normal times find their way first into the appropriate libraries in England and elsewhere. The destruction wrought by the war is creating an additional demand. It is no exaggeration to say that unless some action is taken at once, science and scholarship at home will be deprived of the complete output of five years of the Italian learned world.

2. The Americans have recognized this and have already acted. Since January 1944 a representative of the library of Congress has been at work acquiring books, arranging exchanges, and compiling bibliographical information. Recently a questionnaire has been circulated to all important institutions and libraries in Italy with a view to restarting exchange of learned periodicals.

3. There are obvious difficulties in the shape of currency, restrictions and shipping-space. Nevertheless I am convinced that there is a great deal of practical and useful work which could be done at this juncture. I suggest that the interested bodies in England (for immediate practical purposes the copyright libraries and the representative material institutions of the respective arts and sciences) should be approached to set up a committee and to appoint jointly a representative to be sent out to Italy. This representative would have two immediate tasks:

a. The compilation of the bibliographical information needed by libraries at home.

b. The blocking, against future exchange or purchase, of necessary stocks of books and periodicals. **2782**

4. Such an arrangement would serve equally as a channel whereby British publications of a similar character could be made available to Italy. This is an urgent need and one which, I understand, the British Council proposes to meet. The two problems are essentially one, and a solution which involves a cultural exchange rather than a one-way flow is likely in the long run to prove far more satisfactory from every point of view. The authority of some

so. Not only have the complete stocks of certain large publishers, such as Hoepli been destroyed; but the presence in Italy of large numbers of interested individuals, both German and Allied, has resulted in the exhaustion of many small editions which would in normal times find their way first into the appropriate libraries in England and elsewhere. The destruction wrought by the war is creating an additional demand. It is no exaggeration to say that unless some action is taken at once, science and scholarship at home will be deprived of the complete output of five years of the Italian learned world.

2. The Americans have recognized this and have already acted. Since January 1944 a representative of the Library of Congress has been at work acquiring books, arranging exchanges, and compiling bibliographical information. Recently a questionnaire has been circulated to all important institutions and libraries in Italy with a view to restarting exchange of learned periodicals.
3. There are obvious difficulties in the shape of currency, restrictions and shipping-space. Nevertheless I am convinced that there is a great deal of practical and useful work which could be done at this juncture. I suggest that the interested bodies in England (for immediate practical purposes the copyright libraries and the representative material institutions of the respective arts and sciences) should be approached to set up a committee and to appoint jointly a representative to be sent out to Italy. This representative would have two immediate tasks:
 - a. The compilation of the bibliographical information needed by libraries at home.
 - b. The blocking, against future exchange or purchase, of ~~the~~ ²⁷⁸² necessary stocks of books and periodicals.
4. Such an arrangement would serve equally as a channel whereby British publications of a similar character could be made available to Italy. This is an urgent need and one which, I understand, the British Council proposes to meet. The two problems are essentially one, and a solution which involves a cultural exchange rather than a one-way flow is likely in the long run to prove far more satisfactory from every point of view. The authority of some such official body as the British Council would be very valuable.

It must be stressed however that the operation of any practical scheme such as that here proposed would be a full-time job and not one to be undertaken by an official already engaged on many other duties.

5. The above suggestions are based on my practical experience of the problems in my own sphere of archaeology and art-history. The need for action in respect of Italian publications for British libraries is urgent; and I believe that the reopening of cultural relations will stand a far greater chance of success if it is established on a reciprocal basis.

J. B. WARD PERKINS
Lt. Col. RA
~~Deputy Director.~~

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

38a

Para 2 G.

HEADQUARTERS ALLIED COMMISSION - 2 ADD 1015
APO 394
LOCAL GOVERNMENT SUB COMMISSION

AC/6/14/LG. Tel: 478190.
SUBJECT: PAN. 487 - "New Deal" for Italy. 2nd April, 1945.

TO : Civil Affairs Section.

Reference your 4/32.A/CA of 2 April calling for a progress report in the matter of local elections for the period ended 31st March, 1945, this Sub-Commission reports as follows :-

ITALIAN GOVERNMENT TERRITORY.

1. A Decree-Law of 28 September 1944 and a Ministerial Decree of 18 October 1944 have been made by the Italian Government and provide for the compilation of electoral lists for registers of voters. The preparation of the registers is proceeding. The Government state that the earliest date on which the registers can be completed, is about 15 May. (It is thought that in most cases the registers will not be ready until later in the summer)
2. The Italian Government are preparing a decree as to the conduct of local elections. (An outline of their proposals has been communicated to AC) they intend to revive the pre-Fascist law. It (already) appears that the electoral procedure proposed to be re-introduced is in several respects not adapted to ensure freedom and secrecy of voting. It has been decided to tender advice to the Italian Government as to the improvements that might be made.

MILITARY GOVERNMENT TERRITORY.

3. Consent has been given to the taking in Military Government Territory of two measures preliminary to the compilation of electoral lists. Firstly, instructions have been given for the revision of the "anagrafe" or population registers. Secondly, the forms regulations and other matter for use in compiling the lists have been distributed to Provincial Capitals, AC providing the transport.
4. At the suggestion of AC, the Italian Government have agreed to amend the decrees referred to in para. 1 so as to permit the preparation of electoral lists to be commenced on dates to be fixed by AMG.
5. (The desirability of permitting local elections to be held in any part of Military Government Territory has been deferred. (This question is bound up with) the problem referred to in para. 2.

7.

FOR THE DIRECTOR:

R.H. Temple
RALPH R. TEMPLE, Major,
Deputy Director,
Local Government Sub-Commission.

CJAW/pgw.

Reference your 4/32.4/CA of 2 April calling for a progress report in the matter of local elections for the period ended 31st March, 1945, this Sub-Commission reports as follows :-

ITALIAN GOVERNMENT TERRITORY.

1. A Decree-Law of 28 September 1944 and a Ministerial Decree of 18 October 1944 have been made by the Italian Government and provide for the compilation of electoral lists for registers of voters. The preparation of the registers is proceeding. The Government state that the earliest date on which the registers can be completed, is about 15 May. (It is thought that in most cases the registers will not be ready until later in the summer)
2. The Italian Government are preparing a decree as to the conduct of local elections: (An outline of their proposals has been communicated to AC) they intend to revive the pre-fascist law. It (already) appears that the electoral procedure proposed to be re-introduced is in several respects not adapted to ensure freedom and secrecy of voting. It has been decided to tender advice to the Italian Government as to the improvements that might be made.

MILITARY GOVERNMENT TERRITORY.

3. Consent has been given to the taking in Military Government Territory of two measures preliminary to the compilation of electoral lists. Firstly, instructions have been given for the revision of the "anagrafe" or population registers. Secondly, the forms regulations and other matter for use in compiling the lists have been distributed to Provincial Capitals, AC providing the transport.
4. At the suggestion of AC, the Italian Government have agreed to amend the decrees referred to in para. 1 so as to permit the preparation of electoral lists to be commenced on dates to be fixed by ANS.
5. (The desirability of permitting) local elections to be held in any part of Military Government Territory has been deferred. (This question is bound up with) the problem referred to in para. 2.

FOR THE DIRECTOR:

R. R. Temple
RALPH R. TEMPLE, Major,
Deputy Director,
Local Government Sub-Commission.

CJW/pgw.

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

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Case 2 D.
SECRET

HEADQUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

32a

AC/4057/1/L.

2 April 1945.

SUBJECT : Restoration of Territory.

TO : VP, CA Sec.

1. Reference your 4/32 A/CA of 2 Apr 45 herewith is submitted the suggested draft for the next transfer of territory to the Italian Government.
 2. The only effective alteration in Document "A" is the deletion of the previous Article 7 which required consent of SACMED to the removal of Italian officials. The deletion of this clause does not in my opinion involve the necessity for any other alteration to the terms of the document.
 3. The wording of Article 14 of Document "A" has been simplified because all those provisions requiring repetition on the occasion of each successive restoration have now been made applicable by specific decrees to all future restorations, and therefore it is my opinion that the Italian Government need only be required on this occasion to issue the form of decree defining the territory plus the President of Council's proclamation. This is in accordance with the policy of simplification as originally planned.
 4. Document "B" is substantially unaltered.
 5. Document "C" is substantially unaltered.
- Paragraph 3 of the Proclamation recognises as legal, valid and binding all appointments to and removals from offices effected by the Allied Military Government; this clause is obviously necessary to protect officials who have acted under AMG authority, and in the case of appointments made by AMG and expressed by them to be temporary, does not bind the Italian Government to continue the office-holders in office. In any case, this clause is not affected by the proposed change in the terms of restoration since the recognition of the legal, valid and binding nature of the appointments could not be varied by any subsequent consent of SACMED to the removal of the officials concerned.
6. No document is required for the purpose of preserving the right of veto of military appointments since this right, which springs from an Agreement between Lt. Gen. Mason MacFarlane and Marshal Badoglio dated 19 March 1944, is preserved by the Aide Memoire of 24 Feb 45 for the appointments concerned.

W. E. BEHRENS,
Colonel,
Deputy Chief Legal Advisor.

Incls : Documents "A", "B" and "C".

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DOCUMENT "A"

TERMS OF RESTORATION OF
ADDITIONAL ITALIAN TERRITORY

Several provinces held

WHEREAS, successively on the 11th February 1944, on the 20th July 1944, on the 15th August 1944 and on the 16th October 1944, certain territory in Italy previously occupied by the Allied Forces has been restored to the jurisdiction of the Italian Government, and

WHEREAS, since said last mentioned date additional territory in Italy has been liberated from German domination, and

WHEREAS, the Italian Government has requested that certain additional areas now occupied by the Allied Forces be restored to the jurisdiction of the Italian Government, and

WHEREAS, it is the desire of the United Nations to comply with this request in so far as may be compatible with the successful prosecution of the war, and

WHEREAS, it is necessary for the successful prosecution of the war that certain rights, powers and immunities in all Italian territory which has been liberated from German domination be retained by the Allied Forces

NOW, THEREFORE, I, SIR HAROLD R.L.G. ALEXANDER, G.C.B., C.S.I., D.S.O., M.C., Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby terminate Allied Military Government in the territory described below. The Italian Government will resume the Government of that territory, subject to the terms and conditions hereinafter set forth.

Territory Restored: That portion of Italy comprising the Provinces of

Terms of Restoration: Without prejudice to any rights, powers and immunities of the United Nations under the Armistice terms heretofore granted to the Italian Government, all of which remain in full force and effect throughout all Italian territory, there are hereby reserved to the United Nations and to the Supreme Allied Commander, Mediterranean Theater and to such officers or other representatives, including the Allied Control Commission, as he may designate, the rights, powers and immunities described below, in any part of the said territory and in all other Italian territory which has been liberated from German domination and is now under the jurisdiction of the Italian Government, hereinafter referred to as "the Unoccupied Territory" **2778**

1. There will be made available to the Allied Forces such facilities, utilities and installations as may be required by the Supreme Allied Commander, Mediterranean Theater or his agents for such dispositions, use or operation as may be deter-

WHEREAS, successively on the 11th February 1944, on the 20th July 1944, on the 15th August 1944 and on the 16th October 1944, certain territory in Italy previously occupied by the Allied Forces has been restored to the jurisdiction of the Italian Government, and

WHEREAS, since said last mentioned date additional territory in Italy has been liberated from German domination, and

WHEREAS, the Italian Government has requested that certain additional areas now occupied by the Allied Forces be restored to the jurisdiction of the Italian Government, and

WHEREAS, it is the desire of the United Nations to comply with this request in so far as may be compatible with the successful prosecution of the war, and

WHEREAS, it is necessary for the successful prosecution of the war that certain rights, powers and immunities in all Italian territory which has been liberated from German domination be retained by the Allied Forces

NOW, THEREFORE, I, SIR HAROLD R.L.G. ALEXANDER, G.C.B., C.S.I., D.S.O., M.C., Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby terminate Allied Military Government in the territory described below. The Italian Government will resume the government of that territory, subject to the terms and conditions hereinafter set forth.

Territory Restored: That portion of Italy comprising the Provinces of

Terms of Restoration. Without prejudice to any rights, powers and immunities of the United Nations under the Armistice terms heretofore granted to the Italian Government, all of which remain in full force and effect throughout all Italian territory, there are hereby reserved to the United Nations and to the Supreme Allied Commander, Mediterranean Theater and to such officers or other representatives, including the Allied Control Commission, as he may designate, the rights, powers and immunities described below, in any part of the said territory and in all other Italian territory which has been liberated from German domination and is now under the jurisdiction of the Italian Government, hereinafter referred to as "the Unoccupied Territory" 2778

1. There will be made available to the Allied Forces such facilities, utilities and installations as may be required by the Supreme Allied Commander, Mediterranean Theater or his agents for such dispositions, use or operation as may be determined.
2. The right to maintain and quarter troops in such parts of the Unoccupied Territory as they may see fit.

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- 3. The right to hold or require the Italian Government to hold in custody prisoners of war and civilian internees as may be directed by the Supreme Allied Commander, Mediterranean Theater.
- 4. The right to declare any area to be a Military Zone and to exercise therein the rights of an occupying power or enforce such other controls as may be determined by the Supreme Allied Commander, Mediterranean Theater.
- 5. The right to convene Allied Military Tribunals for the trial of any person violating any order or regulation issued by the Allied Military Authorities and of any person otherwise doing any act hostile to the Allied Forces or any member thereof in any part of the Unoccupied Territory, and to inflict such punishment upon such person as such Tribunals may direct.
- 6. The right to conduct and carry to ultimate conclusion the trial by Allied Military Tribunals of any person charged with an offence heretofore committed and cognizable under any proclamation or order heretofore issued by or on behalf of the Allied Military Governor.
- 7. The right to requisition private and public property and services.
- 8. The right to reoccupy the whole or any part of the Unoccupied Territory at any time or to take such other steps or exercise such other powers in any part of such territory as may from time to time be deemed necessary for the proper prosecution of the war.
- 9. The right to import and export and to control and supervise the distribution to the civilian population of such civilian supplies as the Allied Forces may determine without the payment of any import, tax, charge or duty of any kind whatsoever either to the Italian Government or to any of its political sub-divisions or agencies except as may from time to time be agreed by the Supreme Allied Commander, Mediterranean Theater.
- 10. The right to engage in such operations and import and export such military or other supplies or property of any nature as may be deemed necessary for the proper prosecution of the war free from the imposition of any import, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political sub-divisions or agencies.
- 11. Any official or other representative or, in respect of any activities for official account, any agent of the United Nations, civilian or military, may enter and remain within the Unoccupied Territory free from the imposition of any import, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political sub-divisions or agencies.
- 12. No member of the Allied Forces or any official or other representative or agent of the United Nations, civilian or military, shall be brought to trial in any Italian Court for any cause whatsoever either civil or criminal without the consent of the Supreme Allied Commander, Mediterranean Theater.

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5. The right to convene Allied Military Tribunals for the trial of any person violating any order or regulation issued by the Allied Military Authorities and of any person otherwise doing any act hostile to the Allied Forces or any member thereof in any part of the Unoccupied Territory, and to inflict such punishment upon such person as such Tribunals may direct.

6. The right to conduct and carry to ultimate conclusion the trial by Allied Military Tribunals of any person charged with an offence heretofore committed and cognizable under any proclamation or order heretofore issued by or on behalf of the Allied Military Governor.

7. The right to requisition private and public property and services.

8. The right to reoccupy the whole or any part of the Unoccupied Territory at any time or to take such other steps or exercise such other powers in any part of such territory as may from time to time be deemed necessary for the proper prosecution of the war.

9. The right to import and export and to control and supervise the distribution to the civilian population of such civilian supplies as the Allied Forces may determine without the payment of any impost, tax, charge or duty of any kind whatsoever either to the Italian Government or to any of its political sub-divisions or agencies except as may from time to time be agreed by the Supreme Allied Commander, Mediterranean Theater.

10. The right to engage in such operations and import and export such military or other supplies or property of any nature as may be deemed necessary for the proper prosecution of the war free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political sub-divisions or agencies.

11. Any official or other representative or, in respect of any activities for official account, any agent of the United Nations, civilian or military, may enter and remain within the Unoccupied Territory free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political sub-divisions or agencies.

12. No member of the Allied Forces or any official or other representative or agent of the United Nations, civilian or military, shall be brought to trial in any Italian Court for any cause whatsoever either civil or criminal without the consent of the Supreme Allied Commander, Mediterranean Theater.

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13. All expenses and costs arising from the maintenance of Allied troops or other personnel within the Unoccupied Territory will be chargeable to the Italian Government as a part of the cost of occupation.

14. As in the case of prior restorations of territory to its jurisdiction, the Italian Government will duly and promptly issue such decrees and proclamations as require repetition in such a form and manner as to be applicable to the additional territory now being restored.

Field Marshal
Supreme Allied Commander, Mediterranean
Theater and Military Governor.

I have read the above terms and on behalf of the Italian Government agree to accept the territory to be restored on such terms. I further undertake to execute and publish a Proclamation by the Italian Government (hereto annexed as Document "C").

I also agree that the said restoration shall take place on

Witness:

Witness:

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Such decrees and proclamations as require repetition in such a form and manner as to be applicable to the additional territory now being restored.

Field Marshal
Supreme Allied Commander, Mediterranean
Theater and Military Governor.

I have read the above terms and on behalf of the Italian Government agree to accept the territory to be restored on such terms. I further undertake to execute and publish a proclamation by the Italian Government (hereto annexed as Document "C").

I also agree that the said restoration shall take place on

Witness:

Witness:

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SECRET

DOCUMENT "B"

Allied Military Government of Occupied Territory

PROCLAMATION No. 16 (D)

WHEREAS, I assumed all powers of government and jurisdiction in the territory of Italy occupied by my troops and over its inhabitants and military government was established to exercise those powers in such territory under my direction, and

WHEREAS, in the exercise of such powers, Proclamations and Orders have been issued from time to time by me or my predecessor or under my or his authority throughout such territory, and

WHEREAS, the United Nations have consented at the request of the Italian Government to restore as much of the said occupied territory to the jurisdiction of the Italian Government as may be compatible with military exigencies;

NOW, THEREFORE, I, SIR HAROLD R.L.G. ALEXANDER, ^{D.C.B., C.S.I.,}
D.S.O., M.C./⁴, Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby proclaim as follows:

Allied Military Government established by me or my predecessor and all Proclamations and Orders heretofore issued by me or by him or under my or his authority in that portion of Italy comprising the Provinces of
are hereby terminated as of 0001 hours on the day of
1945. The Italian Government will thereafter administer the above territory, subject to all powers, rights and immunities of the United Nations and of the Supreme Allied Commander, Mediterranean Theater and the Allied Commission.

Field Marshal,
Supreme Allied Commander, Mediterranean
Theater and Military Governor.

Dated:

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WHEREAS, I assumed all powers of Government and jurisdiction in the territory of Italy occupied by my troops and over its inhabitants and military government was established to exercise those powers in such territory under my direction, and

WHEREAS, in the exercise of such powers, Proclamations and Orders have been issued from time to time by me or my predecessor or under my or his authority throughout such territory, and

WHEREAS, the United Nations have consented at the request of the Italian Government to restore as much of the said occupied territory to the jurisdiction of the Italian Government as may be compatible with military exigencies;

NOW, THEREFORE, I, SIR HAROLD R.L.G. ALEXANDER, ^{D.C.} C.B., C.S.I., D.S.O., M.C., Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby proclaim as follows:

Allied Military Government established by me or my predecessor and all Proclamations and Orders heretofore issued by me or by him or under my or his authority in that portion of Italy comprising the Provinces of
are hereby terminated as of 0001 hours on the day of 1945. The Italian Government will thereafter administer the above territory, subject to all powers, rights and immunities of the United Nations and of the Supreme Allied Commander, Mediterranean Theater and the Allied Commission.

Field Marshal,
Supreme Allied Commander, Mediterranean
Theater and Military Governor.

Dated:

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DOCUMENT "C"

Proclamation by the Italian Government to be signed by the President of the Council

PROCLAMATION

To the Italian people:

The United Nations have acceded to the request of the Italian Government that further territory, in addition to that already restored, be restored to Italian Government administration as of today's date, in accordance with the terms and conditions necessary for the conduct of the war.

The provisions hereof concern the Provinces of

The restoration is subject to the following conditions:

1. Military Government in the territory restored as of this date having been terminated by the Allied Military Government, all powers of government and jurisdiction in the territory restored and over its inhabitants, and final administrative responsibility, subject only to the rights reserved to the United Nations, are vested in the Government of Italy.
2. All Proclamations and Orders heretofore issued by the Military Governor or under his authority by his delegates in the said territory and which have been terminated therein by the Military Governor as upon its restoration, are hereby recognized by the Italian Government as having been validly issued during the time they were operative and are declared to be of the same legal effect as if they had been issued by the Italian Government in accordance with Italian law, and they will be so recognized by all Italian courts and officials.
3. All acts done by any member of the Allied forces in pursuance of such Proclamations or Orders, and all official action of any nature taken by the Allied Military Government in pursuance thereof including all appointments to and removals from any office, public or private, will be recognized by all Italian courts and officials as legal, valid and binding.
4. All sentences imposed by Allied Military Courts are hereby recognized by the Italian Government as valid and legal and of the same effect as if imposed by an Italian court and will be so recognized by all Italian courts and Italian officials unless set aside or modified by or with the consent of the Allied Commission.

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To the Italian people:

The United Nations have acceded to the request of the Italian Government that further territory, in addition to that already restored, be restored to Italian Government administration as of today's date, in accordance with the terms and conditions necessary for the conduct of the war.

The provisions hereof concern the Provinces of

The restoration is subject to the following conditions:

1. Military Government in the territory restored as of this date having been terminated by the Allied Military Government, all powers of government and jurisdiction in the territory restored and over its inhabitants, and final administrative responsibility, subject only to the rights reserved to the United Nations, are vested in the Government of Italy.
2. All Proclamations and Orders heretofore issued by the Military Governor or under his authority by his delegates in the said territory and which have been terminated therein by the Military Governor as upon its restoration, are hereby recognized by the Italian Government as having been validly issued during the time they were operative and are declared to be of the same legal effect as if they had been issued by the Italian Government in accordance with Italian law, and they will be so recognized by all Italian courts and officials.
3. All acts done by any member of the Allied Forces in pursuance of such Proclamations or Orders, and all official action of any nature taken by the Allied Military Government in pursuance thereof including all appointments to and removals from any office, public or private, will be recognized by all Italian courts and officials as legal, valid and binding.
4. All sentences imposed by Allied Military Courts are hereby recognized by the Italian Government as valid and legal and of the same effect as if imposed by an Italian court and will be so recognized by all Italian courts and Italian officials unless set aside or modified by or with the consent of the Allied Commission.

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Rome:

President of the Council of Ministers

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

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HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

4/32.A/CA

2 April 1945

SUBJECT: FAN.487 - "New Deal" for Italy.
TO: Local Government Sub-Commission

1. On instructions received from AFHQ the Chief Commissioner is preparing an interim report for the Combined Chiefs of Staff covering the period up to 31 March 1945 upon the steps which have been taken to implement the directive contained in FAN.487.

2. In his written instructions to the Chief Commissioner, the Chief Administrative Officer makes the following comment :

"Para 2 G (of FAN.487) It is requested that information as to the measures adopted by the Italian Government for the holding of local elections and any further measures planned be furnished."

3. You are requested to furnish to this Section a interim report on the progress made in this matter.

4. Your report should cover the period ended 31 March 1945.

G. R. Upjohn
G. R. UPJOHN, Brig.
VP CA SECTION.

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

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HEADQUARTERS ALLIED COMMISSION
APO 391
CIVIL AFFAIRS SECTION

Ref: 1/32 A/CA


2 Apr 45.

SUBJECT: Pan. 187 - "New Deal for Italy".

TO: Legal Sub-Commission.

- 1 On instructions received from AFHQ the Chief Commissioner is preparing an interim report for the Combined Chiefs of Staff covering the period up to 31 Mar 45 upon the steps which have been taken to implement the directive contained in PAN. 187.
- 2 In his written instructions to the Chief Commissioner, the Chief Administrative Officer makes the following comment:

"Para 2 d. (of PAN. 187). Your suggested amendment to the transfer of territory documents is awaited. The retention by Service Sub-Commissions of the right of veto in regard to military appointments is approved."
- 3 Will you therefore please make your recommendations as to the wording and form of the necessary amendments to Document "A" of the Transfer of Territory documents to this Section. In this connection your attention is drawn to Para 1 (d) of Chief Commissioner's letter addressed to AFHQ, reference 1001/EC dated 19 Feb 45.


G.R. UPJOHN, Brig.,
VP CA Section.

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HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

W/32.A/CA

2 April 1945

SUBJECT: PAN.487 - "New Deal" for Italy.

TO: Education Sub-Commission
Public Health Sub-Commission
Monuments and Fine Arts S/C.

1. On instructions received from AFHQ the Chief Commissioner is preparing an interim report for the Combined Chiefs of Staff covering the period up to 31 March 1945 upon the steps which have been taken to implement the directive contained in PAN.487.

2. In his written instructions to the Chief Commissioner, the Chief Administrative Officer makes the following comment :

Para 2 F. (of PAN.487) You should submit as soon as possible your suggestions for the implementation of this paragraph of PAN.487 based on the views of the Italian Government as known to you. This Headquarters should also be informed of the progress of any arrangements to date for the movement of scholars, artists and professional men between Italy and the United Nations, and of such plans as are envisaged for the future as a basis for consideration of security, movement and other questions involved."

3. You are requested to forward to this Section a report of the progress that has been made in this matter, together with any official views of the Italian Government which may be in your possession with regard to the interchange of knowledge and scientific development.

4. Your report should cover the period ended 31 March 1945.

R.H.G.
R. H. GIBSON, Brig.
W/ CA SECTION.

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

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HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

JCA

Ref. 4001/172/EG.

1 April 1945

SUBJECT:- FAH 487

TO: V.P. C.A. Section.

Enclosed copy of letter from General Robertson C.A.O. AFHQ, dated 29 March 1945.

1. I am directed by the Chief Commissioner to ask you to:-
 - (a) Submit your suggested amendment to the transfer of territory documents (para 2 D.)
 - (b) Submit your comments on para 2 F.
 - (c) Submit your comments on para 2 G.
 - (d) Submit your comments on para (2 k.) 3 D

Ernest H. Meyer
Chief Staff Officer,
To Executive Commissioner.

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

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ALLIED FORCE HEADQUARTERS
Office of the Chief Administrative Officer.

29 March 1945.

SUBJECT: FAN 487

TO : Chief Commissioner
Headquarters, Allied Commission
A.F.C. 394

Reference is made to FAN 487, and to your letter under refer-
ence 4001/1 of 19 February.

1. The general intent of FAN 487, the interpretation of certain
of its clauses and the program for communication of the substance of
the directive to the Advisory Council for Italy, the Italian Government
and to the press has been the subject of a number of conferences between
representatives of this and your headquarters. No overall directive
other than that contained in FAN 487 itself, except in respect of economic
matters, is now contemplated. It is, however, thought appropriate that
an interim report should be made to the Combined Chiefs of Staff cover-
ing the period up to 31 March, upon the steps which have been taken to
implement the directive contained in FAN 487, and upon the steps which
are in progress or in contemplation for the future.

2. Before doing so, it is desired to comment paragraph by para-
graph upon FAN 487, and upon your letter of 19 February, in order that
action already taken can be confirmed and the scope of current and
future action determined.

a. Para 2 A. Please confirm that the U.S. and British Subcom-
mies have nominated their representatives to the Commission, informing
this at the same time of their names. It is observed that it is your
intention that these representatives shall bear a relation to you similar
to that which the British Resident Minister and the U.S. Political Advisor
bear to the Supreme Allied Commander. You will, of course, have noted
the continued responsibility of the Combined Chiefs of Staff to transmit
directives for the purposes indicated in the paragraph under comment.
The channel for communication with the Combined Chiefs of Staff will con-
tinue to be this Headquarters.

b. Para 2 B.

(1) Permission has now been given for the Italian Govern-
ment to communicate with their representatives by
means of unsecured sealed bag facilities. It is not
yet possible to permit unsecured cipher facilities.

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(11) Please confirm that the Italian Government has accented to your request to keep you advised of any negotiation in which they may engage with other Governments, and that you are satisfied with the Italian Government's intentions in this matter.

(12) Direct relations with the French Government have already been established to the extent that a French representative has been accredited to the Admiral. What is the position with regard to the appointment of an Italian representative to the Comd d'Orsay? Please notify this Headquarters of any progress towards the establishment of direct relations with the Yugoslav and Greek Governments, furnishing in due course the names of the respective representatives who may be appointed.

c. Para 2 C.

(i) Your interpretation of the words "in the territory" to mean "affecting the territory" is confirmed. It is desirable that informal consultations such as you mention be continued and that this Headquarters be informed in all cases where important questions of policy are concerned.

(ii) Your interpretation of this clause as vesting in SACRED the right where necessary to exercise control in any decree affecting military needs and the requirements of the campaign is also confirmed.

d. Para 2 D. Your suggested amendment to the transfer of territory documents is omitted. The retention by Service Subcommittees of the right of veto in regard to military appointments is approved. In this connection it is emphasized that incidents such as the recent substitution of Brunetti for Boyce without prior consultation must not be permitted to occur again.

e. Para 2 E.

(i) You will have received this Headquarters' letter of 16 March indicating approval in principle to the plan contained in Appendix A to your letter of 19 February, subject to the reservations contained in this Headquarters' letter. It must be understood that while this Headquarters desires to implement both the letter and the spirit of P.M. 437 as rapidly as possible, the process must not be so abrupt as to cause unnecessary dislocation, or disturbance to the war effort. **2769**

(ii) It is confirmed that ASD in Naples will continue until further notice (your para 2 E (iv)).

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SECRET

f. Para 2 F. You should submit as soon as possible your suggestions for the implementation of this paragraph of FAW 487 based on the views of the Italian Government as known to you. This Headquarters should also be informed of the progress of any arrangements to date for the movement of scholars, artists and professional men between Italy and the United Nations, and of such plans as are envisaged for the future as a basis for consideration of security, movement and other questions involved.

g. Para 2 G. It is requested that information as to the measures adopted by the Italian Government for the holding of local elections and any further measures planned be furnished.

h. Para 2 H. This Headquarters has received your recommendations (based on the Italian Government proposals) upon the subject of the status of Italian POW. These recommendations are being examined, and you will be informed of the views of this Headquarters as soon as possible.

i. Para 3 A. Your interpretation of this paragraph to mean consultation between Heads of Sections and Directors of Subcommissions on the one hand, and Ministers and Under-Secretaries on the other, is acceptable.

j. Para 3 C. It is desired that a report upon the progress of the process of civilianization to date be given this Headquarters. The report should state the numbers of civilians both U.S. and British who have already taken up their assignments, and the nature of the position they are occupying, together with a statement of the military personnel thus released. The report should also contain the Commission's plan for the further infiltration of civilians, showing the degree of civilianization expected to be achieved, by phases (e.g. after the occupation of northern Italy) and the assignments to be filled by civilians in order of priority. This report should reach this Headquarters by 10 April.

k. Para 3 D. It is noted that you consider as "not feasible" compliance with the instruction that officers of AG HQ dealing with AMI functions should be located at places other than Allied Commission Headquarters. It is felt that the Combined Chiefs of Staff will not be satisfied with this summary rejection of an instruction to which they evidently attach considerable importance.

It is the clear intention of FAW 487 that the Staff of AG HQ should in future confine itself primarily to advice and consultation with the Italian Government at high levels. It is not consonant with this intention that there should be integrated within the Staff of AG HQ a large number of officers whose functions relate exclusively to the administration of Military Government territory. There are, moreover, at present forming part of AG HQ certain Sub-Commissions, etc., such as those for Education, Arts and Monuments, Local Government and Labour which will, in future, have very little reason for existence, except so far as they are concerned with AMI territory.

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It is quite appreciated that AMG administration cannot be entirely divorced from the Allied Commission. Questions of supply must be handled centrally for occupied ITALY as a whole. The administration of the personnel engaged with AMG should be co-ordinated with that of all other personnel serving with the AC. Matters of major importance require reference to the Chief Commissioner, whether they concern AMG territory or that portion of the country which has been transferred to the Italian Government. There will be no infraction of the wishes of the Combined Chiefs of Staff through retaining control of these and kindred matters at HQ AC. As regards other matters which fall rather under the heading of implementation of policy, it is felt that there should be no need to retain at HQ AC Staff Officers who handle these matters in respect of AMG territory only. It should be possible to avoid this, either by delegating a greater measure of responsibility to the officers in charge of AMG with Armies or by increasing the Staff of your DCOAC.

In connection with the foregoing you should of course, have in mind the necessity of maximum savings in personnel, particularly military personnel, officer and enlisted.

It will be appreciated if you will re-examine the matter in the light of the above comments and give us your further observations to enable us to satisfy the Combined Chiefs of Staff that their wishes are being respected within the limits of what is practicable and advisable.

3. Economic Section. A separate directive from this Headquarters for the implementation of this part of FAN 487 has been prepared and will be furnished to you shortly.

4. Financial Section. TAM 445 has been received and discussed with you, and MAT 55A has been dispatched as a result of these conversations. A definitive directive from the Combined Chiefs of Staff is awaited.

5. An AFHQ Administrative Memorandum in general terms in connection with the overall intention of FAN 487 is being issued by this Headquarters.

B. H. ROBERTSON,
Lieutenant General,
Chief Administrative Officer.

1923

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

27 MAR 1945

27a

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

Ref: 4001/163/EC

27 MAR 1945

27 March 1945

SUBJECT: Relations with Italian Government.

TO : VP, Economic Section (15)
VP, Civil Affairs Section (10)
Director, Communications Sub-Commission
Director, War Material Disposal &
Italian PW Sub-Commission

1. Vice Presidents will impress upon the Directors of their Sub-Commissions, and Directors of Independent Sub-Commissions upon their officers, the necessity of implementing the policy of the CCS directive defining the new relations of the Allied Commission with the Italian Government, especially with respect to the following paragraph:

"The Staff of Allied Commission Headquarters should occupy itself primarily with consultation and advice to the Italian Government at high levels."

2. Experience during the last six months has shown that whereas officers in the field have been careful to avoid executive action or speech with officials of the Provincial governments, there has been a tendency at HQ for officers in the Sub-Commissions to forget that the dropping of the "G" from A.C.C. was intended to convert the relations between the Allied Commission and the Italian Government to those of adviser (and provider of supplies) on the one hand and of a sovereign government on the other. I have heard reports of discussions and conferences which lead me to think that more forceful measures than advice have been used to persuade - if indeed not to compel - the Italian Government to accept the views of the Allied Commission and come into line. In some instances these measures have been taken by subordinate officers of Sub-Commissions speaking perhaps to subordinate officials of the Italian Government. But the effect has been the same - and is unfortunate. The Italians presume that every member of the Commission speaks with the authority of the Chief Commissioner and they suffer, in their estimation, from a multiplicity of masters, and the application of conflicting policies of "advice" and "control".

3. In future, therefore, Vice Presidents and Directors of Sub-Commissions will ensure that such formal advice as it may be necessary to convey to the Italian Government is given by Vice Presidents or their Deputies or by Directors of Sub-Commissions, to Ministers or Under-Secretaries. At lower levels officers should refrain from giving formal advice and should restrict their functions to verbal consultation and discussion, expressing informally and unofficially any advice which they may feel should be given and would have the complete approval of their Director or Vice President. Generally speaking, in all their dealings with members of the Italian Government on matters affecting Italian Government territory, officers must act with diplomacy and tact rather than as mentors or governors. Only thus will the Italian Government learn to shoulder its responsibility.

SUBJECT: Relations with Italian Government.

TO : VP, Economic Section (15)
VP, Civil Affairs Section (10)
Director, Communications Sub-Commission
Director, War Material Disposal &
Italian FW Sub-Commission

1. Vice Presidents will impress upon the Directors of their Sub-Commissions, and Directors of Independent Sub-Commissions upon their officers, the necessity of implementing the policy of the CCS directive defining the new relations of the Allied Commission with the Italian Government, especially with respect to the following paragraph: 218

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Copies to: Acting President
VP Political Advisers (2)
VP Establishment Section
Navy Sub-Commission
Land Forces Sub-Commission (MFLA)
Air Forces Sub-Commission
Public Relations Branch
Liaison Division.

Elery W. Stone
ELERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

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HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

CONFIDENTIAL

NSC/1695
23 February 1945

96a

From: Navy Sub-Commission, Hq. Allied Commission.
To: Civil Affairs Section, Hq. AC.
Subject: Italian Navy Personnel - Appointments and removal of.

1. In reply to your letter ^{120a} A/32A/CA of 22 February 1945, the distinction in paragraph 2a and 2b between the appointment "of personnel in the three service Ministries" and the appointment of "officers", respectively, is not clear. Likewise the distinction between "our approval" and "AC's approval" is subject to interpretation.

2. The views of the Navy Sub-Commission, AC with respect to appointment of officers were expressed in Navy Sub-Commission letter NSC/1696 of 14 February 1945, copy to Headquarters, AC. The policy of the Navy Allied Commander-in-Chief, Mediterranean, in this premise is stated in Allied Force Headquarters letter G5; 091.1 Italy, of 2 February 1945, a copy of which was forwarded to the Navy Sub-Commission, AC by Headquarters, AC letter 2810/10/EC of 21 February 1945.

3. In review, appointments and removals from office of Italian Navy personnel should be controlled as follows:

(a) By the Allied Commission:

The appointment and removal of all Italian Navy Cabinet officials and high ranking civilians, with the concurrence of Allied Force Headquarters and CINC-MED, when required.

(b) By the Commander-in-Chief, Mediterranean.

The appointment and removal of all Italian Navy officers of the rank of Captain and above.

4. No comment has been made in previous correspondence relative to the appointment and removal of officers and officials of the Italian Mercantile Marine, which is under the Italian Ministry of Marine. While the Italian Mercantile Marine is under the Naval Allied Commander-in-Chief, Mediterranean, in accordance with the Cunningham - de Courten Agreement, it is operated primarily by the Mediterranean Shipping Board through the Italian agency, COGEMA. The right should be reserved to the Allied Commission or the Naval Allied Commander-in-Chief, Mediterranean, as may be necessary to exercise control over the appointment to and removal from office of officers and officials attached to the Italian Mercantile Marine in important positions.

Copy to:
Land Force SC AC.
Air Force SC AC.

G. I. WARREN
REAR ADMIRAL
Chief, Navy Sub-Commission, AC.

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CONFIDENTIAL

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

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HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

25A

Tel. Ext. 478008

Ref: 4/32.A/GA

26 FEB 1949

SUBJECT: Policy with regard to Italian Government

To: All Sub-Commissions, Civil Affairs Section

Attached, for your information only, is a copy of the aide memoire handed by the Acting VP of this Commission to the Prime Minister on Saturday 24 Feb. This is forwarded as a guide to you in your dealings with the Government, but future procedures will, it is anticipated, be the subject of a directive by the Chief Commissioner to be issued shortly.

A.R.C.

H. E. CHIEFS Col.
CSO CA Section.

Circulation:

- Displaced Pers. & Repat. S/C
- Education S/C
- Legal S/C
- Local Government S/C
- Monuments & Fine Arts S/C
- Patriots Branch
- Public Health S/C
- Public Safety S/C
- Devastated Areas Branch
- File

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

Civil Affairs

25B

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner

Ref: 4001/155/EG.

27 February 1945.

27 FEB 1945

SUBJECT: New Deal For ITALY.

TO: Distribution below.

Pending issuance of a detailed directive to members of the Commission the attached copy of an Aide-Memoire communicated to the Italian Government by the Acting President and the Chief Commissioner on 24 February 1945 is sent to you for information and guidance.

Elmer W. Stone

ELMER W. STONE
Rear Admiral, USNR
Chief Commissioner

Encl.

DISTRIBUTION:

- S.C.A.C. Fifth Army
- S.C.A.C. Eighth Army
- All Regions
- Sections
- Sub-Commissions
- Independent Sub-Commissions
- (less Service Sub-Commissions).

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encies should operate, leaving to the Allied Control Commission responsibility only in areas relatively close to the scene of operations.

9. From the point of view of distribution of military personnel these proposals are attractive but whatever the reasons may be outside this theatre they would appear to be unsound from the point of view of the proper administration, related always to military necessity, of the population in this theatre of war.

10. It is vitally necessary from the political point of view that the Italian Government should take the maximum responsibility in the government of the territory handed over to it. So long, however, as this is a theatre of war and so long as the Italians have the status of co-belligerents, the Government can look to but one Allied authority for direction, control and advice. That authority should be the Chief Commissioner of the Allied Control Commission. In order that the Chief Commissioner may be in a position to

exercise direction and control and furnish advice he must have representatives, however thinly distributed, in all parts of the territory. He cannot in the present state of instability in this country rely on information furnished by the Italians alone, nor can he carry out his responsibilities by exercising remote control and by making use of "trouble shooters". Moreover, it is the experience not only in this country but also in other occupied territories that wherever Allied Forces or installations exist, the presence of resident Allied Civil Affairs Officers (either administrative, police or technical) is necessary to facilitate the functions of the military authorities and to promote good relations between the civilian population and military forces without which the maximum resources of the country cannot properly be employed. There still exist in Sicily, Sardinia, and many places in Southern Italy, Allied installations and Allied Forces.

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11. Again, reports from the Southern areas show that the country has not reached a stage of stability which would justify complete abandonment of large areas without the presence of a few Allied officers. The standard of administration shown by heads of local government, the numbers and degree of efficiency of

10. It is vitally necessary from the political point of view that the Italian Government should take the maximum responsibility in the government of the territory handed over to it. So long, however, as this is a theatre of war and so long as the Italians have the status of co-belligerents, the Government can look to but one Allied authority for direction, control and advice. That authority should be the Chief Commissioner of the Allied Control Commission the agency created by the long terms of the Armistice for this purpose. In order that the Chief Commissioner may be in a position to exercise direction and control and furnish advice he must have representatives, however thinly distributed, in all parts of the territory. He cannot in the present state of instability in this country rely on information furnished by the Italians alone, nor, can he carry out his responsibilities by exercising remote control and by making use of "trouble shooters". Moreover, it is the experience not only in this country but also in other occupied territories that wherever Allied Forces or installations exist, the presence of resident Allied Civil Affairs Officers (either administrative, police or technical) is necessary to facilitate the functions of the military authorities and to promote good relations between the civilian population and military forces without which the maximum resources of the country cannot properly be employed. There still exist in Sicily, Sardinia, and many places in Southern Italy, Allied installations and Allied Forces.

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11. Again, reports from the Southern areas show that the country has not reached a stage of stability which would justify complete abandonment of large areas without the presence of a few Allied officers. The standard of administration shown by heads of local Government, the numbers and degree of efficiency of the Carabinieri and other police agencies, are not sufficient to ensure that stability which is necessary, not only where Allied installations exist, but throughout the country, so long as this country is a theatre of war. However much we may wish to compel the Italian local government to stand on their own feet and to take full responsibility, it must be remembered that the presence of one Allied officer in an advisory capacity may make all the difference between

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needs of the Allied Forces in Italy. The Italian Government is now in Rome and will shortly have under their administration a large portion of liberated Italy. But the most important industrial portion of Italy, densely populated, is still in German hands and the enemy shows no signs of evacuating the territory without continuous fighting. In any examination of problems in the near future, that is to say so long as hostilities continue in the territory, Italy must be regarded not as a political entity but as a theatre of war. Political aspirations, long range policies for rehabilitation, must take second place to the operational and post-operational needs of the Allied Forces.

6. It may be necessary to divide this theatre of war into two military areas, e.g., as between AAI and ABE, but on the ACC administrative (including economic) side, no division should be made. This was the basic principle underlying the amalgamation of Allied Military Government and the Allied Control Commission: it ensured co-ordination of policy and procedure at the centre and continuity throughout the territory.

7. The policy of the Allied Control Commission in the last six months has been gradually to bridge the division between Allied Military Government territory and Italian Government territory. We have evolved a process by which legislation in many cases is identical and we have aimed at similarity of principles and procedure, diverging from that policy only in the case of operational necessity. There can be no doubt as to the beneficial results of this co-ordination to the military forces, the civil population, and the Italian Government when it comes to take over more territory. An Army in the

field operating in a foreign country is inevitably sensitive to the economic and political situation in its rear however long the lines of communication may be. Even if there existed no Allied Forces or installations in Sicily, Sardinia, or Southern Italy, the state of affairs in these areas, however remote from the seat of operations, must be of concern to the Commander-in-Chief in the field. The fact that the Italian Army is under his command and that greater use will probably be made of units of this Army in the fighting zone, thereby reducing

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regarded not as a political entity but as a theatre of war. Political aspirations, long range policies for rehabilitation, must take second place to the operational and post-operational needs of the Allied Forces.

6. It may be necessary to divide this theatre of war into two military areas, e.g., as between AMI and ANM, but on the ACC administrative (including economic) side, no division should be made. This was the basic principle underlying the amalgamation of Allied Military Government and the Allied Control Commission: it ensured co-ordination of policy and procedure at the centre and continuity throughout the territory.

7. The policy of the Allied Control Commission in the last six months has been gradually to bridge the division between Allied Military Government territory and Italian Government territory. We have evolved a process by which legislation in many cases is identical and we have aimed at similarity of principles and procedure, diverging from that policy only in the case of operational necessity. There can be no doubt as to the beneficial results of this co-ordination to the military forces, the civil population, and the Italian Government when it ceases to take over more territory. An Army in the

field operating in a foreign country is inevitably sensitive to the economic and political situation in its rear however long the Lines of Communication may be. Even if there existed no Allied Forces or installations in Sicily, Sardinia, or Southern Italy, the state of affairs in these areas, however remote from the seat of operations, must be of concern to the Commander-in-Chief in the field. The fact that the Italian Army is under his command and that greater use will probably be made of units of this Army in the fighting zone, thereby reducing the number of security and defence divisions on the Lines of Communication, emphasises this.

8. Suggestions have been made that the Allied Control Commission should divest itself of certain responsibilities and functions in specific areas of this territory which are no longer of military interest to the Allied Forces; that there should be a dividing line on one side of which civilian or other

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25A

24th February, 1945

AIDE 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.

1. In accordance with the declaration of the President of the United States of AMERICA and the Prime Minister of the United Kingdom of GREAT BRITAIN, the Allied Governments propose to relax the control of the Italian Government under the Armistice in the matter of day to day administration and only to exercise such control when Allied military interests require.

2. The Political Section of the Allied Commission is being abolished as of 1 March 1945. The Italian Ministry of Foreign Affairs will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to whatever Section (Economic or Civil Affairs) of the Commission may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the Office of the Executive Commissioner.

3. The Italian Government will continue, as at present, to have direct relations with foreign diplomatic representatives accredited to the Quirinal. The Allied Commission

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Commission should be kept generally informed by the Italian Government of any negotiations in which they engage with other Governments. Facilities for the use of secret bags will be granted to the Italian Government for use in correspondence with their diplomatic representatives abroad. Undeposited cypher facilities cannot be allowed for the present.

Insofar as these negotiations have to do with economic and financial matters, the Economic Section and its Finance Sub-Commission should be kept informed of their progress.

It would be convenient if the Italian Government would furnish a periodic summary of all negotiations completed or pending with other Governments.

4. The Allied Commission will limit its dealings with respect to territory under the jurisdiction of the Italian Government to consultation with and advice to the Ministers of the Italian Government.

5. The advisory functions of the Sub-Commissions of Education, Monuments and Fine Arts, Local Government, Legal and Labour in territory under the jurisdiction of the Italian Government will be performed only when requested by the Italian Government.

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6. It will no longer be necessary for the Italian Government to obtain the approval of the Allied Commission for decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

Nevertheless the Allied Commission should be informed of proposed decrees some time before their enactment, in order to enable the Chief Commissioner to consult with the Italian Government as to their application to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

7. It will no longer be necessary for the Italian Government to obtain approval of the Allied Commission for Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government except with regard to the attached list (Appendix "A") of positions having military significance. The Italian Government will have the right to alter appointments made previously by AMG authorities.

8. The Allied Commission officers stationed in the field in the territory under the jurisdiction of the Italian Government will be withdrawn. As a first step it is intended to abolish by April 1, 1949, the Regional Offices

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Offices of the Allied Commission for Sicilia, Sardegna, Southern and Lazio-Umbria Regions. Representatives of the Allied Commission will, however, be sent into territory under the jurisdiction of the Italian Government when necessary and certain specialist officers with economic functions will remain in such territory for a limited period.

9. It is the desire of the Allies to encourage free trade in knowledge and learning with the Italian people. Arrangements will be facilitated for the flow between Italy and the United Nations of books and other publications of a scientific, political, philosophical and artistic nature, and for the movement of scholars, artists and professional men between Italy and the United Nations.

10. The Allies welcome the decision to hold local elections in territory under the jurisdiction of the Italian Government as soon as may be.

11. The Allied Nations desire to make concessions with regard to Italian prisoners of war now or hereafter held in Italy, other than those captured since the Armistice was signed. Provided that arrangements can be made for the services of such persons to continue to be made available on terms satisfactory to the Supreme Allied Commander, their status as prisoners of war will be terminated.

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12. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured and as a prerequisite to increased economic assistance.

13. In the joint programme of essential Italian imports, now being prepared by the Inter-Ministerial Committee for Reconstruction and the Economic Section of this Commission, there will be some supplies for which the combined United States-United Kingdom military authorities will assume responsibility for procurement (Category "A") and other supplies for which they will not assume responsibility (Category "B"). A definition of the supplies which fall into Category "A" follows:

- (a) Those quantities of agreed essential supplies necessary to prevent disease and unrest prejudicial to military operations, such as, food, fuel, clothing, medical and sanitary supplies.
- (b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph, such as, fertilizer,

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fertiliser, raw materials, machinery and equipment.

(c) These materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will directly further the Allied military effort.

14. The programme for which the military authorities assume responsibility will be maintained for the duration of combined (United States-United Kingdom) operations in Italy. For this period, and within the limits defined in paragraph 13, Italy will be treated as a whole. The date of the termination of military responsibility will be fixed by the Allied Nations.

15. In addition to the programme of supplies for which the military assume responsibility for procurement (Category "A") the Allied Commission will assist the Italian Government in the preparation of programmes of supplies designed to rehabilitate Italian industry. Such programmes, referred to as Category "B" will be handled under procedures already notified. The purchasing of supplies in Category "B" programmes will be undertaken immediately without reference to the present difficult shipping position in order that the supplies so purchased may be called forward as and when shipping space becomes available.

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16. The Allies desire that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of paragraphs 13, 14 and 15 above, and subject to the limitation in paragraph 19 below. The sole exception to this principle is to be made in the case of industries involving the production or repair of munitions or other implements of war, which will be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the Allied military effort in other theatres. The priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

17. The prime responsibility for the control of inflation in Italy, including the imposition and administration of the appropriate financial controls and economic controls, and appropriate utilization of supplies, rests with the Italian Government. In this connection, as in others, the Allied Commission stands ready to advise and assist.

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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.

19. Nothing contained in the above should be taken as constituting a commitment by the Allied Nations with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping as may be allocated from time to time by the Allied Nations.

HAROLD MACMILLAN

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

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APPENDIX "A".

List of Italian Government appointments requiring
prior approval by the Allied Commission

Minister of War

Minister of Marine

Minister of Air

Any other Minister of Armed Forces
who may be created

Under Secretary for Telecommunications

Director of Railroads

Director General of Publica Sicurezza

Commanding General, CC.RR

Chief of Staff, CC.RR

Commanding General, CC.FF.

Appointments in the Army, Navy, and Air Force
in accordance with current practice.

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1941

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

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JHR

FROM: AIR FORCES SUB-COMMISSION,
ALLIED COMMISSION, ROME.

TO: VICE PRESIDENT, CIVIL AFFAIRS SECTION,
H.Q. A.C. ROME.
COPY: LAND FORCES SUB-COMMISSION.
COPY: NAVY SUB-COMMISSION.

24 FEB 1945

DATE: 23RD FEBRUARY, 1945.

REF: AFSC/357/ORG.

SECRET.

20A

With reference to your 4/32 A/CA dated 22nd February 1945, it is confirmed that the views of this Sub-Commission are:

- (a) That the posts of Air Minister, Under Secretary of State for Air and Chief of Staff should be subject to the approval of SACMED, through the Allied Commission.
- (b) The Heads of Branches in the Italian Air Ministry and Officers Commanding and Chiefs of Staff of the Units Aerea (Operational Headquarters) and four Zones, should be subject to the approval of the Allied Commission.

draft of one

2. In this connection will you please note the new directive which has been issued by Allied Force Headquarters under reference SAC(1)(45)3 dated 16th February. From this it will be seen that it is the intention to interfere to a far less extent than heretofore with the appointment of Officers in the Italian Air Force. The directive has, however, not yet become effective as it has not been approved, and it is considered advisable to retain the provisos set forth in paragraph 1 above, pending the final issue of the directive.

W.A.N. Boscari

W.A.N. BOSCARINI,
AIR VICE-MARSHAL,
AIR OFFICER COMMANDING.

To VP / NA?
24 Feb 45 *ARC*

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24th February 1945.

MEMORANDUM FOR COMMISSION TO THE ITALIAN GOVERNMENT
BY THE ACTING PRESIDENT OF THE COMMISSIONS OF THE NEW DIRECTOR-
GENERAL OF THE FUNCTIONS OF THE ALLIED COMMISSION.

1. The President of the United States of America and the Prime Minister of the United Kingdom of Great Britain jointly declared on September 26th, 1944 that, subject to effective maintenance of law and order as well as the regular administration of justice, an increasing measure of control should be handed over to the Italian Government. In order to implement this declaration the Allied Governments have agreed to relax the control of the Italian Government under the Armistice and surrender instrument in the matter of day to day administration and only to exercise such control when allied military interests require.

2. It is desirable that the Italian Government be informed of the steps which will be taken by the Allied Commission to implement this policy and the procedure which it proposes to adopt with the Italian Government under the new arrangements.

3. The Political section of the Allied Commission is being abolished as of 1 March 1945. The Italian Ministry of Foreign Affairs will thus have no direct counterpart in the Commission. It will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to whatever Section (Economic or Civil Affairs) of the Commission may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the Office of the

Executive Commissioner.

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1943

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

THE MEMORANDUM FOR COMMISSIONER OF THE FEDERAL BUREAU OF INVESTIGATION
BY THE ACTING PRESIDENT OF THE COMMISSION OF THE NEW DIRECTOR
ON THE FUNCTIONS OF THE ALLIED COMMISSION.

1. The President of the United States of America and the Prime Minister of the United Kingdom of GREAT BRITAIN jointly declared on September 26th, 1944 that, subject to effective maintenance of law and order as well as the regular administration of justice, an increasing measure of control should be handed over to the Italian Government. In order to implement this declaration the Allied Governments have agreed to relax the control of the Italian Government under the Armistice and surrender instrument in the matter of day to day administration and only to exercise such control when Allied military interests require.

2. It is desirable that the Italian Government be informed of the steps which will be taken by the Allied Commission to implement this policy and the procedure which it proposes to adopt with the Italian Government under the new arrangements.

3. The Political section of the Allied Commission is being abolished as of 1 March 1945. The Italian Ministry of Foreign Affairs will thus have no direct counterpart in the Commission. It will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to whatever section (Economic or Civil Affairs) of the Commission may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the Office of the Executive Commissioner.

4. The Italian Government will continue, as at present, to have direct relations with foreign diplomatic representatives accredited to the Quirinal. It is necessary, however, that the Allied Commission be kept generally informed by the Italian Government of any negotiations in which they engage

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with other Governments. It is agreed in principle that facilities for the use of secret bags will be granted to the Italian Government for use in correspondence with their diplomatic representatives abroad. Undeposited cypher facilities cannot be allowed.

Insofar as these negotiations have to do with economic and financial matters, this requirement will be met by keeping the Economic Section and its Finance Sub-Commission informed of the progress of such negotiations. On policy matters, this might appropriately be done through the weekly meetings held between the Economic Section and the Inter-Ministerial Committee for Reconstruction, at which the Ministry of Foreign Affairs is generally represented.

An arrangement can also be made whereby the Italian Government furnish a periodic summary of negotiations completed or pending with other Governments.

5. The Allied Commission will limit its dealings with respect to territory under the jurisdiction of the Italian Government to consultation with and advice to the Ministers of the Italian Government.

6. The advisory functions of the Sub-Commission on Monuments & Fine Arts, Local Government, Local and Labour, will be performed only when requested by the Italian Government.

7. It will no longer be necessary for the Italian Government to obtain the approval of the Allied Commission for decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

It is, however, desirable to work out with the Italian Government a procedure for ensuring that the Allied Commission is informed of proposed decrees some time before their enactment, in order to enable the Chief Commissioner to consult with the Italian Government as to their application to territory under the jurisdiction of Allied Military Government (A.M.G.), and

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financial matters, this requirement will be met by keeping the Economic Section and its Finance Sub-Commission informed of the progress of such negotiations. On policy matters, this might appropriately be done through the weekly meetings held between the Economic Section and the Inter-ministerial Committee for Reconstruction, at which the Ministry of Foreign Affairs is generally represented.

An arrangement can also be made whereby the Italian Government furnish a periodic summary of negotiations completed or pending with other Governments.

5. The Allied Commission will limit its dealings with respect to territory under the jurisdiction of the Italian Government to consultation with and advice to the Ministers of the Italian Government.

6. The advisory functions of the Sub-Commissions in Education, Monuments & Fine Arts, Local Government, Local and Labour, will be performed only when requested by the Italian Government.

7. It will no longer be necessary for the Italian Government to obtain the approval of the Allied Commission for decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

It is, however, desirable to work out with the Italian Government a procedure for ensuring that the Allied Commission is informed of proposed decrees some time before their enactment, in order to enable the Chief Commissioner to consult with the Italian Government as to their application to territory under the jurisdiction of Allied Military Government (A.M.G.), and to lay plans for their effective implementation in such territory when appropriate.

8. It will no longer be necessary for the Italian Government to obtain approval of the Allied Commission for Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government

1945

except with regard to the attached list (Appendix "A") of positions having military significance.

9. The Allied Commission officers stationed in the field in the territory under the jurisdiction of the Italian Government will be withdrawn as soon as possible. Representatives of the Allied Commission will, however, be sent into territory under the jurisdiction of the Italian Government when it considers such action necessary and certain specialist officers with economic functions will remain in such territory for a limited period.

In implementation of this policy, it is intended to abolish by April 1, 1945, the Regional Offices of the Allied Commission for Sicily, Sardinia, Southern and Lazio-Umbria Regions.

10. It is the desire of the Allies to encourage free trade in knowledge and learning with the Italian people. As far as the exigencies of the military situation permit, arrangements will be facilitated for the flow between Italy and the United Nations of books and other publications of a scientific, political, philosophical and artistic nature, and for the movement of scholars, artists and professional men between Italy and the United Nations.

11. It is the desire of the Allies to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government.

12. The Allied Nations desire to make surrenditions with regard to Italian prisoners of war now or hereafter held in Italy, other than those captured since the Armistice was signed. Provided that the Italian Government can give an adequate assurance that the services of such persons will continue to be made available on terms satisfactory to the Supreme Allied Command, their status as prisoners of war will be terminated.

13. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and effective and equitable distribution and control of consumption of local resources possible under the conditions of

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territory under the jurisdiction of the Italian Government.

it considers such action necessary and certain specialist officers with economic functions will remain in such territory for a limited period.

In implementation of this policy, it is intended to abolish by April 1, 1945, the Regional Offices of the Allied Commission for Sicily, Sardinia, Southern and Iasio Umbria Regions.

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11. It is the desire of the Allies to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government.

12. The Allied Nations desire to make concessions with regard to Italian prisoners of war now or hereafter held in Italy, other than those captured since the Armistice was signed. Provided that the Italian Government can give an adequate assurance that the services of such persons will continue to be made available on terms satisfactory to the Supreme Allied Commander, their status as prisoners of war will be terminated.

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13. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and equitable distribution and control of consumption of local resources possible under existing conditions be secured and as a prerequisite to increased economic assistance.

14. In the joint programme of essential Italian imports, now being prepared by the Inter-Ministerial Committee for Reconstruction and the Economic

1948

Section of this Commission, there will be some supplies for which the combined US-UK military authorities will assume responsibility for procurement (Category "1") and other supplies for which they will not assume responsibility (Category "2"). A definition of the supplies which fall into Category "1" follows:

- (a) Those quantities of agreed essential supplies necessary to prevent disease and unrest prejudicial to military operations, such as, food, fuel, clothing, medical and sanitary supplies.
- (b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph, such as, fertiliser, raw materials, machinery and equipment.
- (c) Those materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will further the military effort against Germany and Japan.

15. The programs for which the military authorities assume responsibility will be maintained for the duration of combined (US-UK) operations in Italy. For this period, and within the limits defined in para 14, Italy will be treated as a whole. The date of the termination of military responsibility will be fixed by the Allied Nations.

16. In addition to the programs of supplies for which the military assume responsibility for procurement (Category "1") the Allied Commission will assist the Italian Government in the preparation of programs of supplies designed to rehabilitate Italian industry. Such programs, referred to as Category "2", are to be handled under procedures already notified. It has been agreed that the purchasing of supplies in Category "2" programs should immediately be undertaken, without reference to the present difficult shipping position in order that the supplies so purchased may be called forward as and when shipping space becomes available.

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prevent disease and unrest prejudicial to military operations, such as, food, fuel, clothing, medical and sanitary supplies.

(b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph, such as, fertilizer, raw materials, machinery and equipment.

(c) Those materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will further the military effort against Germany and Japan.

15. The programs for which the military authorities assume responsibility will be maintained for the duration of combined (US-UK) operations in Italy. For this period, and within the limits defined in para 14, Italy will be treated as a whole. The date of the termination of military responsibility will be fixed by the Allied Nations.

16. In addition to the programs of supplies for which the military assume responsibility for procurement (Category "A") the Allied Commission will assist the Italian Government in the preparation of programs of supplies designed to rehabilitate Italian industry. Such programs, referred to as Category "B", are to be handled under procedures already notified. It has been agreed that the purchasing of supplies in Category "B" programs should immediately be undertaken, without reference to the present difficult shipping position in order that the supplies so purchased may be called forward as and when shipping space becomes available.

17. It is the desire of the Allies that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of Paras 14, 15 and 16 above, and subject to the limitation in

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page 20 below. The sole exception to this principle is to be made in the case of industries involving the production or repair of munitions or other implements of war, which should be rehabilitated only to the extent required by the Supreme Allied Commander in the Discharge of his military mission, and to the extent necessary to further the Allied military effort in other theaters. It is contemplated that the priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

18. It is desired to make clear that the prime responsibility for the control of inflation in Italy, including the imposition and administration of the appropriate financial controls and economic controls, and appropriate utilization of supplies, rests with the Italian Government. In this connection, as in others, the Allied Commission stands ready to advise and assist.

19. 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 programs will necessarily be limited by certain shipments, military, financial and supply factors which are controlled by the Allied Governments for purposes connected with the prosecution of the war. The applicability of these factors to individual programs 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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20. Nothing contained in the above should be taken as constituting a commitment by the Allied Nations with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping as may be allocated from time to time by the Allied Nations.

1951

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

APPENDIX "A"

List of Italian Government appointments requiring prior approval by the Allied Commission.

- Minister of War
- Minister of Marine
- Minister of Air
- Any other Minister of Armed Forces who may be created.
- Director of Telecommunications.
- Director of Railroads.
- Director General of Pubblica Sicurezza.
- Commanding General, CC.RR
- Chief of Staff, CC.RR
- Commanding General, AB.FE.
- Senior appointments in the Army, Navy, and Air Force in accordance with current practice.

1952

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REQUIREMENTS ALLIED COMMISSION

APO 394

Office of the Chief Commissioner.

Statement to be made to Advisory Council for Italy by the Chief Commissioner describing the new Directive from Combined Chiefs of Staff on the functions of the Allied Commission.

1. The President and Prime Minister on September 26, 1944 issued on the topic of Allied policy in Italy a joint declaration. In particular they announced that, subject to effective maintenance of law and order as well as the regular administration of justice, an increasing measure of control would be handed over gradually to the Italian administration, and for the restoration of Italian economy, the initial steps would be taken.

2. In Washington, discussions have recently been held regarding practical measures to implement this declaration, and the Supreme Allied Commander, Field Marshal Sir Harold Alexander, has received now from the Combined Chiefs of Staff in Washington direction that, through the Allied Commission at Rome, these measures be carried out.

3. These measures have the general purpose to give to the Italian Government, in the area under its jurisdiction, a greater degree of responsibility and authority. In that territory accordingly, subject to the requirements of the Italian campaign and to over-riding military needs, the rights of the Allied Governments will be held in reserve in the matter of day-to-day administration. In general the relationship of the Allied Commission to the Italian Government will be one of consultation and advice rather than control.

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4. The Italian Government will conduct its relations with those Governments with which it has diplomatic relations in the future not through the Allied Commission but directly. Any negotiations in which the Italian Government may engage with foreign Governments will be communicated to the

1953

1. The President and Prime Minister on September 26, 1944 issued on the topic of Allied policy in Italy a joint declaration. In particular they announced that, subject to effective maintenance of law and order as well as the regular administration of justice, an increasing measure of control would be handed over gradually to the Italian administration, and for the restoration of Italian economy, the initial steps would be taken.

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2744

4. The Italian Government will conduct its relations with those Governments with which it has diplomatic relations in the future not through the Allied Commission but directly. Any negotiations in which the Italian Government may engage with foreign Governments will be communicated to the Commission. The present practice of approving the decrees and other legislation of the Italian Government, and that of granting approval to appointments of the Italian Government, except those of military significance, will be discontinued by the Commission. As soon as possible the Regional officers of the Allied Commission permanently stationed in areas under Italian

697

1954

jurisdiction will be withdrawn, and encouragement will be given to the holding of local elections in these areas.

5. Except for those who fought on the German side after the Italian surrender, Italians held in Italy as prisoners of war will be released under arrangements to be made with the Italian Government. The Italian Government will be required to give an assurance that the men so released will be available without loss to the war effort.

6. Encouragement of cultural relationships with the Italian people is desired by the Allies. When military exigencies permit, to the greatest degree arrangements will be facilitated for the flow between Italy and the United Nations of books and publications of a scientific, political, philosophical and artistic nature, and for the movement between Italy and the United Nations of professional men, scholars, and artists.

7. The instructions to the Supreme Allied Commander are based, in the economic field, on the understanding that Italian authorities will develop the most equitable and effective control and distribution of consumption of local resources and imports which conditions now existing will allow, as well as the greatest measure of production.

8. Having regard to the compelling military requirements of the present time, the provision of imported supplies will necessarily depend upon the shipping which can be made available for this purpose.

9. Provision is being made, subject to these considerations, for furnishing, as part of the military supply program, certain additional categories of goods for basic civilian needs. Furthermore the Allied Commission will advise the Italian Government on the preparation of programs of supplies with the view that the rehabilitation of Italian agriculture and industry may be furthered. Under arrangements already made public the imports resulting are to be covered by the financial arrangements referred to in the

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arrangements to be made with the Italian Government. The Italian Government will be required to give an assurance that the men so released will be available without loss to the war effort.

6. Encouragement of cultural relationships with the Italian people is desired by the allies. When military exigencies permit, to the greatest degree arrangements will be facilitated for the flow between Italy and the United Nations of books and publications of a scientific, political, philosophical and artistic nature, and for the movement between Italy and the United Nations of professional men, scholars, and artists.

7. The instructions to the Supreme Allied Commander are based, in the economic field, on the understanding that Italian authorities will develop the most equitable and effective control and distribution of consumption of local resources and imports which conditions now existing will allow, as well as the greatest measure of production.

8. Having regard to the compelling military requirements of the present time, the provision of imported supplies will necessarily depend upon the shipping which can be made available for this purpose.

9. Provision is being made, subject to these considerations, for furnishing, as part of the military supply program, certain additional categories of goods for basic civilian needs. Furthermore the Allied Commission will advise the Italian Government on the preparation of programs of supplies with the view that the rehabilitation of Italian agriculture and industry may be furthered. Under arrangements already made public the imports resulting are to be covered by the financial arrangements referred to in the President's statement of October 10, and these imports will be additional to the military program.

10. Proposals for granting in financial matters a greater measure of responsibility to the Italian Government are being discussed between the Governments of the United States and of the United Kingdom.

24th February 1945.

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1956

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

SECRET

22a

Subject:- New deal for ITALY

Land Forces Sub Com., AC
(M.M.I.A.)
G/6
22 Feb 45

23 FEB 1945

H.Q., A.C.
(for Civil Affairs Section) ← *20a*

Ref your 4/32A/CA dated 22 Feb 45:-

1. My views are as stated in para 2 of my G/6 of 6 Feb attached. A copy of this, as you see, has already been sent to A.C.
2. I think that all you have to say is that this new deal makes no alteration in the existing system of supervision^{and} control of the Italian Army.

L. Browning
Major General,
M.M.I.A.

N.I.C. Com. would like agree.
An. In. agree to working A.V. Gen. Ben. S. B. personally
Land In. agree (In. L. C. /

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1957

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

785016

SECRET

21a

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

Tel. Ext. 525

Ref: L/32 B/CA.

22 Feb 45.

SUBJECT: New Deal for Italy.

TO: Directors, All Sub-Commissions
and Branches,
Civil Affairs Section.

1 Enclosed herewith for your ¹³SECRET information:-

- (a) Copy of FAN 457 addressed by Combined Chiefs of Staff to SACMED.
- (b) Copy of letter from Chief Commissioner to AFAC, with enclosures.

2 The following programme has been arranged:- ²

- (a) The Chief Commissioner will give the Allied Advisory Council for Italy an outline of the New Deal for Italy on Saturday morning next (24 Feb 45).
- (b) The Acting President and the Chief Commissioner will inform the Prime Minister of their proposals on Saturday afternoon.
- (c) The Acting President will hold a press conference and give the press an outline of his proposals on Saturday evening.

3 I will discuss the matter at my staff meeting tomorrow (Friday).

G.R. UPJOHN, Brig.,
VP CA Section.

TO: Displaced Persons & Repatriation S/C,
Education S/C,
Legal S/C,
Local Government S/C,
Monuments, Fine Arts & Archives S/C,
Public Health S/C,
Public Safety S/C,
Patriotic Branch,
Devastated Areas Branch.

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1959

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

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AC, FUTURE OF
MAR. 1944 -
(2 OF 2)

1960

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

785016

10000/105/470

AC, FUTURE OF AC & ALLIED POLICY TOWARDS ITALY
MAR. 1944 - JUNE 1946.
(2 OF 2)

1961

COPY.

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SECRET.

NEW DIRECTIVE FROM COMBINED CHIEFS OF STAFF ON THE ALLIED COMMISSION.

RAW 457.

Following is Directive from Combined Chiefs of Staff.

1. In order to implement the joint declaration of the President and the Prime Minister of 26 September, 1944, the US and UK Governments have agreed to relax the control of the Italian Government under the armistice and surrender instrument and only to exercise such control when military needs require it, thus developing in the Italian authorities a greater sense of responsibility. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in ITALY.

In the light of this agreed US-UK policy, you should take action as rapidly as possible in conformity with the following paragraphs:

POLITICAL SECTION.

- 2. (a) The Political Section of the Allied Commission will be abolished. The Allied Commission will obtain advice from the US and UK Ambassadors in Rome. There is NO intention, however, to make any change in the responsibility of the Combined Chiefs of Staff, acting through the Allied Commission; the Combined Chiefs of Staff, will, therefore, as occasion requires, continue to transmit directives in regard to the combined views of the two Governments on matters of major policy, and such other matters as are within the scope of the activities of the Allied Commission.
- (b) The Italian Government shall be permitted to have direct relations with foreign diplomatic representatives accredited to the Quirinal, provided that the Allied Commission is kept generally informed by the Italian Government of any negotiations in which they engage with other governments.
- (c) The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors.
- (a) The Allied Commission shall abandon the practice of approving any Italian appointments in territory under the jurisdiction of the Italian Government except in regard to Service Ministers and such military appointments as you may determine.

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1962

Following is Directive from Combined Chiefs of Staff.

1. In order to implement the joint declaration of the President and the Prime Minister of 26 September, 1944, the US and UK Governments have agreed to relax the control of the Italian Government under the armistice and surrender instrument and only to exercise such control when military needs require it, thus devolving in the Italian authorities a greater share of responsibility. The rights under the armistice and surrender instrument will be held in reserve in the number of days to say administration, subject to overriding military needs and the requirements of the campaign in ITALY.

In the light of this agreed US-UK policy, you should take action as rapidly as possible in conformity with the following paragraphs:

DOMINANT SECTION

- 2. (a) The Political Section of the Allied Commission will be abolished. The Allied Commission will obtain advice from the US and UK Ambassadors in ROME. There is NO intention, however, to make any change in the responsibility of the Combined Chiefs of Staff, acting through the Allied Commission; the Combined Chiefs of Staff, will, therefore, as occasion requires, continue to transmit directions in regard to the combined views of the two Governments on matters of major policy, and such other matters as are within the scope of the activities of the Allied Commission.
- (b) The Italian Government shall be permitted to have direct relations with foreign diplomatic representatives accredited to the Quirinal, provided that the Allied Commission is kept generally informed by the Italian Government of any negotiations in which they engage with other governments.
- (c) The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors.
- (d) The Allied Commission shall abandon the practice of approving any Italian appointments in territory under the jurisdiction of the Italian Government except in regard to Service Ministers and such military appointments as you may determine.
- (e) The Allied Commission shall as soon as possible withdraw all its officers stationed in the field in the territory under the jurisdiction of the Italian Government. However, the Allied Commission should retain the right to send its representatives into territory under the jurisdiction of the Italian Government for any special tasks when Allied interests require it.

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- (f) The US and UK Governments have agreed that the Italian Government will be advised that it is the Allied desire to encourage free trade in knowledge and learning with the Italian people. As far as the exigencies of the military situation permit you will facilitate any arrangements for the flow of books and other publications of a scientific, political, philosophical and artistic nature between ITALY and the United Nations and for the movement of scholars, artists and professional men between ITALY and the United Nations.
- (g) The US and UK Governments have agreed that in accordance with the terms of the MOSCOW declaration it is desirable to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government and you should be guided accordingly.
- (h) The status of Italian Prisoners of War now or hereafter held in ITALY other than those captured since the armistice was signed should be terminated by you upon adequate assurance being given by the Italian Government that their services will continue to be made available on terms satisfactory to you as Supreme Allied Commander subject to Combined Chiefs of Staff approval.

ADMINISTRATIVE SECTION.

- 3. The internal organization of the Allied Commission is primarily your responsibility. In the reorganization of the Allied Commission it is desired that you give consideration to the following policies and objectives:
 - (a) The Staff of Allied Commission Headquarters should occupy itself primarily with consultation and advice to the Italian Government at high levels.
 - (b) As far as certain Sub-Commissions of the Allied Commission Headquarters are concerned such as Education, Arts and Monuments, Local Government, Labour and Legal, their advisory functions in respect of Italian Government territory should be exercised only when requested by the Italian Government and should NOT be exercised in respect of territory under the jurisdiction of the Italian Government.
 - (c) The Sections and Subcommissions of the Allied Commission Headquarters should be progressively civilianised to the fullest extent which in your opinion circumstances allow, except the Service Subcommissions and except to the extent that Subcommissions exercise functions with respect to territory under Allied Military Government (AMG).
 - (d) To the extent feasible, officers of Allied Commission Headquarters dealing with AMG functions should be located at places other than Allied Commission Headquarters.

ECONOMIC SECTION.

- 4. It is necessary that the maximum production and effective and equitable distribution and control of consumption of local resources

- 1964
- Declassified E.O. 12356 Section 3.3/NND No. 785016
- (z) The US and UK Governments have agreed that in accordance with the terms of the MOSCOW declaration it is desirable to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government and you should be guided accordingly.
- (h) The status of Italian Prisoners of War now or hereafter held in Italy other than those captured since the armistice was signed should be terminated by you upon adequate assurance being given by the Italian Government that their services will continue to be made available on terms satisfactory to you as Supreme Allied Commander subject to Combined Chiefs of Staff approval.

ADMINISTRATIVE SECTION

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- (a) The Staff of Allied Commission Headquarters should occupy itself primarily with consultation and advice to the Italian Government at high levels.
 - (b) As far as certain Sub-Commissions of the Allied Commission Headquarters are concerned such as Education, Arts and Monuments, Local Government, Labour and Legal, their advisory functions in respect of Italian Government territory should be exercised only when requested by the Italian Government and should not be exercised in respect of territory under the jurisdiction of the Italian Government.
 - (c) The Sections and Subcommissions of the Allied Commission Headquarters should be progressively civilianized to the fullest extent which in your opinion circumstances allow, except the Service Subcommissions and except to the extent that Subcommissions exercise functions with respect to territory under Allied Military Government (AMG).
 - (d) To the extent feasible, officers of Allied Commission Headquarters dealing with AMG functions should be located at places other than Allied Commission Headquarters.

ECONOMIC SECTION

- 4. It is necessary that the maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured. The Italian Government should be advised that to this end and as a prerequisite to increased economic assistance it must formulate and implement appropriate economic controls and take all other steps possible. In the event that these conditions are NOT met the Allied authorities will NOT hesitate to impose the necessary controls or take other appropriate measures.
- 5. For the duration of combined operations, the combined US-UK military authorities will be responsible for providing:

1963

-3-

- (a) These quantities of food, fuel, clothing, medical, sanitary and other agreed essential supplies necessary to prevent disease and unrest prejudicial to such operations.
- (b) These supplies such as fertilizers, raw materials, machinery and equipment, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph. At the time when combined military responsibility will terminate will NOT be known when requisitions are being prepared and considered, the importation of supplies under this sub-paragraph will NOT be excluded merely because the effect of such imports may NOT be felt during the period of combined military responsibility.
- (c) Those supplies necessary for the restoration of such of the Italian power systems and transportation and communication facilities as will further the military effort against GERMANY and JAPAN.

To the extent contemplated by this Paragraph 5, essential civilian supplies cannot be divorced from the military supply programs and ITALY must be treated as a whole. It is understood that the date of termination of combined military responsibility for providing supplies as set out above will be decided by the Combined Chiefs of Staff on your recommendation.

6. The Allied Commission shall be advised to assist the Italian Government in the preparation of programs of supplies designed to rehabilitate Italian industry. These supplies will be in addition to those to be provided as a military responsibility. Such programs when established by the Italian Government will NOT be subject to screening by Allied Force Headquarters, but will be reviewed and transmitted directly with appropriate comments and recommendations by the Allied Commission to the Combined Civil Affairs Committee, which will transmit the programs to the Combined Liberated Areas Committee for action by the appropriate civilian agencies of the UNITED STATES and British Governments. The UNITED STATES and British Governments will each make available such shares as may be mutually agreed of the cost of the provision of such of these programs as may be approved by the Combined Liberated Areas Committee. Procurement covering such programs should immediately be put in hand without reference to the present shipping position in order that the supplies may be called forward as and when shipping space becomes available. In this connection see Paragraph 8 below.

7. The questions raised by you in Sub-paragraphs A, B and C of Paragraph 4 of WAF 778 are answered as follows:

- (a) The prime responsibility for the control of inflation in ITALY, including the imposition and administration of appropriate financial and economic controls and appropriate utilization of supplies, must rest with the Italian Government. Your responsibility in this connection, other than with respect to the importation of supplies, is, through the Allied Commission, to advise and assist the Italian Government.

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activity will terminate will NOT be known when requisitions are being prepared and considered, the importation of supplies under this sub-paragraph will NOT be excluded merely because the effect of such imports may NOT be felt during the period of combined military responsibility.

(c) Those supplies necessary for the restoration of such of the Italian power systems and transportation and communication facilities as will further the military effort against GERMANY and JAPAN.

To the extent contemplated by this Paragraph 5, essential civilian supplies cannot be divorced from the military supply programs and ITALY must be treated as a whole. It is understood that the date of termination of combined military responsibility for providing supplies as set out above will be decided by the Combined Chiefs of Staff on your recommendation.

6. The Allied Commission shall be advised to assist the Italian Government in the preparation of programs of supplies designed to rehabilitate Italian industry. These supplies will be in addition to those to be provided as a military responsibility. Such programs when established by the Italian Government will NOT be subject to screening by Allied Force Headquarters, but will be reviewed and transmitted directly with appropriate comments and recommendations by the Allied Commission to the Combined Civil Affairs Committee, which will transmit the programs to the Combined Liberated Areas Committee for action by the appropriate civilian agencies of the UNITED STATES and British Governments. The UNITED STATES and British Governments will each make available such shares as may be mutually agreed of the cost of the provision of such of these programs as may be approved by the Combined Liberated Areas Committee. Procurement covering such programs should immediately be put in hand. Without reference to the present shipping position in order that the supplies may be called forward as and when shipping space becomes available. In this connection see Paragraph 8 below.

7. The questions raised by you in Sub-paragraphs A, B and C of Paragraph 4 of WAF 778 are answered as follows:

(a) The prime responsibility for the control of inflation in ITALY, including the imposition and administration of appropriate financial and economic controls and appropriate utilization of supplies, must rest with the Italian Government. Your responsibility in this connection, other than with respect to the importation of supplies, is, through the Allied Commission, to advise and assist the Italian Government.

(b) It is desired that industrial rehabilitation in ITALY be carried out by the Italian Government to the fullest extent permitted by the Italian resources and such supplies as you may be authorized to import, consistent with the discharge by you of your military mission, with the exception that industries for the production or repair of munitions or other implements of war shall be rehabilitated only to the extent required by you in discharge of your military mission and as will further the military effort in other theatres. Except

1967

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for these industries the rehabilitation of which is essential to the discharge of your military mission and in furtherance of the military effort in other theatres, which rehabilitation should be given first priority, industries other than those excluded by the preceding sentence will be given such precedence in rehabilitation as may be determined by the Italian Government.

(c) The extent of your responsibility with respect to the importation of supplies into Italy is defined in paragraphs 5 and 6 heretof. Except as is so defined, you have NO responsibility for the importation of supplies into ITALY.

(d) Within the limitation of available shipping and subject to military considerations as determined by you, the extent to which experts 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.

8. Nothing herein contained shall constitute a commitment with respect to shipping. Any supplies to be imported into ITALY must be transported within such shipping as may be allocated from time to time.

VINICOLA SECTION.

9. The two Governments are discussing proposals for giving the Italian Government a greater measure of responsibility in financial matters; a further directive on these matters will follow.

1968

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

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SECRET

HEADQUARTERS ALLIED COMMISSION
APC 394
Office of the Chief Commissioner

Ref: L001/EG 19 February 1945.

SUBJECT: New GCS Directive on the Allied Commission.

TO : Allied Force Headquarters.
Attn: G-5 Section.

1. It may be of interest to you to know the action which I propose to take as a result of the receipt of RAW 487, communicated to me by the Acting President:

(a) Para 2(A). I am asking the US and British Embassies formally to nominate their representatives who, for many reasons, will require to have an office at this Headquarters. They will bear the same relation to me as POLAK and RUSHIN bear to SACMED.

(b) Para 2(B).
(1) I have asked on more than one occasion whether the Italians might be allowed to use the usual cipher and code facilities to their representatives in the countries with which diplomatic relations have been resumed. I have had no answer to this request and I should be glad if this point could be cleared at once. A separate cable has been despatched on this point.

(ii) I shall request the Italian Government to advise me of negotiations with other Governments in which the Italian Government may engage themselves.

(iii) It will be to our advantage and to the advantage of the Italian Government that direct relations should be resumed as soon as possible with the French, Yugoslav and Greek Governments and I shall urge the Italian Government to this end. It is expected that the Allied Embassies will take a similar position.

(c) Para 2(C), states "The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors". **2738**

(d) I interpret the words "in the territory" to mean "affecting the territory". Certain Italian decrees may affect Allied Military Government territory and since it is considered desirable to coordinate policy in territory which will be ultimately transferred, I shall cause informal consultations

1969

...CS Directive on the Allied Commission.

TO : Allied Forces Headquarters.
Attn: G-5 Section.

1. It may be of interest to you to know the action which I propose to take as a result of the receipt of TAN 447, communicated to me by the Acting President:

(a) Para 2(A). I am asking the US and British Embassies formally to nominate their representatives who, for many reasons, will require to have an office at this Headquarters. They will bear the same relation to me as POLAD and RESIN bear to SACMED.

(b) Para 2(B).
(i) I have asked on more than one occasion whether the Italians might be allowed to use the usual cipher and code facilities to their representatives in the countries with which diplomatic relations have been resumed. I have had no answer to this request and I should be glad if this point could be cleared at once. A separate cable has been denpatched on this point.

(ii) I shall request the Italian Government to advise me of negotiations with other Governments in which the Italian Government may engage themselves.

(iii) It will be to our advantage and to the advantage of the Italian Government that direct relations should be resumed as soon as possible with the French, Yugoslav and Greek Governments and I shall urge the Italian Government to this end. It is expected that the Allied Embassies will take a similar position.

(c) Para 2(C). states "The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors". **2738**

(1) I interpret the words "in the territory" to mean "affecting the territory". Certain Italian decrees may affect Allied Military Government territory and since it is considered desirable to coordinate policy in territory which will be ultimately transferred, I shall cause informal consultations to be continued between the Allied Commission and the Italian Government, particularly in relation to economic decrees.

(ii) I also interpret this clause, read with 1(A), to vest in SACMED the right, when necessary, to exercise control in any decree affecting military needs and the requirements of the campaign.

(d) Para 2(D). The transfer of territory documents (Document "2") will now have to be amended in order to enable the Italian Government to remove officials previously nominated by AMG officials without reference to the Allied Commission. This will be taken up under separate cover. All Service Sub-Commissions desire to retain the right of voting military appointments. The technical posts of Directors of Telecommunications and Railroads will be considered as military appointments *ad hunc*.

(e) Para 2(E).

(i) I attach draft directive which will be issued shortly in order to withdraw Allied officers of the Commission from the Islands and Southern Regions. (see annexure "1").

(ii) It is essential that we should implement this clause to the maximum. There will be great temptation on the part of military formations and services, Italian local authorities and Allied Commission officers to regret the departure of Allied Commission officers and to retain a "small" number which will gradually grow and will lead us to fall between the two stools of (a) control, which necessitates many officers, and (b) decentral, which should need none. It is essential that military formations and services should be instructed not to ask for the retention of Allied Commission officers but to take their share in some of the difficulties which will have to be faced by Allies and Italians alike as a result of the CCS directive. The Allied Commission will be compelled to give up responsibilities and duties which have been of value to the Allied military formations. Allied officers who have been the proper media between Allied military authorities and the Italian local governments will disappear. I would ask that a directive be issued to military formations and services on this and other matters arising out of the directive.

(iii) It may be thought necessary for the military authorities to assume responsibility for any necessary supervision of public utilities of military importance, e.g., railways, power, highways, through their own officers. This would impose an even more rigid military control than that which the present directive instructs us to remove.

(iv) Allied Military Government will continue in UFFLES *Comune* unless it is your desire that it should be removed. It would, of course, be an advantage to withdraw all officers but I assume that the local military authorities will insist on retention of AMG. AMG Courts in BINI will cease.

(v) I submit for consideration the withdrawal, insofar as is possible, of HQ 204 Sub-Area from SICILY and any other Sub-Area Headquarters which are not absolutely essential. **2737**

(f) Para 2(F). The implementation of this clause depends upon the repeal or amendment of the "Trading with the Enemy Act" so far as it affects Italy.

(e) Para 2(E).

(1) I attach draft directive which will be issued shortly in order to withdraw Allied officers of the Commission from the Islands and Southern Regions. (See Annexure "1").

(ii) It is essential that we should implement this clause to the maximum. There will be great temptation on the part of military formations and services, Italian local authorities and Allied Commission officers to regret the departure of Allied Commission officers and to retain a "small" number which will gradually grow and will lead us to fall between the two stools of (a) control, which necessitates many officers, and (b) decontrol, which should need none. It is essential that military formations and services should be instructed not to ask for the retention of Allied Commission officers but to take their share in some of the difficulties which will have to be faced by Allies and Italians alike as a result of the CCS directive. The Allied Commission will be compelled to give up responsibilities and duties which have been of value to the Allied military formations: Allied officers who have been the proper main between Allied military authorities and the Italian local governments will disappear. I would ask that a directive be issued to military formations and services on this and other matters arising out of the directive.

(iii) It may be thought necessary for the military authorities to ensure responsibility for any necessary supervision of public utilities of military importance, e.g., railways, power, highways, through their own officers. This would impose an even more rigid military control than that which the present directive instructs us to remove.

(iv) Allied Military Government will continue in HALES COMUNE unless it is your desire that it should be removed. It would, of course, be an advantage to withdraw all officers but I assume that the local military authorities will insist on retention of A.S. IAG Courts in SARI will cease.

(v) I submit for consideration the withdrawal, insofar as is possible, of HQ 204 Sub-Area from SICILY and any other Sub-Area Headquarters which are not absolutely essential. 2737

(f) Para 2(F). The implementation of this clause depends upon the repeal or amendment of the "Trading with the Enemy Act" so far as it affects Italy.

(g) Para 2(G). This has already been done and the Italian Government have the matter in hand. It is most probable that local government elections will take place throughout the major portion of liberated Italy in the spring.

(h) Para 2(H). The status of Italian POW in Italy is the subject of a separate memorandum which will be submitted to you.

- (i) Para 3(A). I interpret this to mean consultation between heads of Sections and Directors of Sub-Commissions on the one hand and ministers and Under-Secretaries on the other.
 - (j) Para 3(B). This can be carried out but latitude will be necessary in respect of labour and wage matters which affect AAG territory.
 - (k) Para 3(C). The process of civilisation is already in hand.
 - (l) Para 3(D). My Deputy Chief Civil Affairs Officer is already located at a place other than Allied Commission Headquarters. Further separation is not feasible at the moment.
 - (m) Para 4. It will be necessary to represent to the Italian Government the contents of this and other clauses in the directive. This will be done. I do not propose communicating the last sentence of this paragraph to the Italian Government, since it is not reconcilable with the spirit of the rest of the directive.
 - (n) Para 5.
 - (i) The Italian Inter-Allied Committee for Reconstruction and the Economic Section of the Allied Commission are now preparing a joint programme of essential Italian imports. The Italian Government will be informed of the three categories for which the US/UK military authorities assume responsibility.
 - (ii) This clause gives a wider interpretation to Category A programme (disease and unrest) than this Commission has yet received. In order to implement it, I propose to resubmit recommendations that have already been rejected and also to submit part of the new joint programme now being worked out with the Italian Government.
 - (o) Para 6. Similarly this clause has a wider interpretation of the Category B programme and will be considered at the joint discussions.
 - (p) Para 7(a). This will to some extent modify the work of price control now done by the Allied Commission. It is assumed to be a partial reply to recommendations made by the Anti-Inflation Committee in June 1944.
 - (q) Para 9. Has been made the subject of a separate telegram.
2. I attach memorandum (Annexure "B") which I propose to transmit to the Italian Government informing them of the terms of the "New Deal" as soon as I am instructed to make public the terms of the new directive.

2736

M. W. Stone

MILERY W. STONE
Rear Admiral, USNR
Chief Commissioner

- (l) Para 3(D). My Deputy Chief Civil Affairs Officer is already located at a place other than Allied Commission Headquarters. Further separation is not feasible at the moment.
 - (m) Para 4. It will be necessary to represent to the Italian Government the contents of this and other clauses in the directive. This will be done. I do not propose communicating the last sentence of this paragraph to the Italian Government, since it is not reconcilable with the spirit of the rest of the directive.
 - (n) Para 5.
 - (i) The Italian Inter-ministerial Committee for Reconstruction and the Economic Section of the Allied Commission are now preparing a joint programme of essential Italian imports. The Italian Government will be informed of the three categories for which the US/UK military authorities assume responsibility.
 - (ii) This clause gives a wider interpretation to Category A programme (disposal and unrest) than this Commission has yet received. In order to implement it, I propose to resubmit requisitions that have already been rejected and also to submit part of the new joint programme now being worked out with the Italian Government.
 - (o) Para 6. Similarly this clause has a wider interpretation of the Category B programme and will be considered at the joint discussions.
 - (p) Para 7(A). This will to some extent modify the work of price control now done by the Allied Commission. It is assumed to be a partial reply to recommendations made by the anti-inflation Committee in June 1944.
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2. I attach memorandum (Annexure "B") which I propose to transmit to the Italian Government informing them of the terms of the "New Deal" as soon as I am instructed to make public the terms of the new directive.

(((1))) Stone 2736

ELBERT W. STONE
Rear Admiral, USNR
Chief Commissioner

- Copy to:
- Acting President.
 - The Hon. Mr. Alexander Kirk, US Ambassador.
 - Sir Noel Charles, St, KCMB, British Ambassador.
 - VP, Economic Section
 - VP, Civil Affairs Section.
 - VP, Establishment Section.
 - VP, Political Section.
 - Land Forces Sub-Commission
 - Air Forces sub-Commission
 - Navy Sub-Commission
 - WMD & PW Sub-Commission
 - Communications Sub-Commission

1974

ANNEXURE "A" 2/10
SECRET

2nd DRAFT DIRECTIVE.

WITHDRAWAL OF ALLIED COMMISSION OFFICERS
FROM ITALIAN GOVERNMENT TERRITORY.

1. Para 2(e) of CCS telegram FAN 427 transmitting the directive on the "New Deal for Italy" directs that:

"The Allied Commission shall as soon as possible withdraw all its officers stationed in the field in the territory under the jurisdiction of the Italian Government. However, the Allied Commission should retain the right to send its representatives into territory under the jurisdiction of the Italian Government for any special tasks when Allied interests require it".

2. As a result of this the following action will be taken with regard to Allied Commission functions in SARDINIA, SICILY and SOUTHERN ITALY:

(a) SARDINIA. All Allied officers will be withdrawn with the exception of the officers and staff of the Mining Division who will restrict their functions entirely to advice regarding the output of the Sardinian coalmines. This will involve the withdrawal of the Regional Commissioner and 10 officers, and the retention of 2 Mining Division Officers.

(b) SICILY. All Allied officers will be withdrawn with the following exceptions:

- (i) 2 Finance Officers
- (ii) 1 Supply Accountant
- (iii) 1 Property Control Officer
- (iv) (i), (ii) and (iii) will work under Allied Commission Liaison Officers who will be appointed:

Until 1st April 1945.

- (e) In PALESTRO to correlate the functions of the US Navy Base with the Italian authorities.
- (b) In CATANIA to correlate the functions of 204 Sub-Area with the Italian authorities

2735

(v) A Transportation Officer will be attached to the Liaison Officer in CATANIA to regulate rail transport into REGGIO

1975

2. As a result of this the following action will be taken with regard

to Allied Commission functions in SARDINIA, SICILY and SOUTHERN ITALY:

(a) SARDINIA. All Allied officers will be withdrawn with the exception of the officers and staff of the Mining Division who will restrict their functions entirely to advice regarding the cut put of the Sardinian coalmines. This will involve the withdrawal of the Regional Commissioner and 10 officers, and the retention of 2 Mining Division Officers.

(b) SICILY. All Allied officers will be withdrawn with the following exceptions:

- (i) 2 Finance Officers
- (ii) 1 Supply Accountant
- (iii) 1 Property Control Officer
- (iv) (i), (ii) and (iii) will work under Allied Commission Liaison Officers who will be appointed:

Until 1st April 1945.

2735

(a) In PALERMO to correlate the functions of the US Navy Base with the Italian authorities.

(b) In CATANIA to correlate the functions of 204 Sub-Area with the Italian authorities

(v) A Transportation Officer will be attached to the Liaison Officer in CATANIA to regulate rail transport into REGGIO on the mainland.

(vi) The Regional Mining Officer will be assigned to Headquarters, Industry Sub-Commission, and will be dispatched to SICILY as occasion demands.

(vii) The 4 Export Officers loaned by the Ministry of Food (British) will be attached to the Commerce Sub-Commission and sent to SICILY as the occasion demands. Their numbers will be reduced if possible.

(viii) LAMPEDUSA and PANTELLERIA will remain under Allied Military Government. CAO's will report to the AC Liaison Officer at PALERMO.

(c) SOUTHERN REGION. All officers will be withdrawn with the following exceptions:

Local
 (i) Provincial Commissioner and staff for Allied Military Government, MARLES Commune (See Appendix "A"). This officer will also act as AC Liaison Officer in order to correlate the functions of No. 3 District, PBS and other military authorities with the Italian authorities in the compartimenti of CAMPANIA and CALABRIA.

(ii) There will also be established an AC Liaison Officer at BARI with the same functions in connection with the compartimenti of APULIA and LUCANIA, together with the Province of CALCEBASSO. This Liaison Officer and his staff will work with the sub-areas operating in this area and the 15th USAF at FOGGIA. The AC Liaison Officer will have a small staff consisting of:

(a) 5 Representatives of the Economic Section
 (Transportation Sub-Commission) 3 of whom
 will work in connection with truck pools and
 will be withdrawn when truck pools are handed
 over to the Italian Government.

2734

(d) LAZIO-UMBRIA REGION. All officers will be withdrawn with the exception of the Provincial Staffs of PERUGIA and TERNI who will continue to administer Allied Military Government in these two

1977

Officer at Palermo.

(c) SOUTHERN REGION. All officers will be withdrawn with the following exceptions:

(i) Local Provincial Commissioner and staff for Allied Military Government, NAPLES Comune (See Appendix "A"). This officer will also act as AC Liaison Officer in order to correlate the functions of No. 3 District, PBS and other military authorities with the Italian authorities in the compartimenti of CAMPANIA and CALABRIA.

(ii) There will also be established an AC Liaison Officer at BARI with the same functions in connection with the compartimenti of APULIA and LUCANIA, together with the Province of GAMPORASSO. This Liaison Officer and his staff will work with the sub-areas operating in this area and the 15th USAF at FOGGIA. The AC Liaison Officer will have a small staff consisting of:

(a) 5 Representatives of the Economic Section (Transportation Sub-Commission) 3 of whom will work in connection with truck pools and will be withdrawn when truck pools are handed over to the Italian Government.

2734

(d) LAZIO-UMBRIA REGION. All officers will be withdrawn with the exception of the Provincial Staffs of PERUGIA and TERMI who will continue to administer Allied Military Government in these two Provinces under the command of the Provincial Commissioner, PERUGIA, reporting direct to the Allied Commission.

In addition an Allied Commission Liaison Section will be attached to Rome Area Allied Command consisting of the following:

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- (i) 1 Public Safety Officer
 - (ii) 1 ASA Officer, ROME.
 - (iii) 1 Supply Accountant.
 - (iv) 1 Property Control Officer.
- 3 officers of the Transportation Sub-Commission and 1 officer of the Public Works & Utilities Sub-Commission now operating at the port of CIVITAVECCHIA will be retained there under the direct control of the Economic Section. They will be withdrawn before 1st June 1945.

(e) ADRIATICO-MARCHE REGION. All Allied Commission officers will be withdrawn from the Provinces of AGRICOLA, PESCARA and CHIETI. Regional HQ will be moved to (?) and will administer Allied Military Government in such Provinces of the compartmente which have not been handed back to the Italian Government. The Regional Commissioner will also act as Liaison Officer with the Sub-area concerned in the Provinces administered by the Italian Government.

3. The duties of the Allied Commission Liaison Officers retained in Italian Government territory will be to watch over the inter-relation of Allied and Italian interests insofar as the Allied war effort is directly concerned and to assist the Allied military authorities in their relations with the Italian local authorities. They will give advice to the Allied military authorities on any matter pertaining to Italian civil affairs but they will no longer be concerned with the assumption of control or advice or guidance to the Italian authorities. They will be careful not to assume functions which are properly those of the military authorities and must retain their purely advisory capacity. (It may well be that functions hitherto carried out by Allied Commission officers such as supervision of railroads, highways and electric power on behalf of the military authorities will have to be handed

2733

assumed

officer of the Public Works & Utilities Sub-Commission now operating at the post of CIVITAVECCHIA will be retained there under the direct control of the Economic Section. They will be withdrawn before 1st June 1945.

(c) ABRUZZI-MARONE REGION. All Allied Commission officers will be withdrawn from the Provinces of AQUILA, PESCARA and CHIETI. Regional HQ will be moved to (?) and will administer Allied Military Government in such Provinces of the compartments which have not been handed back to the Italian Government. The Regional Commissioner will also act as Liaison Officer with the Sub-area concerned in the Provinces administered by the Italian Government.

3. The duties of the Allied Commission Liaison Officers retained in Italian Government territory will be to watch over the inter-relation of Allied and Italian interests insofar as the Allied war effort is directly concerned and to assist the Allied military authorities in their relations with the Italian local authorities. They will give advice to the Allied military authorities on any matter pertaining to Italian civil affairs but they will no longer be concerned with the assumption of control or advice or guidance to the Italian authorities. They will be careful not to assume functions which are properly those of the military authorities and must retain their purely advisory capacity. (It may well be that functions hitherto carried out by Allied Commission officers such as supervision of railroads, highways

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and electric power on behalf of the military authorities will have to be handed over to those military authorities. ^{assumed} ~~by~~ *but further instructions will follow on this* They will normally confine their activities to the neighbourhood of the Headquarters in which they are located, ie, PALERMO, CATANIA, NAPLES and ROME, but in cases of necessity they will, of course, take cognizance of all matters arising from civil affairs affecting

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Allied interests.

- 4. They will correspond direct with HQ, Allied Commission under whose authority they will work and to whom they will render regular and frequent reports on their day to day work and on the political, administrative and economic situation in the areas which they cover.
- 5. All withdrawals indicated above and the establishment of AC Liaison Officers will be completed by 1st March 1945.

Appendix "A"

COMPOSITION OF STAFF FOR ALLIED MILITARY GOVERNMENT, PEOPLES COLUMN.

Provincial Commissioner	1	B
Executive Officer	1	A
Adjutant	1	A
Provincial Officer	1	B
Commander, Coy "C"	1	A

Civil Affairs Section.

- Legal
- Public Health
- Public Safety

Economic Section.

- Commerce
- Food
- Industry
- Finance
- EW & Utilities
- Transportation
- Communications

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3	
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1	
2	(Hemp Control)
5	
2	
5	

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DRAFT ONLY.

S E C R E T.

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ANNEXURE "B" to 4001/53
dated 19 February 1945.

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner

My Dear Mr. Prime Minister:

In order to implement the joint declaration of the President and the Prime Minister of 26 September 1944, the United States and United Kingdom Governments have agreed to relax the control of the Italian Government under the armistice and surrender instrument and only to exercise such control when Allied military interests require. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in Italy.

2. In the light of this agreed US UK policy, the Allied Commission is taking certain steps and is following certain policies concerning which it is desirable that your Government be informed. These steps are described in the paras below, together with an indication of the new procedures which it is proposed to adopt in working with your Government under the new arrangements.

3. The Political Section of the Allied Commission is being abolished as of February 1945. Your Ministry of Foreign Affairs will thus have no direct counterpart in the Commission. It will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to the Economic Section or the Civil Affairs Section of the Commission, whichever may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the Office of my Executive Commissioner.

2731

My Dear Mr. Prime Minister:

In order to implement the joint declaration of the President and the Prime Minister of 26 September 1944, the United States and United Kingdom Governments have agreed to relax the control of the Italian Government under the armistice and surrender instrument and only to exercise such control when Allied military interests require. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in Italy.

2. In the light of this agreed US UK policy, the Allied Commission is taking certain steps and is following certain policies concerning which it is desirable that your Government be informed. These steps are described in the paras below, together with an indication of the new procedures which it is proposed to adopt in working with your Government under the new arrangements.

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4. The Italian Government will continue, as at present, to have direct relations with foreign diplomatic representatives accredited to the Quirinal. It is necessary, however, that the Allied Commission be kept generally informed by the Italian Government of any negotiations in which they engage with other Governments.

Insofar as these negotiations have to do with economic and financial matters, this requirement will be met by keeping the Economic Section and its Finance Sub-Commission informed of the progress of such negotiations. On policy matters, this might appropriately be done through the weekly meetings held between the Economic Section and the Inter-Ministerial Committee for Reconstruction, at which the Ministry of Foreign Affairs is generally represented.

We may also wish to work out jointly an arrangement for the preparation by the Italian Government of a periodic summary of negotiations completed or pending with other Governments.

5. It will no longer be necessary for the Italian Government to obtain the approval of the Allied Commission for decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

I should, however, desire to work out with your Government a procedure for ensuring that this Commission be informed of proposed decrees some time before their enactment, in order to enable me to consult with you as to their applicability to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

6. It will no longer be necessary for the Italian Government to obtain approval of the Allied Commission for Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government, except with regard to the attached list (Appendix "A") of positions having military significance.

7. The Allied Commission officers stationed in the field in the territory under the jurisdiction of the Italian Government will be withdrawn as soon as possible. Representatives of the Allied Commission will, however, be sent into territory under the jurisdiction of the Italian Government when it considers such action necessary.

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generally represented, at which the Ministry of Foreign Affairs is

We may also wish to work out jointly an arrangement for the preparation by the Italian Government of a periodic summary of negotiations completed or pending with other Governments.

5. It will no longer be necessary for the Italian Government to obtain the approval of the Allied Commission for decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

I should, however, desire to work out with your Government a procedure for ensuring that this Commission is informed of proposed decrees some time before their enactment, in order to enable me to consult with you as to their applicability to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

6. It will no longer be necessary for the Italian Government to obtain approval of the Allied Commission for Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government, except with regard to the attached list (Appendix "A") of positions having military significance.

7. The Allied Commission officers stationed in the field in the territory under the jurisdiction of the Italian Government will be withdrawn as soon as possible. Representatives of the Allied Commission will, however, be sent into territory under the jurisdiction of the Italian Government when it considers such action necessary.

In line with this policy, it is intended to abolish by 1945 the Regional Offices of the Allied Commission for Sicily, Sardegna, Southern and Lazio-Umbria Regions.

-5-

for a limited period certain specialist officers or economic functions will remain in territory under the jurisdiction of the Italian Government. A list of such specialist officers, and their functions, will be notified to you shortly.

8. It is the desire of the Allies to encourage free trade in knowledge and learning with the Italian people. As far as the exigencies of the military situation permit, arrangements will be facilitated for the flow between Italy and the United Nations of books and other publications of a scientific, political, philosophical and artistic nature, and for the movement of scholars, artists and professional men between Italy and the United Nations.

9. It is the desire of the Allies to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government.

10. The Allied Nations desire to make concessions with regard to Italian prisoners of war now or hereafter held in Italy, other than those captured since the armistice was signed. Provided that the Italian Government can give an adequate assurance that the services of such persons will continue to be made available on terms satisfactory to the Supreme Allied Commander, their status as prisoners of war will be terminated.

11. The Allied Commission will limit its dealings with respect to territory under the jurisdiction of the Italian Government to consultation with and advice to the Ministers of the Italian Government.

12. It is our intention that, in respect of Italian Government territory, the advisory functions of the Education, Monuments & Fine Arts, Local Government, Legal and Labour Sub-Commissions should only be performed when requested by your Government. **2729**

13. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and effective and equitable distribution and

and learning with the Italian people. As far as the exigencies of the military situation permit, arrangements will be facilitated for the flow between Italy and the United Nations of books and other publications of a scientific, political, philosophical and artistic nature, and for the movement of scholars, artists and professional men between Italy and the United Nations.

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12. It is our intention that, in respect of Italian Government territory, the advisory functions of the Education, Monuments & Fine Arts, Local Government, Legal and Labour Sub-Commissions should only be performed when requested by **2729** your Government.

13. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and equitable distribution and control of consumption of local resources possible under existing conditions be secured and as a prerequisite to increased economic assistance.

14. In the joint programme of essential Italian imports, now being prepared by the Inter-Ministerial Committee for Reconstruction and the Economic Section of this Commission, there will be some supplies for which the combined US-UK military authorities will assume responsibility for procurement (Category "L") and other supplies for which they will not assume responsibility (Category "E"). For your information a definition of the supplies which fall into Category "L" follows:

(a) Those quantities of agreed essential supplies necessary to prevent disease and unrest prejudicial to military operations, such as, food, fuel, clothing, medical and sanitary supplies.

(b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purpose referred to in this paragraph, such as, fertiliser, raw materials, machinery and equipment. When requisitions are being prepared and considered the time when US-UK military

responsibility will terminate will not be known. The importation of supplies under this sub-paragraph, therefore, will not be excluded merely because the effect of such imports may not be felt during the period of combined military responsibility.

(c) Those materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will further the military effort against Germany and Japan.

2728

15. The programme for which the military authorities assume responsibility will be maintained for the duration of combined (US-UK) operations in Italy. For this period, and within the limits defined in para 14, Italy will be treated as a whole. The date of the termination of military responsibility will be fixed by the Allied Nations.

16. In addition to the programme of supplies for which the military

responsibility (Category "E"). For your information, definition of the supplies which fall into Category "A" follows:

- (a) Those quantities of agreed essential supplies necessary to prevent disease and unrest prejudicial to military operations, such as, food, fuel, clothing, medical and sanitary supplies.
- (b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purpose referred to in this paragraph, such as, fertilizer, raw materials, machinery and equipment. When requisitions are being prepared and considered the time when ^{combined} US-UK military responsibility will terminate will not be known. The importation of supplies under this sub-paragraph, therefore, will not be excluded merely because the effect of such imports may not be felt during the period of combined military responsibility.

(c) Those materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will further the military effort against Germany and Japan.

2728

15. The programs for which the military authorities assume responsibility will be maintained for the duration of combined (US-UK) operations in Italy. For this period, and within the limits defined in para 14, Italy will be treated as a whole. The date of the termination of military responsibility will be fixed by the Allied Nations.

16. In addition to the programs of supplies for which the military assume responsibility for procurement (Category "A") it will be our intention to assist your Government in the preparation of programs of supplies designed to rehabilitate Italian industry. Such programs, which we refer to as Category "B", are to be handled under procedures already notified to you in my letter of . It has been agreed that the purchasing of supplies in Category "B" programs should immediately be undertaken, without reference to the present difficult shipping position in order that the supplies

so purchased may be called forward as and when shipping space becomes available.

17. It is the desire of the Allies that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of Paras 14, 15 and 16 above, and subject to the limitation in para 20 below. The sole exception to this principle is to be made in the case of industries involving the production or repair of munitions or other implements of war, which should be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the military effort in other theatres. It is contemplated that the priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

18. It is desired to make clear that the prime responsibility for the control of inflation in Italy, including the imposition and administration of the appropriate financial controls and economic controls, and appropriate utilization of supplies, rests with the Italian Government. In this connection, as in others, the Allied Commission stands ready to advise and assist you.

19. 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 which are controlled by the Allied Governments for purposes connected with the prosecution of the war. The applicability of these factors to individual programmes is to be worked out between your Government and our Economic Section, along the lines already discussed by the Economic Section with the Inter-Ministerial Committee for Reconstruction.

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1990

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20. Nothing in this letter should be taken as constituting a commitment by the Allied Nations with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping as may be allocated from time to time by the Allied Nations.

MILERY W. STONE
Rear Admiral, USNR
Chief Commissioner

1991

21E

ANNEXURE "C" to 4001/20
dated 19 February 1945.

MEMORANDUM SHOWING SIZE OF THE FUNCTIONS
OF THE ALLIED COMMISSION WHICH WILL CEASE
UPON THE WITHDRAWAL OF ALLIED COMMISSION
OFFICERS FROM ITALIAN GOVERNMENT TERRITORY.

1. Civil Affairs Section.

- (a) Advice on maintenance of law and order: organization of police; stimulation Italian Courts of Law, particularly in dealing with offences against Allied troops.
- (b) Distribution of medical supplies: assistance in organization of civilian hospitals.
- (c) Treatment of civilian epidemics and diseases such as typhus, smallpox, diphtheria, etc., except that a team of officers stationed in MILANS may be available to deal with typhus or malaria in an advisory capacity.
- (d) Appointment, transfer, promotion or dismissal of Italian officials.
- (e) Italian refugees and partisans.
- (f) Derequisitioning of schools, distribution of educational books.
- (g) Preservation of monuments and fine arts.
- (h) Evacuation and defascistization.
- (i) Mine Clearance.
- (j) Welfare in devastated areas.

2. Economic Section.

- (a) Commerce Sub-Commission. Export trade: reprocessing of salvaged clothing and footwear; uncovering of availabilities of local resources.
- (b) Industry Sub-Commission. Advice on sugar production: paper production; caustic soda and chlorins; sulphur mining; automobile spare parts; cement and bricks; requisitioning and demobilization of factories and industries.
- (c) Public Works & Utilities Sub-Commission. All work on military and secondary highways; reconstruction and maintenance of electric power plants and transmission lines.
- (d) Food Sub-Commission. Port clearance: checking and reporting of ship unloadings; movement of supplies to the interior; prevention of pilferage; procurement and movement of local

2726

1. Civil affairs section.

- (a) Advice on maintenance of law and order: organization of police: stimulation Italian Courts of Law, particularly in dealing with offences against Allied troops.
- (b) Distribution of medical supplies: assistance in organization of civilian hospitals.
- (c) Treatment of civilian epidemics and diseases such as typhus, smallpox, diphtheria, etc., except that a team of officers stationed in NAPLES may be available to deal with typhus or malaria in an advisory capacity.
- (d) Appointment, transfer, promotion or dismissal of Italian officials.
- (e) Italian refugees and partisans.
- (f) Derequisitioning of schools, distribution of educational books.
- (g) Preservation of monuments and fine arts.
- (h) Evacuation and defascistization.
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2726

- (a) Commerce Sub-Commission. Export trade: reprocessing of salvaged clothing and footwear: uncovering of availabilities of local resources.
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- (c) Public Works & Utilities Sub-Commission. All work on military and secondary highways: reconstruction and maintenance of electric power plants and transmission lines.
- (d) Food Sub-Commission. Port clearance: checking and reporting of ship unloading: movement of supplies to the interior: prevention of pilferage: procurement and movement of local resources to devastated areas.
- (e) Labour Sub-Commission. Prevention of strikes and labour unrest: wages.
- (f) Finance Sub-Commission. Intervention where the Italian Government fail to make financial provision for essential services, many of which affect military interests.
- (g) Transportation Sub-Commission. Coordination of civilian traffic with military traffic: clearance of rail wagons: movements work.

1993

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

785016

SECRET

John

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

Tel. Ext. 525

Ref: 4/32 MCA.

22 Feb 45.

SUBJECT: New Deal for Italy.

TO: Land Forces Sub-Commission,
Navy Sub-Commission,
Air Forces Sub-Commission.

1 Para 2 (a) of FM 107, addressed to SACMED by the Combined Chiefs of Staff, states:

"The Allied Commission shall abandon the practice of approving any Italian appointments in territory under the jurisdiction of the Italian Government except in regard to Service Ministers and such military appointments as you may determine."

2 The Executive Commissioner has asked me to obtain your views and co-ordinate them for submission to the Chief Commissioner on the following:

- (a) Down to what level should the appointment of personnel in the three Service Ministries continue to be subject to our approval.
- (b) Down to what level should the appointment of Officers be subject to AC's approval.

G. V. H. H. H.
G. V. H. H. H., Brig.,
V. C. Section.

* 2525

1994

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

14A

SECRET.

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner

Ref: 4001/20

19 February 1945.

SUBJECT: New CCS Directive on the Allied Commission.

TO : Allied Force Headquarters.
Attn: G-5 Section.

1. It may be of interest to you to know the action which I propose to take as a result of the receipt of FAM 467, communicated to me by the Acting President:

(a) Para 2(a). I am asking the US and British Embassies formally to nominate their representatives who, for many reasons, will require to have an office at this Headquarters. They will bear the same relation to me as POLAD and HERRIN bear to SACRED.

(b) Para 2(b).
(i) I have asked on more than one occasion whether the Italians might be allowed to use the usual cipher and code facilities to their representatives in the countries with which diplomatic relations have been resumed. I have had no answer to this request and I should be glad if this point could be cleared at once. A separate cable has been despatched on this point.

(ii) I shall request the Italian Government to advise me of negotiations with other Governments in which the Italian Government may engage themselves.

(iii) It will be to our advantage and to the advantage of the Italian Government that direct relations should be resumed as soon as possible with the French, Yugoslav and Greek Governments and I shall urge the Italian Government to this end. It is expected that the Allied Embassies will take a similar position.

(c) Para 2(c). states "The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors". 2724

(d) I interpret the words "in the territory" to mean "affecting the territory". Certain Italian decrees may affect Allied Military Government territory and since it is considered desirable to coordinate policy in territory which will be

1993

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

SUBJECT: New CCS Directive on the Allied Commission.

TO : Allied Force Headquarters.
Attn: G-5 Section.

1. It may be of interest to you to know the action which I propose to take as a result of the receipt of JAW 487, communicated to me by the Acting President:

(a) Para 2(A). I am asking the US and British Embassies formally to nominate their representatives who, for many reasons, will require to have an office at this Headquarters. They will bear the same relation to me as POLAD and SACHED bear to SACHED.

(b) Para 2(B).
(i) I have asked on more than one occasion whether the Italians might be allowed to use the usual cipher and code facilities to their representatives in the countries with which diplomatic relations have been resumed. I have had no answer to this request and I should be glad if this point could be cleared at once. A separate cable has been dispatched on this point.

(ii) I shall request the Italian Government to advise me of negotiations with other Governments in which the Italian Government may engage themselves.

(iii) It will be to our advantage and to the advantage of the Italian Government that direct relations should be resumed as soon as possible with the French, Yugoslav and Greek Governments and I shall urge the Italian Government to this end. It is expected that the Allied Embassies will take a similar position.

(c) Para 2(C). states "The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors". 2724

(d) I interpret the words "in the territory" to mean "affecting the territory". Certain Italian decrees may affect Allied Military Government territory and since it is considered desirable to coordinate policy in territory which will be ultimately transferred, I shall cause informal consultations to be continued between the Allied Commission and the Italian Government, particularly in relation to economic decrees.

(e) I also interpret this clause, read with 1(A), to vest in SACHED the right, when necessary, to exercise control in any decree affecting military needs and the requirements of the campaign.

1576

(d) Para 2(D). The transfer of territory documents (Document "A") will now have to be amended in order to enable the Italian Government to remove officials previously nominated by Axis officials without reference to the Allied Commission. This will be taken up under separate cover. All Service Sub-Commissions desire to retain the right of vetting military appointments. The technical posts of directors of Telecommunications and Railroads will be considered as military appointments hereafter.

(e) Para 2(E)

(i) I attach draft directive which will be issued shortly in order to withdraw Allied officers of the Commission from the Islands and Southern Regions. (See Annexure "A").

(ii) It is essential that we should implement this clause to the maximum. There will be great temptation on the part of military formations and services, Italian local authorities and Allied Commission officers to resist the departure of Allied Commission officers and to maintain a "small" number which will gradually grow and will lead us to fall between the two stools of (a) control, which necessitates many officers, and (b) decentral, which should need none. It is essential that military formations and services should be instructed not to ask for the retention of Allied Commission officers but to take their share in some of the difficulties which will have to be faced by Allies and Italians alike as a result of the CCS directive. The Allied Commission will be compelled to give up responsibilities and duties which have been of value to the Allied military formations. Allied officers who have been the proper main between Allied military authorities and the Italian local governments will disappear. I would ask that a direction be issued to military formations and services on this and other matters arising out of the directive.

(iii) It may be thought necessary for the military authorities to assume responsibility for any necessary supervision of public utilities of military importance, e.g., railways, power, highways, through their own officers. This would impose an even more rigid military control than that which the present directive instructs us to remove.

(iv) Allied Military Government will continue in MILLES Comane unless it is your desire that it should be removed. It would, of course, be an advantage to withdraw all officers but I assume that the local military authorities will insist on retention of Axis. Axis Courts in EARI will cease.

(v) I submit for consideration the withdrawal, insofar as is possible, of HQ 204 Sub-area from SICILY and any other Sub-Area Headquarters which are not absolutely essential.

(f) Para 2(F). The implementation of this clause depends upon the repeal or amendment of the "Trading with the Enemy Act" so far as it affects Italy.

2723

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(c) Para. 2(E).

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(iii) If any be thought necessary for the military authorities to assume responsibility for any necessary supervision of public utilities of military importance, e.g., railways, power, highways, through their own officers. This would impose an even more rigid military control than that which the present directive instructs us to remove.

(iv) Allied Military Government will continue in ITALIES Command unless it is your desire that it should be removed. It would, of course, be an advantage to withdraw all officers but I assume that the local military authorities will insist on retention of A.M.G. A.M.G. Courts in ITALIES will cease.

(v) I submit for consideration the withdrawal, insofar as is possible, of HQ 204 Sub-Area from SICILY and any other Sub-Area Headquarters which are not absolutely essential.

(f) Para. 2(F). The implementation of this clause depends upon the repeal or amendment of the "Trading with the Enemy Act" so far as it affects Italy.

(g) Para. 2(G). This has already been done and the Italian Government have the matter in hand. It is most probable that local government elections will take place throughout the major portion of liberated Italy in the spring.

(h) Para. 2(H). The status of Italian POW in Italy is the subject of a separate memorandum which will be submitted to you.

2723

- (i) Para 3(A). I interpret this to mean consultation between Heads of Sections and Directors of Sub-Commissions on the one hand and ministers and Under-Secretaries on the other.
 - (j) Para 3(B). This can be carried out but latitude will be necessary in respect of labour and wage matters which affect AMG territory.
 - (k) Para 3(C). The process of civilisation is already in hand.
 - (l) Para 3(D). My Deputy Chief Civil Affairs Officer is already located at a place other than Allied Commission Headquarters. Further separation is not feasible at the moment.
 - (m) Para 4. It will be necessary to represent to the Italian Government the contents of this and other clauses in the directive. This will be done. I do not propose communicating the last sentence of this paragraph to the Italian Government, since it is not reconcilable with the spirit of the rest of the directive.
 - (n) Para 5.
 - (i) The Italian Inter-Ministerial Committee for reconstruction and the Economic section of the Allied Commission are now preparing a joint programme of essential Italian imports. The Italian Government will be informed of the three categories for which the US/UK military authorities assume responsibility.
 - (ii) This clause gives a wider interpretation to Category A programs (disease and unrest) than this Corri sir has yet received. In order to implement it, I propose to resubmit requisitions that have already been rejected and also to submit part of the new joint programme now being worked out with the Italian Government.
 - (o) Para 6. Similarly this clause has a wider interpretation of the Category B programme and will be considered at the joint discussions.
 - (p) Para 7(a). This will to some extent modify the work of price control now done by the Allied Commission. It is assumed to be a partial reply to recommendations made by the anti-inflation Committee in June 1944.
 - (q) Para 9. Has been made the subject of a separate telegram.
2. I attach memorandum (Annexure "B") which I propose to transmit to the Italian Government in the form of the "New Deal" as soon as I am instructed to make public the terms of the new directive.

[Signature]
 EMERY W. STONE
 Rear Admiral, USNR
 Chief Commissioner

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- (l) Para 3(D). My Deputy Chief Civil Affairs Officer is already located at a place other than Allied Commission Headquarters. Further separation is not feasible at the moment.
- (m) Para 4. It will be necessary to represent to the Italian Government the contents of this and other clauses in the directive. This will be done. I do not propose communicating the last sentence of this paragraph to the Italian Government, since it is not reconcilable with the spirit of the rest of the directive.
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 - (ii) This clause gives a wider interpretation to Category A programme (disaster and unrest) than this Commission has yet received. In order to implement it, I propose to resubmit requisitions that have already been rejected and also to submit part of the new joint programme now being worked out with the Italian Government.
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- (q) Para 9. Has been made the subject of a separate telegram.

2. I attach memorandum (annexure "B") which I propose to transmit to the Italian Government informing them of the terms of the "New Deal" as soon as I am instructed to make public the terms of the new directive.

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

Copy to: Acting President.
 The Hon. Mr. Alexander Kirk, US Ambassador.
 Sir Noel Charies, Bt, KCMG, British Ambassador.
 VP, Economic Section
 VP, Civil Affairs Section
 VP, Establishment Section.
 VP, Political Section,
 Land Forces Sub-Commission
 Air Forces Sub-Commission
 Navy Sub-Commission
 WAD & IPW Sub-Commission
 Communications Sub-Commission

Reference "A" to 4001/30 dated 19 February 1945.

19B

2nd DRAFT DIRECTIVE.

SECRET.

WITHDRAWAL OF ALLIED COMMISSION OFFICERS FROM ITALIAN GOVERNMENT TERRITORY.

1. Para 2(e) of OCS telegram PAN 487 transmitting the directive on the "New Deal for Italy" directs that:

"The Allied Commission shall as soon as possible withdraw all its officers stationed in the field in the territory under the jurisdiction of the Italian Government. However, the Allied Commission should retain the right to send its representatives into territory under the jurisdiction of the Italian Government for any special tasks when Allied interests require it".

2. As a result of this the following action will be taken with regard to Allied Commission functions in SARDINIA, SICILY and SOUTHERN ITALY:

(a) SARDINIA. All Allied officers will be withdrawn with the exception of the officers and staff of the Mining Division who will restrict their functions entirely to advice regarding the output of the Sardinian coalmines. This will involve the withdrawal of the Regional Commissioner and 10 officers, and the retention of 2 Mining Division Officers.

(b) SICILY. All Allied officers will be withdrawn with the following exceptions:

- (i) 2 Finance Officers
 - (ii) 1 Supply Accountant
 - (iii) 1 Property Control Officer
 - (iv) (i), (ii) and (iii) will work under Allied Commission Liaison Officers who will be appointed;
- } } }
Until 1st April 1945.

- (a) In PALERMO to correlate the functions of the US Navy Base with the Italian authorities.
- (b) In CATANIA to correlate the functions of 204 Sub-Area with the Italian authorities

(v) A Transportation Officer will be attached to the Liaison

2722

"The Allied Commission shall as soon as possible withdraw all its officers stationed in the field in the territory under the jurisdiction of the Italian Government. However, the Allied Commission should retain the right to send its representatives into territory under the jurisdiction of the Italian Government for any special tasks when Allied interests require it".

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- (ii) 1 Supply Accountant
- (iii) 1 Property Control Officer
- (iv) (i), (ii) and (iii) will work under Allied Commission Liaison Officers who will be appointed:

Until 1st April 1945.

(a) In PALERMO to correlate the functions of the US Navy Base with the Italian authorities.

2722

(b) In CATANIA to correlate the functions of 204 Sub-Area with the Italian authorities

(v) A Transportation Officer will be attached to the Liaison Officer in CATANIA to regulate rail transport into REGGIO on the mainland.

(vi) The Regional Mining Officer will be assigned to Headquarters, Industry Sub-Commission, and will be despatched to SICILY as occasion demands.

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(vii) The 4 Expert Officers loaned by the Ministry of Food (British) will be attached to the Commerce Sub-Commission and sent to SICILY as the occasion demands. There numbers will be reduced if possible.

(viii) LAMPEDUSA and PANTELIERIA will remain under Allied Military Government. CMO's will report to the AC Liaison Officer at PALERMO.

(c) SOUTHERN REGION. All officers will be withdrawn with the following exceptions:

(i) ~~Local~~ ^{Local} Commissioner and staff for Allied Military Government, NAPLES Comune (See Appendix "A"). This officer will also act as AC Liaison Officer in order to correlate the functions of No. 3 District, FBS and other military authorities with the Italian authorities in the compartimenti of CAMPANIA and CALABRIA.

(ii) There will also be established an AC Liaison Officer at BARI with the same functions in connection with the compartimenti of APULIA and LUCAPI, together with the Province of CAMPOBASSO. This Liaison Officer and his staff will work with the sub-areas operating in this area and the 15th USAF at FOGGIA. The AC Liaison Officer will have a small staff consisting of:

- (a) 5 Representatives of the Economic Section
(Transportation Sub-Commission) 3 of whom
will work in connection with truck pools and
will be withdrawn when truck pools are handed
over to the Italian Government.

(d) LAZIO-UMBRIA REGION. All officers will be withdrawn with the exception of the Provincial Staffs of PERUGIA and TERNI who will continue to administer Allied Military Government in these two

Military Government. SAC's will report to the AC Liaison Officer at PALERMO.

(c) SOUTHERN REGION. All officers will be withdrawn with the following exceptions:

(i) ~~Local~~ ^{Local} Commissioner and staff for Allied Military Government, NAPLES Commune (See Appendix "A"). This officer will also act as AC Liaison Officer in order to correlate the functions of No. 3 District, PPS and other military authorities with the Italian authorities in the compartimenti of CAMPANIA and CALABRIA.

(ii) There will also be established an AC Liaison Officer at BARI with the same functions in connection with the compartimenti of ABRUZIA and LUCANIA, together with the Province of CATERINASSO. This Liaison Officer and his staff will work with the Sub-Areas operating in this area and the 15th USAAF at FOGGIA. The AC Liaison Officer will have a small staff consisting of:

(a) 5 Representatives of the Economic Section
(Transportation Sub-Commission) 3 of whom
will work in connection with truck pools and
will be withdrawn when truck pools are handed
over to the Italian Government.

(a) LAZIO-UMBRIA REGION. All officers will be withdrawn with the exception of the Provincial Staffs of PERUGIA and TERNI who will continue to administer Allied Military Government in these two Provinces under the command of the Provincial Commissioner, PERUGIA, reporting direct to the Allied Commission.

In addition an Allied Commission Liaison Section will be attached to Rome Area Allied Command consisting of the following:

-3-

- (i) 1 Public Safety Officer
 - (ii) 1 AFM Officer, ROME.
 - (iii) 1 Supply Accountant.
 - (iv) 1 Property Control Officer.
- 3 officers of the Transportation Sub-Commission and 1 officer of the Public Works & Utilities Sub-Commission now operating at the port of CIVITAVECCHIA will be retained there under the direct control of the Economic Section. They will be withdrawn before 1st June 1945.

(e) ABRUZZI-MARCHE REGION. All Allied Commission officers will be withdrawn from the Provinces of AQUILA, PESCARA and CHIETI. Regional HQ will be moved to (?) and will administer Allied Military Government in such Provinces of the compartmento which have not been handed back to the Italian Government. The Regional Commissioner will also act as Liaison Officer with the Sub-Area concerned in the Provinces administered by the Italian Government.

3. The duties of the Allied Commission Liaison Officers retained in Italian Government territory will be to watch over the inter-relation of Allied and Italian interests insofar as the Allied war effort is directly concerned and to assist the Allied military authorities in their relations with the Italian local authorities. They will give advice to the Allied military authorities on any matter pertaining to Italian civil affairs but they will no longer be concerned with the assumption of control or advice or guidance to the Italian authorities. They will be careful not to assume functions which are properly those of the military authorities and must retain their purely advisory capacity. (It may well be that functions hitherto carried out by Allied Commission officers such as supervision of railroads, highways

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officer of the Public Works & Utilities Sub-Commission now operating at the port of CIVITAVECCHIA will be retained there under the direct control of the Economic Section. They will be withdrawn before 1st June 1945.

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Allied interests.

- 4. They will correspond direct with HQ. Allied Commission under whose authority they will work and to whom they will render regular and frequent reports on their day to day work and on the political, administrative and economic situation in the areas which they cover.
- 5. All withdrawals indicated above and the establishment of AC Liaison Officers will be completed by 1st March 1945.

Appendix 'A'.

COMPOSITION OF STAFF FOR ALLIED MILITARY GOVERNMENT, NUPES DISTRICT.

Provincial Commissioner	1	B
Executive Officer	1	B
Adjutant	1	B
Provincial Officer	1	B
Commander, Coy "G"	1	A

Civil Affairs Section.

Legal	3
Public Health	3
Public Safety	4

Economic Section.

Commerce	2
Food	1
Industry	2 (Temp Control)
Finance	5
FW & Utilities	2
Transportation	5
Communications	

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DRAFT ONLY.

S E C R E T.

ALLEGED "M" to 4304/30
Dated 19 February 1945.

HEADQUARTERS ALLIED COMMISSION

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Office of the Chief Commissioner

My Dear Mr. Prime Minister:

In order to implement the joint declaration of the President and the Prime Minister of 26 September 1944, the United States and United Kingdom Governments have agreed to relax the control of the Italian Government under the armistice and surrender instrument and only to exercise such control when Allied military interests require. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in Italy.

2. In the light of this agreed US UK policy, the Allied Commission is taking certain steps and is following certain policies concerning which it is desirable that your Government be informed. These steps are described in the paras below, together with an indication of the new procedures which it is proposed to adopt in working with your Government under the new arrangements.

3. The Political Section of the Allied Commission is being abolished as of February 1945. Your Ministry of Foreign Affairs will thus have no direct counterpart in the Commission. It will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to the Economic Section or the Civil Affairs Section of the Commission, whichever may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the Office of my Executive Commissioner.

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My Dear Mr. Prime Minister:

In order to implement the joint declaration of the President and the Prime Minister of 26 September 1944, the United States and United Kingdom Governments have agreed to relax the control of the Italian Government under the armistice and surrender instrument and only to exercise such control when Allied military interests require. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in Italy.

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4. The Italian Government will continue, as at present, to have direct relations with foreign diplomatic representatives accredited to the Quirinal. It is necessary, however, that the Allied Commission be kept generally informed by the Italian Government of any negotiations in which they engage with other Governments.

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Insofar as these negotiations have to do with economic and financial matters, this requirement will be met by keeping the Economic Section and its Finance Sub-Commission informed of the progress of such negotiations. On policy matters, this might appropriately be done through the weekly meetings held between the Economic Section and the Inter-Ministerial Committee for Reconstruction, at which the Ministry of Foreign Affairs is generally represented.

We may also wish to work out jointly an arrangement for the preparation by the Italian Government of a periodic summary of negotiations completed or pending with other Governments.

5. It will no longer be necessary for the Italian Government to obtain the approval of the Allied Commission for decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

I should, however, desire to work out with your Government a procedure for ensuring that this Commission is informed of proposed decrees some time before their enactment, in order to enable me to consult with you as to their applicability to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

6. It will no longer be necessary for the Italian Government to obtain approval of the Allied Commission for Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government, except with regard to the attached list (Appendix "A") of positions having military significance.

7. The Allied Commission officers stationed in the field in the **2,19** territory under the jurisdiction of the Italian Government will be withdrawn as soon as possible. Representatives of the Allied Commission will, however, be sent into territory under the jurisdiction of the Italian Government when

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In line with this policy, it is intended to abolish by 1945 the Regional Offices of the Allied Commission for Sicily, Sardinia, Southern and Lazio-Umbria regions.

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for a limited period certain specialist officers on economic functions will remain in territory under the jurisdiction of the Italian Government. A list of such specialist officers, and their functions, will be notified to you shortly.

8. It is the desire of the Allies to encourage free trade in knowledge and learning with the Italian people. As far as the exigencies of the military situation permit, arrangements will be facilitated for the flow between Italy and the United Nations of books and other publications of a scientific, political, philosophical and artistic nature, and for the movement of scholars, artists and professional men between Italy and the United Nations.

9. It is the desire of the Allies to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government.

10. The Allied Nations desire to make concessions with regard to Italian prisoners of war now or hereafter held in Italy, other than those captured since the Armistice was signed. Provided that the Italian Government can give an adequate assurance that the services of such persons will continue to be made available on terms satisfactory to the Supreme Allied Commander, their status as prisoners of war will be terminated.

11. The Allied Commission will limit its dealings with respect to territory under the jurisdiction of the Italian Government to consultation with and advice to the Ministers of the Italian Government.

12. It is our intention that, in respect of Italian Government territory, the advisory functions of the Advisory Commissions of Mine Arts, Local Government, Legal and Labour Sub-Commissions should only be performed when requested by your Government.

13. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and constructive and equitable distribution and

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12. It is our intention that, in respect of Italian Government territory, the advisory functions of the Education, Commerce & Fin. Affs, Local Government, Legal and Labour Sub-Commissions should only be performed when requested by your Government.

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13. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured and as a prerequisite to increased economic assistance.

14. In the joint program of essential Italian imports, now being prepared by the Inter-Ministerial Committee for Reconstruction and the Economic Section of this Commission, there will be some supplies for which the combined US-UK military authorities will assume responsibility for procurement (Category "A") and other supplies for which they will not assume responsibility (Category "B"). For your information, a definition of the supplies which fall into Category "A" follows:

(a) These quantities of agreed essential supplies necessary to prevent disease and unrest prejudicial to military operations, such as, food, fuel, clothing, medical and sanitary supplies.

(b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purpose referred to in this paragraph, such as, fertilizer, raw materials, machinery and equipment. When requisitions are being prepared and considered the time when ^{combined} US-UK military responsibility will terminate will not be known. The importation of supplies under this sub-paragraph, therefore, will not be excluded merely because the effect of such imports may not be felt during the period of combined military responsibility.

(c) These materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will further the military effort against Germany and Japan.

15. The programs for which the military authorities assume responsibility will be maintained for the duration of combined (US-UK) operations in Italy. For this period, and within the limits defined in para 14, Italy will be treated as a whole. The date of the termination of military responsibility will be fixed by the Allied Nations.

16. In addition to the programs of supplies for which the military

3717

responsibility (Category "B"). For your information a definition of the supplies which fall into Category "A" follows:

- (a) Those quantities of agreed essential supplies necessary to prevent disease and unrest prejudicial to military operations, such as, food, fuel, clothing, medical and sanitary supplies.
- (b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purpose referred to in this paragraph, such as, fertilizer, raw materials, machinery and equipment. When requisitions are being prepared and considered the time when ^{combined} US-UK military responsibility will terminate will not be known. The importation of supplies under this sub-paragraph, therefore, will not be excluded merely because the effect of such imports may not be felt during the period of combined military responsibility.
- (c) Those materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will further the military effort against Germany and Japan.

15. The programme for which the military authorities assume responsibility will be maintained for the duration of combined (US-UK) operations in Italy. For this period, and within the limits defined in para 14, Italy will be treated as a whole. The date of the termination of military responsibility will be fixed by the Allied Nations.

16. In addition to the programme of supplies for which the military assume responsibility for procurement (Category "A") it will be our intention to assist your Government in the preparation of programmes of supplies designed to rehabilitate Italian industry. Such programmes, which we refer to as Category "B", are to be handled under procedures already notified to you in my letter of . It has been agreed that the purchasing of supplies in Category "B" programmes shall immediately be undertaken, without reference to the present difficult shipping position in order that the supplies

so purchased may be called forward as and when shipping space becomes available.

17. It is the desire of the Allies that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of Paragraphs 14, 15 and 16 above, and subject to the limitation in para 20 below. There shall be an exception to this principle in the case of industries involving the production or repair of munitions or other implements of war, which should be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the military effort in other theatres. It is contemplated that the priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

18. It is desired to make clear that the prime responsibility for the control of inflation in Italy, including the imposition and administration of the appropriate financial controls and economic controls, and appropriate utilization of supplies, rests with the Italian Government. In this connection, as in others, the Allied Commission stands ready to do its best to assist you.

19. 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 which are controlled by the Allied Governments for purposes connected with the prosecution of the war. The applicability of these factors to individual programmes is to be worked out between your Government and our Economic Section, along the lines already discussed by the Economic Section

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permitted by Italian resources and such supplies as it may be possible to import under the terms of paras 14, 15 and 16 above, and subject to the limitation in para 20 below. The sole exception to this principle is to be made in the case of industries involving the production or repair of munitions or other implements of war, which should be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the military effort in other theatres. It is contemplated that the priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

18. It is desired to make clear that the prime responsibility for the control of inflation in Italy, including the imposition and administration of the appropriate financial controls and economic controls, and super-prints utilization of supplies, rests with the Italian Government. In this connection, as in others, the Allied Commission stands ready to advise and assist you.

19. 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 programs will necessarily be limited by certain shipping, military, financial and supply factors which are controlled by the Allied Governments for purposes connected with the prosecution of the war. The applicability of these factors to individual programs is to be worked out between your Government and our Economic Section, along the lines already discussed by the Economic Section with the Inter-Ministerial Committee for Reconstruction.

20. Nothing in this letter should be taken as constituting a commitment by the Allied Nations with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping as may be allocated from time to time by the Allied Nations.

MILBURN W. STONE
Deputy Chief, USIA
Chief, Commission

19d

ANNEXURE "C" to 4001/EC
dated 19 February 1945.

MEMORANDUM SHOWING SOME OF THE FUNCTIONS
OF THE MILITARY COMMISSION WHICH WILL CEASE
UPON THE WITHDRAWAL OF ALLIED COMMISSION
OFFICERS FROM ITALIAN GOVERNMENT TERRITORY.

1. Civil Affairs Section.

- (a) Advice on maintenance of law and order; organization of police; stimulation Italian Courts of Law, particularly in dealing with offences against Allied troops.
- (b) Distribution of medical supplies; assistance in organization of civilian hospitals.
- (c) Treatment of civilian epidemics and diseases such as typhus, smallpox, diphtheria, etc., except that a team of officers stationed in MPAs may be available to deal with typhus or malaria in an advisory capacity.
- (d) Appointment, transfer, promotion or dismissal of Italian officials.
- (e) Italian refugees and partisans.
- (f) Derequisitioning of schools, distribution of educational books.
- (g) Preservation of monuments and fine arts.
- (h) Evacuation and de-fascistization.
- (i) Mine Clearance.
- (j) Welfare in devastated areas.

2. Economic Section.

- (a) Commerce Sub-Commission. Export trade; reprocessing of salvaged clothing and footwear; uncovering & availability of local resources.
- (b) Industry Sub-Commission. Advice on sugar production; paper production; caustic soda and chlorine; sulphur mining; automobile spare parts; cement and bricks; requisitioning and derequisitioning of factories and industries. 2715
- (c) Public Works & Utilities Sub-Commission. All work on military and secondary highways; reconstruction and maintenance of electric power plants and transmission lines.
- (d) Food Sub-Commission. Port clearance; checking and reporting of ship unloadings; movement of supplies to the interior; prevention of pilferage; procurement and movement of local

1. Civil Affairs Section.

- (a) Advice on maintenance of law and order; organization of police; stimulation Italian Courts of Law, particularly in dealing with offences against Allied troops.
- (b) Distribution of medical supplies; assistance in organization of civilian hospitals.
- (c) Treatment of civilian epidemics and diseases such as typhus, smallpox, diphtheria, etc., except that a team of officers stationed in Naples may be available to deal with typhus or malaria in an advisory capacity.
- (d) Appointment, transfer, promotion or dismissal of Italian officials.
- (e) Italian refugees and partisans.
- (f) Derequisitioning of schools, distribution of educational books.
- (g) Preservation of monuments and fine arts.
- (h) Education and defascistization.
- (i) Mine Clearance.
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- (b) Industry Sub-Commission. Advice on sugar production; paper production; caustic soda and chloride; sulphur mining; automobile spare parts; cement and bricks; requisitioning and demobilization of factories and industries. 2715
- (c) Public Works & Utilities Sub-Commission. All work on military and secondary highways; reconstruction and maintenance of electric power plants and transmission lines.
- (d) Food Sub-Commission. Port clearance; checking and reporting of ship unloadings; movement of supplies to the interior; prevention of pilferage; procurement and movement of local resources to devastated areas.
- (e) Labour Sub-Commission. Prevention of strikes and labour unrest; wages.
- (f) Finance Sub-Commission. Intervention where the Italian Government fail to make financial provision for essential services, many of which affect military interests.
- (g) Transportation Sub-Commission. Coordination of civilian traffic with military traffic; clearance of rail wagons; movements work.

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Declassified E.O. 12356 Section 3.3/NND No. 785016SECRETHEADQUARTERS ALLIED COMMISSION
A O 394
CIVIL AFFAIRS SECTION

Tel. Ext. 525

Ref : 4/32/CA.

15 Feb 45.

SUBJECT : PAN 487.

TO : Chief of Staff.

Reference para 2(d) of PAN 487 :

1. It is requested that the following be put on the list of personnel whose appointment requires the approval of AC :-

- a. Director General of Pubblica Sicurezza.
- b. Commanding General CC. RR.
- c. Chief of Staff, CC. RR.
- d. Commanding General CC. PF.

2. It is felt essential having regard to the vital importance of maintaining public order and to the necessity for maintaining the closest relationship with the above officers in connection with police affairs in AMG territories that their appointment should be subject to approval by AC.

G. R. Upjohn
G. R. UPJOHN, Brig.,
VP CA Section,
DCOS AC.

Copy to :- Public Safety Sub-Coman.
CA file 9/1A/CA.

(S.A.D.)

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2020

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

785016

SECRET

17A

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

Tel. Ext. 25

14 Feb 45.

Ref: W/32A/CA.

SUBJECT: FAN 187

TO: Chief of Staff.

I am not entirely certain that I fully understood what was required by you for submission to AFHQ by way of comments on the working out of FAN 187, but the attached notes embody the principal changes as they affect CA Section.

G.R. UPJOHN, Brig.,
VP CA Section,
DCAS AC.

2713

SECRETEFFECT OF IMPLEMENTATION OF FAN 487 ON
CIVIL AFFAIRS SECTION

17B

- 1 Allied Commission will cease to be responsible in Italian Government territory in any way for the following matters:
- (a) Maintenance of law and order; organization of police, courts of Justice and prisons.
 - (b) Distribution of medical supplies; organization of hospitals.
 - (c) Treatment of civilian epidemics and diseases except to the extent that one team stationed at Naples, may be available to deal with Typhus and/or malaria in an advisory capacity in the field.
 - (d) Appointment, transfer, promotion or dismissal of Italian Officials even where originally appointed by AMG.
 - (e) Patriots and Italian refugees.
 - (f) Education and distribution of educational books.
 - (g) Preservation of monuments and fine arts.
 - (h) Spuretion
 - (i) Mine Clearance
 - (j) Welfare in Devastated Areas.

In all the above matters the role of AC will be confined to giving advice, where requested, at Governmental level.

- 2 No more AMG Courts will be held in Italian Government territory even in the case of serious ammunition thefts or murder of Allied soldiers. All such cases will be tried in Italian courts.
- 3 The Italian Government will, perforce, be left without protection in the case of excessive requisitioning in Italian Government territory except in the vicinity of Headquarters where Liaison officers are established.
- 4 In the Educational and cultural field it is not thought that a flow of books or personnel can be implemented at a very early date. (See FAN 487)
- 5 The question of distribution of Allied Medical supplies by an Italian organization (ENPIMEA) is being closely watched. It is not working very satisfactorily and controls may have to be re-imposed. (FAN 487, para 1.)

16a
HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

My Dear Mr. Prime Minister,

1. In order to implement the joint declaration of the President and the Prime Minister of 26 September 1944, the United States and United Kingdom Governments have agreed to relax the control of the Italian Government under the armistice and surrender instrument and only to exercise such control when military needs require. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in Italy.
2. In the light of this agreed US-UK policy, the Allied Commission is taking certain steps and is following certain policies concerning which it is desirable that your Government be informed. These steps are described in the paras below, together with an indication of the new procedures which it is proposed to adopt in working with your Government under the new arrangements:
3. The Political Section of the Allied Commission is being abolished as of Feb 45.
Your Ministry of Foreign Affairs will thus have no direct counterpart in the Commission. It will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to the Economic Section or the Civil Affairs Section of the Commission, whichever may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the
4. The Italian Government will continue, as at present, to have direct relations with foreign diplomatic representatives accredited to the Quirinal. It is absolutely necessary, however that the Allied Commission be kept generally informed by the Italian Government of any negotiations in which they engage with other Governments.
Insofar as these negotiations have to do with economic and financial matters, this requirement will be met by keeping the Economic Section and its Finance Sub-Commission informed of the progress of such negotiations. On policy matters, this might appropriately be done through the weekly meetings held between the Economic Section and the Interministerial Committee for Reconstruction, at which the Ministry of Foreign Affairs is generally represented.
We may also wish to work out jointly an arrangement for the preparation by the Italian Government of a periodic summary of negotiations completed or pending with other Governments.
5. The Allied Commission will no longer give formal approval to decrees

1

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We may also wish to work out jointly an arrangement for the preparation of a periodic summary of negotiations completed or pending with other governments.

5. The Allied Commission will no longer give formal approval to decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

We would, however, desire to work out with your Government a procedure for making sure that this Commission is properly informed of proposed decrees some time before their enactment, in order to enable us to consult with you as to their applicability to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

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7. The Allied Commission will as soon as possible withdraw all its officers, stationed in the field in the territory under the jurisdiction of the Italian Government. However, the Allied Commission will send its representatives into territory under the jurisdiction of the Italian Government when it considers such action necessary.

In line with this policy, it is intended to abolish by 1945 the Regional Offices of the Allied Commission for Sicilie, Sardegna, Southern, Lazio-Umbria, and Abruzzi-Marche Regions.

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It is also intended to retain teams of AMG officers at Naples and in the provinces of Lazio-Umbria and Abruzzi-Marche Regions which are still under the jurisdiction of Allied Military Government.

8. It is the desire of the Allies to encourage free trade in knowledge and learning with the Italian people as far as the exigencies of the military situation permit, arrangements will be facilitated for the flow of books and other publications of a scientific, political, philosophical and artistic nature between Italy and the United Nations and for the movement of scholars, artists and professional men between Italy and the United Nations.

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(Procedure for Implementation?)

11. In general, the staff of AFHQ will occupy itself, with respect to territory under the jurisdiction of the Italian Government, primarily with consultation and advice to the Italian Government.

12. It is our intention to ascertain the views of the Italian Government as to the extent to which the advisory functions of the Education, Monuments and Fine Arts, Local Government, Legal and Labour Sub-Commissions should continue to be performed.

2510

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13. It is necessary that the maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured. To this end and as a prerequisite to increased economic assistance it is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible. In the event that these conditions are not met the Allied authorities will not hesitate to impose the necessary controls or take other appropriate measures.

14. In the joint program of essential Italian imports, now being prepared by the Interministerial Committee for Reconstruction and the Economic Section of this Commission, there will be some supplies for which the combined US-UK military authorities will assume responsibility (Category "A"), and other supplies for which the military do not assume responsibility (Category "B"). For your information a definition of the supplies which fall into Category "A" follows:

- (a) Those quantities of food, fuel, clothing, medical, sanitary and other agreed essential supplies necessary to prevent disease and unrest prejudicial to military operations.
- (b) Those supplies such as fertilizer, raw materials, machinery and equipment, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph. As the time when combined military responsibility will terminate will not be known when requisitions are being prepared and considered, the importation of supplies under this sub-paragraph will not be excluded merely because the effect of such imports may not be felt during the period of combined military responsibility.
- (c) Those supplies necessary for the restoration of such of the Italian power systems and transportation and communication facilities as will further the military effort against Germany and Japan.

15. The program for which the military authorities assume responsibility will be maintained for the duration of combined (US-UK) operations in Italy. For this period, and within the limits defined in para 14, Italy will be treated as a whole.

16. In addition to the program of supplies for which the military assume procurement responsibility (Category "A") it will be our intention to assist your Government in the preparation of programs of supplies designed to rehabilitate Italian industry. Such programs, which we refer to as Category "B" are to be handled under procedures already notified to you in my letter of . It has been agreed that the purchasing of supplies in Category "B" programs should immediately be undertaken, without reference to the present difficult shipping position in order that the supplies so purchased may be called forward as and when shipping space becomes available.

17. It is the desire of the Allies that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of paras 14, 15 and 16 above, and subject to the limitation in para 20 below. The sole exception to this principle is to be made in the case of industries where the production or repair of munitions or other implements of war, which should be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the military effort in other theatres. It is contemplated that the priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

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18. It is desired to make clear that the prime responsibility for the control of inflation in Italy, including the imposition and administration of the appropriate financial controls and economic controls, and appropriate utilization of supplies, rests with the Italian Government. In this connection, as in others, the AC stands ready to advise and assist you.

19. 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 program will necessarily be limited by certain shipping, military, financial and supply factors which are controlled by the Allied Governments for purposes connected with the prosecution of the war. The applicability of these factors to individual programs is to be worked out between your Government and our Economic Section, along the lines already discussed by the Economic Section with the Interministerial Committee for Reconstruction.

20. Nothing in this letter should be taken as constituting a commitment with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping as may be allocated from time to time.

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

APD 594

My Dear Mr. Prime Minister,

1. In order to implement the joint declaration of the President and the Prime Minister of 26 September 1944, the United States and United Kingdom Governments have agreed to relax the control of the Italian Government under the armistice and surrender instrument and only to exercise such control when military needs require. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in Italy.
2. In the light of this agreed US-UK policy, the Allied Commission is taking certain steps and is following certain policies concerning which it is desirable that your Government be informed. These steps are described in the pages below, together with an indication of the new procedures which it is proposed to adopt in working with your Government under the new arrangements:
3. The political Section of the Allied Commission is being abolished as of Feb 45.

Your Ministry of Foreign Affairs will thus have no direct counterpart in the Commission. It will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to the Economic Section or the Civil Affairs Section of the Commission, whichever may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the
4. The Italian Government will continue, as at present, to have direct relations with foreign diplomatic representatives accredited to the Quirinal. It is absolutely necessary, however that the Allied Commission be kept generally informed by the Italian Government of any negotiations in which they engage with other Governments.

Insofar as these negotiations have to do with economic and financial matters, this requirement will be met by keeping the Economic Section and its Finance Sub-Commission informed of the progress of such negotiations. On policy matters, this might appropriately be done through the weekly meetings held between the Economic Section and the Interministerial Committee for Reconstruction, at which the Ministry of Foreign Affairs is generally represented.

We may also wish to work out jointly an arrangement for the presentation by the Italian Government of a periodic summary of negotiations completed or pending with other governments.
5. The Allied Commission will no longer give formal approval to decrees

2708

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We may also wish to work out jointly an arrangement for the preparation by the Italian Government of a periodic summary of negotiations completed or pending with other governments.

2708

5. The Allied Commission will no longer give formal approval to decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

We would, however, desire to work out with your Government a procedure for making sure that this Commission is properly informed of proposed decrees some time before their enactment, in order to enable us to consult with you as to their applicability to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

6. The Allied Commission will no longer give formal approval to any Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government except with regard to the attached list (Appendix "A") of positions having military significance.

7. The Allied Commission will as soon as possible withdraw all its officers, stationed in the field in the territory under the jurisdiction of the Italian Government. However, the Allied Commission will send its representatives into territory under the jurisdiction of the Italian Government when it considers such action necessary.

In line with this policy, it is intended to abolish by 1945 the Regional Offices of the Allied Commission for Sicily, Sardegna, Southern, Lazio-Umbria, and Abruzzi-Marche Regions.

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It is also intended to retain teams of AMG officers at Naples and in the provinces of Lazio-Umbria and Abruzzi-Marche Regions which are still under the jurisdiction of Allied Military Government.

8. It is the desire of the Allies to encourage free trade in knowledge and learning with the Italian people as far as the exigencies of the military situation permit. Arrangements will be facilitated for the flow of books and other publications of a scientific, political, philosophical and artistic nature between Italy and the United Nations and for the movement of scholars, artists and professional men between Italy and the United Nations.

9. It is the desire of the Allies to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government.

10. The status of Italian Prisoners of War now or hereafter held in Italy other than those captured since the armistice was signed will be terminated upon adequate assurance being given by the Italian Government that their services will continue to be made available on terms satisfactory to the Supreme Allied Commander subject to Combined Chiefs of Staff approval.

(Procedure for Implementation)

11. In general, the staff of APRG will occupy itself, with respect to territory under the jurisdiction of the Italian Government, primarily with consultation and advice to the Italian Government.

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16. In addition to the program of supplies for which the military assume procurement responsibility (Category "A") it will be our intention to assist your Government in the preparation of programs of supplies designed to rehabilitate Italian industry. Such programs, which we refer to as Category "B" are to be handled under procedures already notified to you in my letter of . It has been agreed that the purchasing of supplies in Category "B" programs should immediately be undertaken, without reference to the present difficult shipping position in order that the supplies so purchased may be called forward as and when shipping space becomes available.

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Col. Enigma

- 1. Find out what action is required from CA see on this meeting. See by Tallot
- 2. Ask for permission to complete Figure of FA 487 same as copy with para 3 of minutes
- 3. Please get copy of draft of Ecom letter memo on para 4

9 Feb 45

Enigma

SECRET
JAG/afe 14

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

67 FEB 1945
6 February 1945

MINUTES OF A MEETING HELD TO DISCUSS FAN 467 (DIRECTIVE FROM THE COMBINED CHIEFS OF STAFF)

Present: Colonel Densmore, Mr. Cleveland, Brigadier Upjohn, Colonel Bahrens, Lieut. Colonel Campbell, Mr. Schott, Mr. Halford, Colonel Jones, Brigadier Dunlop, Colonel Fiske, Colonel Scudder, Brigadier Lush, and Major Talbot.

1. The Chief Commissioner said that he considered paragraph 1 only as a preamble and a statement of policy.

No other comments.

POLITICAL SECTION

2. (a) The Chief Commissioner pointed out that this was change in form rather than substance, since the same personnel would stay on as Advisers.

Colonel Scudder asked if the Political Advisers would continue to supervise the communications of the Italian Government with its outside representatives.

Admiral Stone pointed out in reply that the Allied Commission had never received an answer to their question as to whether Italians might have the usual cipher and code facilities, since diplomatic relations had been resumed with other countries. It was decided that this point must be taken up with AFHQ.

AFHQ 1

- (b) Noted. The Chief Commissioner stressed the necessity of impressing this point on Signor Bonomi.

In reply to a question of Mr. Halford's, Admiral Stone stated that governments not in direct relation with the Italian Government; viz. French, Yugoslav, Greek; would have to maintain such relations as they had through the Allied Commission.

Mr. Cleveland asked how the phrase "that the Allied Commission is kept generally informed by the Italian Government" was to be interpreted. By a periodic report?

- (c) The Chief Commissioner stated that this clause should be conditioned by para 1, i.e., that "control would be exercised in any decree affecting military needs and the requirements of the campaign".

Brigadier Upjohn maintained that a preview of proposed decrees was necessary ~~as such~~ as a measure of control, but in order

2704

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2704

Brigadier Upjohn maintained that a preview of proposed decrees was necessary, such as a measure of control, but in order to avoid difficulty in implementation in AMG territory. Brigadier Upjohn believed that it was possible to take a step which would be something less than the present method of approving decrees.

Admiral Stone noted the Brigadier's proposal but said that he wished to impress upon the meeting the necessity for making the Italian Government take responsibility. If the directive was to mean anything, he said, half measures would have to be avoided.

AFHQ 1

2. (d) It was agreed that the technical posts of Directors for Communications and Railroads should be considered as military appointments "under the terms of the clause".

AFHQ 2

Admiral Stone directed that the attention of AFHQ be drawn to the necessity of amending "Transfer of Territory Documents" so as to enable the Italian Government to remove appointees ~~previously~~ without reference to the Allied Commission.

made by AMG officials

(e) The Meeting then considered the draft directive on "Withdrawal of Allied Commission Officers from Italian Government Territory."

Admiral Stone at this point again urged that he wanted FAN 437 complied with to the utmost, stating that if the directive was wrong, then the only way to show that it was wrong was to comply with it.

2. (a)* After some discussion on the desirability of maintaining any officers at all to give advice on the output of the Sardinian coal mines, it was decided that AFHQ should be informed that the Allied Commission proposed to withdraw all such personnel in compliance with FAN 437 unless desired not to do so by SACMED.

AFHQ 3

2. (b)* Sicily. It was decided that the export officer should be withdrawn; that the same principle should govern the retention in Sicily of the Regional Mining Officer as affected the Mining Division officers in Sardinia, and that his retention was for AFHQ to decide; that CAO's of Lampedusa and Pantelleria were not affected since they were in AMG territory.

When Mr. Cleveland stated that the four export officers were not under the control of the Economic Section although carried on the strength of the Allied Commission, Admiral Stone directed that the attention of AFHQ be drawn to the fact that these men were not in fact working for the Allied Commission but were engaged in exporting unilaterally for the British market.

AFHQ 4

On Brigadier Upjohn's recommendation it was decided that an officer should be left in both Sardinia and Sicily to supervise the distribution of medical supplies, but that the Italian Government be warned to have their own organization ready by March 31st, on which date the Allied Commission medical supply officers would be withdrawn.

2. (c) (1)* The Meeting took note that the proposed establishment for the composition of staff for AME, Naples Commune, represented a 75% cut on the existing establishment. It was agreed that the Public Health should be permitted to have three officers instead of two, and Public Safety four officers instead of two (one of these to be Fire Officer).

Economic Section were not prepared to 'stat' 2703 how many men they desired to keep in the Naples Commune.

Brigadier Lush inquired whether the officers engaged in the amassing of olive oil could still function although the Southern Section had been abolished.

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Admiral Stone at this point again urged that he wanted PAN 487 complied with to the utmost, stating that if the directive was wrong, then the only way to show that it was wrong was to comply with it.

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Brigadier Lush inquired whether the officers engaged in the smearing of olive oil could still function although the Regional Headquarters of Southern Region had been abolished. The details of how this was to be done were left to the next Chief of Staff meeting.

2. (c) (ii)* It was decided that the Bari courts had served their turn and should be closed, thus releasing two legal officers and one public safety officer, though it was suggested that the liaison officer at Bari should be a lawyer.

Colonel Densmore pointed out the difficulty of stating exactly how many members of the Economic Section it was desirable to retain in Southern Region until the CCS gave authority

2. (c) (11) (continued) to the Allied Commission to turn over to the Italian Government the 400 trucks operating down there, as the responsibility for their maintenance lay with the Allied Commission. The Chief Commissioner directed that a letter on this subject should be written to AFHQ.

AFHQ 5

Colonel Densmore further pointed out the necessity of retaining an Allied Commission officer to make the necessary bidding for the hauling of supplies on a military operated railway, as the military authorities would be unlikely to permit an Italian representative to bid.

2. (d)* It was agreed that Perugia and Terni should be attached to Abruzzi-Marche Region. Brigadier Upjohn suggested that TERNI and ASCOLI be handed back to the Italian Government.

Colonels Scudder and Densmore were to work out a procedure for the issuance of petrol, tires, etc. -- a function now performed by the Communications officer of Lazio-Umbria Region.

It was decided that the Public Safety Officer, who it was proposed should be attached to Rome Area Command, should have charge of the issuing of passes.

It was decided that the Chief of Staff should discuss with the Regional Commissioner exactly what residue of the Lazio-Umbria Region it was necessary to attach to Rome Area Command.

6.* Finally, March 1st was agreed to as a tentative date for the completion of the withdrawal program.

(This finished discussion of the draft directive on withdrawal) [* Clauses of Draft Directive "Withdrawal of A.C. Officers, etc."]

2. (f) The Chief Commissioner pointed out that the implementation of this clause depended upon the repeal or amendment of the Tracing with the Enemy Act so far as it affected Italy.

(g) No comments.

(h) Comments of General Browning, Land Forces Subcommittee (MIA) were awaited.

ADMINISTRATIVE SECTION

3. (a) and (b) The Chief Commissioner directed that the contents of these clauses should be impressed upon the Heads of Subcommittees.

(c) No comments.

(d) The Chief Commissioner pointed out that the clause was meaningless, since the proposal it contained was not feasible.

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6.* Finally, March 1st was agreed to as a tentative date for the completion of the withdrawal program.

(This finished discussion of the draft directive on withdrawal) [*Clauses of Draft Directive "Withdrawal of A.C. Officers, etc."]

2. (f) The Chief Commissioner pointed out that the implementation of this clause depended upon the repeal or amendment of the Trading with the Enemy Act so far as it affected Italy.

(g) No comments.

(h) Comments of General Browning, Land Forces Subcommittee (AMIA) were awaited.

ADMINISTRATIVE SECTION

3. (a) and (b) The Chief Commissioner directed that the contents of these clauses should be impressed upon the Heads of Subcommittees.

(c) No comments.

2702

(d) The Chief Commissioner pointed out that the clause was meaningless, since the proposal it contained was not feasible.

ECONOMIC SECTION

4. Mr. Cleveland stated that a memorandum designed to provide for the implementation of this clause had been prepared and was now before the Chief Commissioner.

5. Mr. Cleveland pointed out that this clause was a wider interpretation of the category (A) program, i.e., those goods considered

785016

"necessary to prevent disease and unrest", than the Allied Commission had yet received. To implement it he proposed to re-submit some requisitions that had already been turned down and also to submit a part of a new joint program now being worked out with the Italian Government.

6. Mr. Cleveland pointed out that this clause was in the same way a wide interpretation of the (B) PROGRAM, i.e., those goods considered necessary yet not falling strictly within the (a) category.

7. (a) On this clause Mr. Cleveland made the comment that it would modify the Allied Commission's price work, and Admiral Stone said that it was in part an answer to the Anti-Inflation recommendations made long ago.

(b) Mr. Cleveland said that steps had already been taken to cannibalise munitions plants.

J.A. Quake

J. A. QUAKE
Major, R. A.
Staff Officer to CC

Distribution

C.C.

C.A.S.

Political Section

Economic

C.A.

2701

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

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Major, R. A.
Staff Officer to CC

Distribution

- C.C.
 - C.O.S.
 - Political Section
 - Economic " ✓
 - C.A. " ✓
- 2701

134

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Subject: Italian Army

SECRET

Land Forces Sub Com AC.
(M.M. I.A.)

File No. G/6

6 Feb 45

AFHQ for Chief of SWACI.
" Chief Administrative Officer.

Reference new directive PAN 487 from C.C.S. on the Allied Commission, I have the following observations to make :-

- 1. Land Forces Sub-Commission AC (LMIA) has two separate functions and methods of procedure in its capacity of :-
 - (a) Land Forces Sub-Commission AC.
 - (b) M.M. I.A.

See your AG.091.112/079 GCT-0 of 25 Oct 1944.

- 2. (a) It has always been the policy of this Sub-Commission to give as much responsibility as possible to the Italian Army in order to :-

- (i) Save Allied manpower.
- (ii) Raise Italian morale.
- (iii) Gradually enable the new Italian Army to stand on its own feet.

In this connection see my SD/3 of 6 Feb 45 re proposed reduction of British Cadres with Italian Pack Tpt Coys.

- (b) (i) On the other hand, there is unfortunately still a considerable amount of inefficiency in the Italian Army. From the Ministry of War downwards. The Italians lack initiative, organising ability and a sense of urgency. There also is an undercurrent of negativity and disinclination to remove inefficient officers. It is not enough for LMIA to order something to be done; in many cases we have to tell the Italians how to do it and watch to see that it is done

- (ii) Unless we retain the right of veto and "Supervision of appointments, promotions, dismissals .. of 2700 Italian Army personnel" of all ranks (see para 4(c) of your AG 091.711/169 GCT-0 of 16 Nov 44) I consider that we cannot effectively control the Italian Army and that the result will be a lessening of the direct Italian Military aid to the Allied war effort. The same applies as regards the efficient working of the

subordinate

6 Feb 45

AFHQ for Chief of Staff.
" Chief Administrative Officer.

Reference new directive FAN 487 from C.C.S. on the Allied Commission, I have the following observations to make :-

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(a) Land Forces Sub-Commission AC.
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In this connection see my SD/3 of 6 Feb 45 re proposed reduction of British Cadres with Italian Pack Tpt Coys.

- (b) (i) On the other hand, there is unfortunately still a considerable amount of inefficiency in the Italian Army. From the Ministry of War downwards. The Italians lack initiative, organising ability and a sense of urgency. There also is an undercurrent of apathy and disinclination to remove inefficient officers. It is not enough for MIA to order something to be done; in many cases we have to tell the Italians how to do it and watch to see that it is done

- (ii) Unless we retain the right of veto and "Supervision of appointments, promotions, dismissals" of 2700 Italian Army personnel" of all ranks (see para 4(c) of your AG 091.711/169 GCT-0 of 16 Nov 44) I consider that we cannot effectively control the Italian Army and that the result will be a lessening of the direct Italian Military aid to the Allied war effort. The same applies as regards the efficient working of the supply side.

- (iii) I therefore recommend that NO change be made in your AG 091.711/169 GCT-0 of 16 Nov 44. "Command and Administration of the Italian Army"; or of your AG 091.112/079 GCT-0 of 25 Oct 44.

- (c) The above is in particular reference to para 2(d) of FAN 487.

3. The other main aspects of FMV 487 with which my Sub-Commission is concerned are :-

para 2(h) I have already submitted to AC my views as to the future status of "cooperators" - see P.N. Sub-Commission AC file 1FW/36.

para 7(b) I am working in cooperation with Industry & Commerce Sub-Commission AC over this. Briefly, the Italian Army has enough stocks to maintain the service units and Internal Security Divisions working for the Allies. The Combat Groups are armed and equipped with British equipment. Depending on such factors as the possibility and advisability of importing material, machinery etc, to restart factories "to further the military effort in other theatres"; the urgent necessity to turn production into civil rehabilitation channels; the post war set up and function of the Italian Army etc, - there appears to be no need to apply Italian industrial facilities to the production of lethal munitions of war.

M. M. I. A.

Major General
(M.M.I.A.)

Copy to: HQ AC
" Naval Sub-Commission A.C.
" Air Force Sub-Commission A.C.

2699

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

SECRET.
and URGENT.

HEADQUARTERS ALLIED COMMISSION
AFC 394
Office of the Chief of Staff

Ref: 4001/CCS.

5 February 1945.

SUBJECT: New Directive from CCS on
the Allied Commission.

TO : VP, CA Sec
VP, Pol Sec (2)
VP, Econ Sec
VP, Est Sec
Director, Communications S/C.
" WMD & IPW Sub-Com.

is

1. Attached/copy of the new directive from the Combined
Chiefs of Staff addressed to the Supreme Allied Commander.

2. The Chief Commissioner will discuss the implications
of this directive with you at 1600 hours, Tuesday, 6 February,
and directs that you should study it in the meantime.

3. The terms of the directive are to be considered as
SECRET and should not be referred to publicly in any way. The
CCS are at present considering a simultaneous announcement in the
United States, United Kingdom and Italy.

W. B. Clark
Brigadier **2698**
Chief of Staff.

MSL/JG.

Copy to: Chief Commissioner.
Land Forces Sub-Com (MMEA) }
Air Force Sub-Com } Not required to attend
Navy Sub-Com. } meeting.

1221

COPY.

SECRET

126

NEW DIRECTIVE FROM COMBINED CHIEFS OF STAFF ON THE ALLIED COMMISSION.

30 Jan 45

INC-7N 23763

TAM 487.

Following is Directive from Combined Chiefs of Staff.

1. In order to implement the joint declaration of the President and the Prime Minister of 26 September, 1944, the US and UK Governments have agreed to relax the control of the Italian Government under the armistice and surrender instrument and only to exercise such control when military needs require it, thus developing in the Italian Authorities a greater sense of responsibility. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in ITALY.

In the light of this agreed US-UK policy, you should take action as rapidly as possible in conformity with the following paragraphs:

POLITICAL SECTION.

- 2. (a) The Political Section of the Allied Commission will be abolished. The Allied Commission will obtain advice from the US and UK Ambassadors in ROME. There is NO intention, however, to make any change in the responsibility of the Combined Chiefs of Staff, acting through the Allied Commission; the Combined Chiefs of Staff, will, therefore, as occasion requires, continue to transmit directives in regard to the combined views of the two Governments on matters of major policy, and such other matters as are within the scope of the activities of the Allied Commission.
- (b) The Italian Government shall be permitted to have direct relations with foreign diplomatic representatives accredited to the Quirinal, provided that the Allied Commission is kept generally informed by the Italian Government of any negotiations in which they engage with other Governments.
- (c) The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors.
- (d) The Allied Commission shall abandon the practice of approving any Italian appointments in territory under the jurisdiction of the Italian Government except in regard to service ministers and such military appointments as you may determine.

*Subsequent
were kept
independent
CCPR*

2697

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(b) The Italian Government shall be permitted to have direct relations with foreign diplomatic representatives accredited to the Quirinal, provided that the Allied Commission is kept generally informed by the Italian Government of any negotiations in which they engage with other governments.

(c) The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors.

(d) The Allied Commission shall abandon the practice of approving any Italian appointments in territory under the jurisdiction of the Italian Government except in regard to service ministers and such military appointments as you may determine.

(e) The Allied Commission shall as soon as possible withdraw all its officers stationed in the field in the territory under the jurisdiction of the Italian Government. However, the Allied Commission should retain the right to send its representatives into territory under the jurisdiction of the Italian Government for any special tasks when Allied interests require it.

Substantive
Major Policy
Approved

CCAF

What is the
basis of request

ref

- (f) The US and UK Governments have agreed that the Italian Government will be advised that it is the Allied desire to encourage free trade in knowledge and learning with the Italian people. As far as the exigencies of the military situation permit you will facilitate any arrangements for the flow of books and other publications of a scientific, political, philosophical and artistic nature between USA, UK and the United Nations and for the movement of scholars, artists and professional men between ITALY and the United Nations.
- (g) The US and UK Governments have agreed that in accordance with the terms of the MOSCOW Declaration it is desirable to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government and you should be guided accordingly.
- (h) The status of Italian Prisoners of War now or hereafter held in ITALY other than those captured since the armistice was signed should be terminated by you upon adequate assurance being given by the Italian Government that their services will continue to be made available on terms satisfactory to you as Supreme Allied Commander subject to Combined Chiefs of Staff approval.

ADMINISTRATIVE SECTION.

- 3. The internal organization of the Allied Commission is primarily your responsibility. In the reorganization of the Allied Commission it is desired that you give consideration to the following policies and objectives:
 - (a) The Staff of Allied Commission Headquarters should occupy itself primarily with consultation and advice to the Italian Government at high levels.
 - (b) As far as certain Sub-Commissions of the Allied Commission Headquarters are concerned such as Education, Arts and Manu-
ments, Local Government, Labour and Legal, their advisory functions in respect of Italian Government territory should be exercised only when requested by the Italian Government and should not be exercised in respect of territory under the jurisdiction of the Italian Government.
 - (c) The Sections and Subcommissions of the Allied Commission Headquarters should be progressively civilianised to the fullest extent which in your opinion circumstances allow, except the Service Subcommissions and except to the extent that Subcommissions exercise functions with respect to territory under Allied Military Government (AMG).
 - (d) To the extent feasible, officers of Allied Commission Headquarters dealing with AMG functions should be located at places other than Allied Commission Headquarters.

ECONOMIC SECTION.

- 4. It is necessary that the maximum production and effective and

- (g) The US and UK Governments have agreed that in accordance with the terms of the MOSCOW declaration it is desirable to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government and you should be guided accordingly.
- (h) The status of Italian Prisoners of War now or hereafter held in Italy other than those captured since the armistice was signed should be terminated by you upon adequate assurance being given by the Italian Government that their services will continue to be made available on terms satisfactory to you as Supreme Allied Commander subject to Combined Chiefs of Staff approval.

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 - (b) As far as certain Sub-Commissions of the Allied Commission Headquarters are concerned such as Education, Arts and Sciences, Local Government, Labour and Legal, their advisory functions in respect of Italian Government territory should be exercised only when requested by the Italian Government. NCF is invited to request of territory under the jurisdiction of the Italian Government.
 - (c) The Sections and Subcommissions of the Allied Commission Headquarters should be progressively civilianised to the fullest extent which in your opinion circumstances allow, except the Service Subcommissions and except to the extent that Subcommissions exercise functions with respect to territory under Allied Military Government (AMG).

- (d) To the extent feasible, officers of Allied Commission Headquarters dealing with AMG functions should be located at places other than Allied Commission Headquarters.

ECONOMIC SECTION.

4. It is necessary that the maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured. The Italian Government should be advised that to this end and as a prerequisite to increased economic assistance it must formulate and implement appropriate economic controls and take all other steps possible. In the event that these conditions are not met the Allied authorities will not hesitate to impose the necessary controls or take other appropriate measures.
5. For the duration of combined operations, the combined US-UK military authorities will be responsible for providing:

- (a) These quantities of food, fuel, clothing, medical, sanitary and other essential supplies necessary to prevent disease and unrest prejudicial to such operations.
- (b) Those supplies such as fertilizer, raw materials, machinery and equipment, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph. At the time when combined military responsibilities will terminate will NOT be known when requisitions are being prepared and considered, the importation of supplies under this sub-paragraph will NOT be excluded merely because the effect of such imports may NOT be felt during the period of combined military responsibility.
- (c) Those supplies necessary for the restoration of such of the Italian power systems and transportation and communication facilities as will further the military effort against GERMANY and JAPAN.

To the extent contemplated by this Paragraph 5, essential civilian supplies cannot be divorced from the military supply programme and ITALY must be treated as a whole. It is understood that the date of termination of combined military responsibility for providing supplies as set out above will be decided by the Combined Chiefs of Staff on your recommendation.

6. The Allied Commission shall be advised to assist the Italian Government in the preparation of programmes of supplies designed to rehabilitate Italian industry. These supplies will be in addition to those to be provided as a military responsibility. Such programmes when established by the Italian Government will NOT be subject to screening by Allied Force Headquarters, but will be reviewed and transmitted directly with appropriate comments and recommendations by the Allied Commission to the Combined Civil Affairs Committee, which will transmit the programmes to the Combined Liberated Areas Committee for action by the appropriate civilian agencies of the UNITED STATES and British Governments. The UNITED STATES and British Governments will each make available such shares as may be mutually agreed of the cost of the provision of such of these programmes as may be approved by the Combined Liberated Areas Committee. Procurement covering such programmes should immediately be put in hand without reference to the present shipping position in order that the supplies may be called forward as and when shipping space becomes available. In this connection see Paragraph 8 below.

7. The questions raised by you in Sub-paragraphs A, B and **2696** Paragraph 4 of AIF 778 are answered as follows:

- (a) The prime responsibility for the control of inflation in ITALY, including the imposition and administration of appropriate financial and economic controls and appropriate utilization of supplies, must rest with the Italian Government. Your responsibility in this connection, other than with respect to the importation of supplies, is, through the Allied Commission, to advise and assist the Italian Government.

(c) Those supplies necessary for the restoration of such of the Italian power systems and transportation and communication facilities as will further the military effort against GERMANY and JAPAN.

To the extent contemplated by this Paragraph 5, essential civilian supplies cannot be diverted from the military supply programme and ITALY must be treated as a whole. It is understood that the date of termination of combined military responsibility for providing supplies as set out above will be decided by the Combined Chiefs of Staff on your recommendation.

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7. The questions raised by you in Sub-paragraphs A, B and C of Paragraph 4 of MAP 778 are answered as follows: **2696**

(a) The prime responsibility for the control of inflation in ITALY, including the imposition and administration of appropriate financial and economic controls and appropriate utilization of supplies, must rest with the Italian Government. Your responsibility in this connection, other than with respect to the importation of supplies, is, through the Allied Commission, to advise and assist the Italian Government.

(b) It is desired that industrial rehabilitation in ITALY be carried out by the Italian Government to the fullest extent permitted by the Italian resources and such supplies as you may be authorized to import, consistent with the discharge by you of your military mission, with the exception that industries for the production or repair of munitions or other implements of war shall be rehabilitated only to the extent required by you in discharge of your military mission and as will further the military effort in other theatres. Except

1221

For those industries the rehabilitation of which is essential to the discharge of your military mission and in furtherance of the military effort in other theaters, which rehabilitation should be given first priority, industries other than those included by the preceding sentence will be given such precedence in rehabilitation as may be determined by the Italian Government.

(c) The extent of your responsibility with respect to the importation of supplies into ITALY is defined in paragraphs 5 and 6 heretofore. Except as is so defined, you have NO responsibility for the importation of supplies into ITALY.

(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 consideration 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.

3032

8. Nothing herein contained shall constitute a commitment with respect to shipping. Any supplies to be imported into ITALY must be transported within such shipping as may be allocated from time to time.

FINANCIAL SECTION.

9. The two Governments are discussing proposals for giving the Italian Government a greater measure of responsibility in financial matters; a further directive on these matters will follow.

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

785014

SECRET

10

Ref: 4001/79/008.

29 January 1945.

Subject: "New Deal" for Italy.

To: VP Establishments Section
 VP Civil Affairs Section
 VP Economic Section
 VP Political Section
 Italian PW Sub Commission
 PRO

1. I enclose a copy of a draft Joint Statement designed to be issued on behalf of the Governments of the United States and United Kingdom about the Macmillan "New Deal".

2. It is desired to transmit the views of the Allied Commission by signal tomorrow to Mr. Macmillan, and it is therefore probable that the Chief of Staff (who is today at Caserta) will wish to discuss the draft statement at tomorrow's Chief of Staff Meeting.

[Signature]
 Colonel,
 Chief Staff Officer.

Copy to: SO to CG (letter only).

2695

COPY

CONFIDENTIAL.

Draft of Joint Statement to be Issued on behalf of the Governments of the United States & United Kingdom.

The following joint statement was issued to-day on behalf of the Governments of the United States and United Kingdom.

2. On September 26th 1944, the President and the Prime Minister issued a joint declaration on the subject of Allied policy in Italy. They announced in particular that an increasing measure of control would be gradually handed over to Italian administration subject to the effective maintenance of law and order and regular administration of justice, and that the first steps would be taken for the restoration of Italian economy.

3. Discussions have recently taken place in Washington concerning practical measures to give effect to this declaration, and Field Marshal Sir Harold Alexander, the Supreme Allied Commander in the Mediterranean Theatre of Operations, has now received directions from the Combined Chiefs of Staff in Washington to put these measures into effect through the Allied Commission at Rome.

4. The general purpose of these measures is to give the Italian Government a greater degree of authority and responsibility in territory under their jurisdiction. Accordingly in that territory, the provision of surrender instrument will be held in reserve in the matter of day to day administration, this will be subject of course to requirements of the Italian campaign and over-riding military needs. Relationship of the A.C. to the Italian Government will in general be one of advice and counsel rather than of control.

5. In particular, the Italian Government will in ²⁶⁹⁴ direct its relations direct and not through the A.C. The Commission will be kept generally informed of any negotiations in which the Italian Government may engage with other Governments. The Commission will discontinue present practice of approving decrees and other legislation of the Italian Government,

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Minister issued a joint declaration on the subject of Allied policy in Italy. They announced in particular that an increasing measure of control would be gradually handed over to Italian administration subject to the effective maintenance of law and order and regular administration of justice, and that the first steps would be taken for the restoration of Italian economy.

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5. In particular, the Italian Government will in ²⁶⁹³ future conduct its relations direct and not through the A.C. The Commission will be kept generally informed of any negotiations in which the Italian Government may engage with other Governments. The Commission will discontinue present practice of approving decrees and other legislation of the Italian Government, as well as approval of Italian Governmental appointments except those of military significance. The officers of the A.C. permanently stationed in the territory under the jurisdiction of the Italian Government will be withdrawn as soon as possible and holding of elections for local public offices in this territory will be encouraged.

- 6. Italians held as prisoners of war in Italy, other than those who fought on the side of the Germans after the Italian armistice will be released upon the Italian Government entering into arrangements which give satisfactory assurances to the Theatre Commander that the services of men so released will be available in the war effort.
- 7. The Allies desire to encourage cultural relationships with the Italian people. Arrangements will be made to the fullest extent permitted within military exigencies for movement of scholars, artists and professional men between Italy and the United Nations and for the flow of books and other publications of a scientific, political, philosophical and artistic nature between Italy and the United Nations.
- 8. In the economic field the instructions to the Supreme Allied Commander are based on understanding that Italian authorities will develop the greatest measure of production and most effective and equitable distribution and control of consumption of local resources which existing conditions allow.
- 9. Further, the provisions for imported supplies will necessarily be dependent upon shipping which can be made available for this purpose having regard to imperative military requirements of the present time.
- 10. Subject to these considerations provision is being made for furnishing certain additional items of goods for basic civilian needs as part of military supply programme. The A.C. will in addition advise the Italian Government on preparation of programmes of supplies designed to commence the rehabilitation of Italian industry and agriculture the resulting imports involved will be additional to military programme and will be financed by foreign exchange made available to the Italian Government by U.S. and U.K. Governments under arrangements already made public.
- 11. Finally, the U.S. and U.K. Governments are discussing

2060

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11. Finally, the U.S. and U.K. Governments are discussing proposals for giving the Italian Government a greater measure of responsibility in financial matters.

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

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Copy No. 22
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HEADQUARTERS ALLIED COMMISSION
AF0 394

Ref: 4001/008.

5 January 1945.

Attached is a copy of a paper, "Allied Policy towards Italy", which I wrote and circulated to various Government Departments in London on a basis for my discussions with them during my visit to England a few weeks ago.

The paper was designed only as a preliminary essay and for consumption in London. It must be read in that light. Nevertheless I think that some of my American and British colleagues at Allied Force Headquarters and the Allied Commission will be interested to see it.

H. McMillan,
The Resident Minister,
Central Mediterranean,
Acting President
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HEADQUARTERS ALLIED COMMISSION
APO 394

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ALLIED POLICY TOWARDS ITALY.

Notes by the Resident Minister, Central Mediterranean.

PART ONE.

Introductory.

I

Italy, like Gaul, is at present divided into three parts:

- (1) Kessoling's Italy, population approximately 24 million, covering about three-eighths of the country.
- (2) Liberated Italy, under Allied Military Government. This covers about one-eighth of the country; population about 5 million.
- (3) Liberated Italy with Sicily and Sardinia under the Italian Government. This covers about one-half of the country; population about 19 million.

The functions of the Allied Commission extend over these three territories. It must plan forward for Kessoling's Italy. It must plan currently for, and administer, Allied Military Government Italy, both in respect of present needs and in anticipation of restoring the territory to the Italians. It must plan and advise in respect of Italian Government Italy.

Any attempt to place these functions under separate authorities would be unworkable. Indeed, in the latter part of 1943 experience proved this to be the case, and the remedial measures then taken met with general approval.

It is not always recognised that for the greater part of the work of the Commission, with the exception of the Political Section (for which I am making separate proposals) concerns the first two of these territories. Moreover, the advisory duties will tend to decrease for Italian Government territory; although participation in planning of imports, both consumption and capital goods, must necessarily continue. Some degree of inspection must also be maintained in order to secure the maximum use of their own facilities by the Italian Government. This is the normal practice of screening authorities (such as the Middle East Supply Centre, North African Joint Economic Board and other similar bodies) which have operated under the general guidance of the Combined Authorities in Washington.

This situation presents an exceedingly difficult administrative problem. Any reorganisation of the functions and composition of the Allied Commission in order to carry out the new policy towards Italy must have regard to these overriding facts or disaster will ensue.

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II

Apart from the psychological difficulty inherent in maintaining Allied Military Government as a part of the liberated area while allowing the Italian Government to administer the rest, there has been a ductility in Allied policy to Italy ever since the signing of the Armistice was followed by the doctrine of co-belligerency. Sometimes we have stood upon our legs - the strict enforcement of Armistice terms upon a defeated enemy; sometimes upon the other - friendship and assistance to a co-belligerent whose relations with **2691** becoming more and more those of a ally.

We must now, I think, take the line that the recent formal change from Allied Control Commission to Allied Commission has a real meaning. It should be our purpose only to exercise control where our military needs require it. Whenever possible the function of the Commission should be that of a mission of experts offering advice. If our advice is not accepted, we must shrug our shoulders and allow officials to take their course. Only in this way can we bring a sense of reality and responsibility to the Italian authorities.

We should now inform the Italian Government that while we propose to hold absolutely to all our rights under the Armistice, and do not intend to discuss any settlement of purely post-war problems (for instance, territorial and colonial arrangements), yet, subject to the overriding military needs for the conduct of the campaign, we shall hold these rights largely in reserve. We shall make the transfer of authority to the Italian Government as great a reality as possible. In consultation with them we shall provide, if they require it, expert advice on such questions as justice, education, fine arts, and the like. If they prefer to do without these experts in their territory, we shall raise no objection. In the more important spheres of finance, labour regulation and wage negotiation, we should strongly urge them to listen to our views, although the principle would be that the final decision would rest with them. Indeed in every matter which is within the competence of the Italians to do for themselves, that is, regulation of their own internal political and economic life, we shall play the role of advisers, except to the extent that the military authorities require to control specific functions or to take over particular properties.

There are, however, two stern warnings which we should not hesitate to give. First, insofar as the scale of Allied imports depends upon the efficiency or otherwise of home production, we must make it clear that we shall have regard to the degree of Italian self-help - within the physical possibilities of their present situation - in fixing the standard of our help to them. Secondly, we must insist on the maintenance of law and order. If security is threatened, in a way to impede or imperil our military operations, we should not hesitate to request military government either in whole or in part. Subject to these provisos, our handing over of control to the Italian Government in their territory should be far reaching and sincere.

PART TWO.

Muting the Middle "C".

(The Allied Control Commission has been renamed the Allied Commission).

There are certain specific charges which I recommend in pursuance of this policy. I have discussed them informally with the Chief Commissioner and some of the more important officials of the Commission and we have reached a broad measure of agreement.

I

I propose that the Political section of the Commission be abolished.

This Section, which is managed by an American and British Vice-President of equal rank, belongs to the early post-Armistice period. Then Italian sovereignty was little more than a fiction, resting upon a ragged and exiled King, with his little retinue of insignificant courtiers and an impotent

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FACT TWO.

Making the middle "C"

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Since that time policy has developed. The Italians have received in Rome an American and a British Ambassador. They are sending their Ambassadors in return to Washington and London. Although there is some time difference (in the British, not the American case) between the pre-war and the post-armistice relations, the ordinary public, not appreciative of the intricacies

of the Protocol, do not easily differentiate between a diplomatic representative with the personal rank of Ambassador and a "right-down regular myself" Ambassador, old style.

Moreover, the Italians are now themselves in direct relations with United Nations and Neutral Powers. Interchange of Ambassadors and Ministers is going on at an ever increasing pace, the Latin Republic of South America being particularly prominent in this diplomatic pilgrimage to Rome.

In theory all formal communications between the representatives of other Powers and the Italian Government should pass through the Commission, there being no objection to informal and unofficial contacts. This has not applied to Russia; and the United States and British representatives have now ratified the Commission of the resumption of direct relations between their Governments and the Italian Government. It would seem, therefore, that to maintain in theory a rule which was never in practice enforced or even capable of being enforced, would be useless and even ludicrous. I propose that we should confine to the Italian Government that they may have direct relations with foreign representatives accredited to the Quirinal, and at the same time tell them that they will be expected to keep us generally informed on any negotiations in which they may be engaged.

Similarly, in theory all Italian communications to their representatives abroad are made through the Allied Commission. They are either sent in a cypher of which we hold the key or in Allied cyphers. Copies "en clair" are sent to the Political Section. In the case however of Russia, messages are sent through Soviet cyphers, no copy being sent to the Commission.

The Soviet representative on the Advisory Council has proposed that the Italian representative in Moscow be given his own cypher. It seems difficult to refuse this request. The question of the provision of independent cyphers for the Italian representatives in London and Washington has been raised by the Italians. It has been referred by the Commission to Allied Headquarters and by them to the Combined Chiefs of Staff.

I propose that this request should be granted.

I propose that this privilege should be extended to their representatives in other countries.

The original insistence upon the communication of copies of telegrams to the Political Section was based partly on considerations of military security. But members of the Advisory Council (including Greece, France, and Yugoslavia) have cypher facilities; so has the Brazilian Charge d'Affaires. It is true that other United Nations and neutral representatives accredited to the Quirinal have no facilities; but the representatives of the same Powers at the Vatican have them.

Thus, so far as military news coming out of Italy is concerned, we are already trying to block the channel with a sieve. Another leak of the area of little consequence.

If these exceptions are made, there is no need for the Political Section as such to continue. The function of giving political advice to the Commission can be undertaken by the British and American Ambassadors. In order to effect this, I have worked out a plan (details of which are given in

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If these concessions are made, there is no need for the Political Section as such to continue. The function of giving political advice to the Commission can be undertaken by the British and American Embassies. In order to effect this, I have worked out a plan (details of which are given in Appendix A 1) with the British and American Ambassadors in Rome and it has their approval. I propose that it should be put into effect forthwith.

I propose that we surrender the control over Italian legislation in Italian territory.

In point of fact, nothing in the Armistice terms gives the Commission any right to be consulted on all decrees of the Italian Government. In practice, a large proportion of decrees proposed are sent for study and advice by the appropriate Sub-Commission. Sometimes, as in the case of a recent decree raising wage rates, the Council of Ministers approved the decree without prior and detailed approval from the Commission. (I am bound to observe that in this instance my sympathies were with the Italian government, who as sometimes happens with Governments, could not withstand powerful political pressure fortified only by the theoretical arguments of civil servants and statisticians.) The formal claim to approve decrees is difficult to enforce - as has been proved - since the only remedy would involve the removal of the Minister or the fall of the Ministry. It is wiser, in the new conditions, to rely on moral persuasion and even, when required, pressure; and to develop a normal habit of consultation on matters, particularly economic, when our joint interests are involved or when action taken in Italian Italy must, in fact, be followed in Allied Italy. The formal renunciation of this right to approve decrees, would certainly be welcomed by the Italians.

III

Similarly, I propose that the control of Italian appointments in Italian Italy be modified or surrendered.

Again, it is doubtful whether we have a right to this control under the Armistice terms. But shortly after the first transfer of territory (11th February, 1946) there was an exchange of letters between General Mason Macfarlane and Marshal Badoglio. In effect, by these letters it was agreed that all appointments to the Government and all senior appointments by the Government would be subject to the prior approval of the Commission. I attach in Appendix B.i. a list of offices finally agreed to be subject to this control, so far as the Civil Affairs Section is concerned. It will be seen that it goes down to the Mayors and Town Clerks of towns of 15,000 inhabitants. Appendix B.ii. gives a similar list affecting the Economic Section.

The Italian Government has recently requested that the position be revised. They have submitted a very short list of offices to which this right should apply. It includes Ministers and Under Secretaries of the Government, the heads of the fighting services and so forth (Appendix B.iii).

So far as the approval of officials in Appendices B.i. and B.ii. is concerned, I take it that the chief object was to secure "defaschistization" rather than to guarantee efficiency. Indeed, after a country has been for a generation under a Fascist regime, these two purposes may well be contradictory rather than complementary. While the right of approval has certainly helped to achieve the first purpose, I think it is no longer necessary. Public opinion does not need stimulating on this issue. On the contrary, operation in Italy (as in other countries) may be pushed dangerously far.

In practice, Italian nominations are approved almost as a matter of course.

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I propose that our control over all the appointments in Appendices B.i. and B.ii. be surrendered forthwith.

About the list submitted by the Italians themselves I am not so sure, but my inclination would be to surrender this formal right also, and rely on Allied influence and authority only. I feel this all the more so the legal right only rests on this exchange of letters between the General and the Marshal. Although the undertaking given in these letters (Appendix B.iv) is no doubt one of those undertaken by the Bonomi Government from its predecessor, yet (unlike the

short and long Armistice terms which were read and accepted by every member of the new Government) these letters - either by mischance or contrivance - were overlooked.

I therefore urge that we waive the right of approval altogether - with one exception.

A short list should be agreed of Service chiefs - to include Chiefs of Staff and Commanders of Formations re-equipped for active service in the field. In their case it would perhaps be wiser to ask that the approval should be obtained of the Supreme Allied Commander or the Combined Chiefs of Staff.

If this recommendation is approved, certain consequential changes will have to be made in the legal documents of transfer of successive provinces from military Government to Italian Government, since it has been the practice to include in these a clause preventing the removal of any Italians appointed by military Government authority to posts within the territories concerned.

This is a mere formality.

IV

I propose that local officers of the Allied Commission should be withdrawn from Italian Government duty.

One of the features of the control which is most apparent to our officers to some extent resented by the Italians is the presence of local Allied officers in all the regions handed back to Italian control. Since, in many cases, these are the same officers who were functioning during the period of military government, the change from "direct" to "indirect rule" is correspondingly obscured.

The Commission itself, under the two main Sections of General Administration and Economic Affairs, is organized into some twenty sub-Commissions, corresponding to the various Italian Ministries. In the regional Regional officers, with specialists from one or other of these Sub-Commissions to assist them. Although a very drastic reduction has taken place recently in the total so employed, this only strengthens the argument for their total elimination. They are now insufficient to govern, but sufficient to interfere. And their presence tends to weaken the sense of responsibility of the Italians themselves.

For instance, during the recent riots at Palermo, it was the Italian prefect who was responsible for calling out the troops, which he did somewhat precipitately. We had a Regional Commissioner who was powerless either to act or restrain action. And the very presence of a Regional Commissioner in Italian administered territory allowed the Italians to pursue the congenial plan of throwing upon us - in the public opinion of the world - a responsibility which belongs to themselves.

It is true that there must be local contacts between the Allied Military and Naval authorities in Italian governed Italy, especially in places where there are still Allied installations. But this function could well be performed by Liaison Officers attached to the various Military Area and District Commanders. There matters were incapable of local adjustment or when technical advice was required (for instance, on transportation and public utilities) special "trouble shooters" could be summoned from the Commission at Rome or, at the request of the Italians, specialist officers made available to them for

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The general view of the senior members of the Allied Commission favours complete withdrawal. The Political Advisers (in the shape of representatives of the Embassies) feel that it is of considerable psychological value. Allied Force Headquarters would have to agree in detail the system of Liaison Officers from the point of view of District and Area Commanders - but I do not anticipate any difficulty in devising a workable plan.

Undoubtedly, the more the contacts end, where necessary, pressure between the Allied and the Italian Government can be confined to the centre and at a high level, the better relations will be. Italian Ministers reserve their appearances rather than the reality of control. And the withdrawal of officers from the field would enormously enhance the prestige of the Government.

The officers made available - probably some 150 if we begin with Southern Italy and the islands - could be used in the general pool. Some could strengthen H.Q. and replace some of whom we would wish to be rid; others would be most valuable for the Northern Regions; those surplus or least competent could be spared altogether.

V

Certain central, as well as local, functions of the Allied Commission in Italian Government Italy should be abandoned altogether.

There are a number of functions of sub-commissions organised to carry them out which can well be surrendered. This does not, I repeat, mean that any of these sub-commissions can be liquidated. They must remain for the work in Allied Italy and to prepare the work in Kesselring's Italy. Such are, in the administrative field, monuments and Fine Arts, Education, Local Government. In the economic field, arrangements are already being made to hand over to the Italians (subject only to inspection) the distribution of food and other supplies in Italian territory.

Here again, this proposal is approved by the leading officers of the Commission.

VI

Changes in the Commission itself have been suggested as likely to emphasise the sincerity of the new policy embodied in recent statements of the President and the Prime Minister. "Demilitarisation has been put forward on this as well as other grounds, and will be discussed in a later section of this paper. In view of the arguments advanced in the introduction, and the importance of the military government aspect of the Commission's work, there is a very definite limit to what can be achieved by this method. But, in general, both by the issue of a new and clear directive and by a re-statement publicly and with great precision of Allied policy towards Italy, the whole conception of the Commission's new purpose and functions in Italian territory can be made effective. We are to be advisers, not controllers; elder brothers to our weak and errant juniors.

All Italians are children. They are naughty - very naughty, sometimes vicious children. But all are children. They must be treated kindly but firmly. In any case, we can take from their ancient literature as our guide a sentiment which we have often thought the peculiar tradition of the Anglo-Saxon race - "Parvorum subjectis et debellare superbes".

To the Italians both parts of this sentence might apply. They were intemperately pulled up; they have been wholly defeated. Justice should now be tempered with mercy.

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PART THREE

Allied Commission: Composition and Structure.

I

The introductory paragraphs of this paper explained the three-fold character of the Italian problem. This reflects itself in the somewhat complicated composition of the Commission itself. It has to serve needs arising out of past, present and future military operations. This should influence the approach to the question of demilitarisation, which is being recommended in certain quarters in London and in similar circles in Washington.

I cannot believe that those who propose rapid or wholesale demilitarization have understood that three-quarters of the effort of the Commission is necessarily concentrated on those parts of Italy occupied or about to be occupied by Allied armies - that is, what I have called, Allied Italy and the surrounding's Italy.

In Allied military Government territory it is really quite impracticable for the organization to function except with officers in uniform. This will apply until the final stages of the operation. When the enemy have been driven from all Italian territory and when the first shock has been taken by the A.M.G. organization in the rear of our advancing armies, all Italy (except perhaps certain disputed provinces, such as Venezia Giulia), will in due course be returned to Italian control. The Commission can then be almost wholly demilitarized because its sole function will then be to give expert advice to the Italians and to protect our long-term interests under the law.

If the plan for withdrawing local representatives of the Commission as a whole or by stages from Italian Government Italy is adopted, it will automatically reduce the number of military officers employed, or make them available elsewhere. It will also, however, eliminate altogether the car sphere, that is in the regions of Italian-controlled territory, where total "civilianisation" might have been practicable.

If it is agreed that the three Italies must be treated as a whole - and this has not been challenged by anyone who has seriously studied the problem on the spot - then the great majority of the officers of the Commission must be in uniform. The simplest examples of the irremissible character of the Italian problem emphasises the impracticability of any but the most gradual demilitarization. Oil from Puglia must be moved into the comune of Naples or the Province of Grosseto; so must wheat from Macerata Province (which is a surplus area) be moved into Italian Government Italy further south. How can any plan be made of rehabilitation of power or productive resources, which does not take into account existing conditions in the two liberated Italies and make some calculation of probable needs in enemy occupied Italy?

"Demilitarization" is only possible in the Headquarters of the Commission, not in the field. In Headquarters this is already being done to a considerable extent. There are 49 American although only 2 British, civilians of officer status in the two key sections, Economic and Civil Affairs. There are being asked for. Brigadier Lush - Chief of Staff - has been occupied recently in London with obtaining additional British civilians for important posts. And there is no objection, in principle, to a further extension. But there are limiting factors to this process. Certain positions, for technical reasons, must be held by military officers. For instance, Allied Military Courts which are set up in different parts of the country, including Italian Government territory, must be manned by military officers since their only sanction is military. It has been found necessary to use these courts as the only effective way of preventing thieving and pillage of Allied property.

It is very important to allow some degree of flexibility. It is desirable to send officers from Headquarters in some into the field and vice versa. Since officials in the field in A.M.G. territory must be in uniform, this consideration clearly limits the extent to which civilians should be introduced to Headquarters. In effect, they should be confined to certain posts - mainly senior posts at Headquarters - particularly on the economic side. It may be urged that certain officials - for instance in the Monuments and Fine Arts Sub-

been taken by the A.S.C. organization in the rear of our advancing armies, all Italy (except perhaps certain disputed provinces, such as Venetia Giulia), will in due course be returned to Italian control. The Commission can then be almost wholly demilitarized because its sole function will then be to give expert advice to the Italians as to protect our long-term interests under the armistice.

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arant from the question of "demilitarization" which has so exercised the War Department and the War Office (somewhat strangely, since in our citizen armies so many of the soldiers are out dignified civilians) the chief trouble of the Commission has been absenteeism. For a long period, there has been no Chief Commissioner, and for many months, the Vice President of the Economic Section deserted himself. His successor functioned for a few weeks and then returned home. (It may perhaps be worth observing that civilians absent themselves without leave more freely than soldiers). If we are to have any chance of orderly progress, this must cease. There must be introduced a more serious attitude in London and Washington towards appointments to high places. The principle by which the right of appointment to particular posts has been regarded as vested (like an advowson) in one or other Government, is vicious. After due consideration I will suggest some necessary changes in the higher ranks. After that, I trust the promotion and discipline within the body will be left to the Chief Commissioner.

The morale of the Commission has been seriously shaken by these vacillations and uncertainties. And there has been a feeling that their work has been misunderstood and unfairly criticized.

I think that all is now set for a new phase, and I shall make every endeavour (with the help of the Chief Commissioner) to restore and revivify the organization as a team, loyal both to itself and its duties.

PART FOUR.

The Economic Problem.

I. INTRODUCTION

It is unnecessary to emphasize the serious situation in which present day Italy finds herself from the economic point of view. Even before the war, in spite of all the effort towards self-sufficiency made by the Fascist regime, the financial and economic position was radically un sound. Budgetary figures were falsed or at least distorted to conceal the real facts.

The problem of whether the Italian Peninsula can be made a "going concern" is age-long. Without coal or iron, Italy is not a naturally strong unit. The development of hydro-electric power has to some extent in the last twenty years replaced the necessity for coal imports. But the hydro-electric power of Southern Italy has been greatly reduced; that of Central Italy has almost wholly gone; that of Northern Italy is threatened with total destruction.

Before the war the balances of payments, since imports of all kinds, including wheat and oil, were necessary, could only be kept sterile by four means. First, a certain range of exports, chiefly of high-class manufactured goods and some agricultural products; second, tourist traffic; third, emigration; fourth, shipping earnings. The first and last have disappeared. The second has been replaced by a particularly unremunerative form of tourist - the Allied armies - who up to now at least have spent in Italy not dollars or sterling, but A.M.G. lire popularly known under the expressive sobriquet of "phony dough". Emigration alone has continued in the shape of many hundreds of thousands of Italian peasants who are being maintained abroad. At the same time, apart from the destruction of power and machinery, large quantities of poultry (in Southern Italy 85 per cent), sheep and cattle (in Southern Italy 60-70 per cent), horses,

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Italian prisoners who are being maintained abroad. At the same time, apart from
the destruction of power and machinery, large quantities of poultry (in Southern
Italy 85 per cent), sheep and cattle (in Northern Italy 50-70 per cent), horses,
mules and oxen have been carried off by the Germans. Where they have been
spared, by the retreating, they have been freely requisitioned by the liberating
armies. Very substantial quantities of vegetables and meat running into some
hundreds of thousands of tons have been purchased locally by the Allied Quarter-
masters. In addition to these traditional exactions modern invasions add a new
injury to a country which medieval technique at least avoided. Not only is
property taken from the inhabitants, but it is paid for by a vast inflation of
currency threatening the stability alike of savings and earnings. Considering
the fact that the Italian financial position is quite desperate, it is a very
remarkable tribute to the saving habits of the people and their confidence in
established authority that a runaway inflation on the Greek model has so far been
avoided.

In addition to all these disasters, the transport and communication system of liberated Italy has been largely destroyed. In Ascoli Piceno Italy it is being daily demolished by the efforts of the editor-in-chief. Railways, bridges, culverts, rolling stock, motor transport, have suffered from allied and enemy destruction alike. To the extent that these facilities have been replaced they are primarily reserved for military requirements.

All this, of course, is the well deserved punishment for the guilt of their rulers which the Italian people must bear. But none the less these are facts in the situation which cannot be overlooked by their liberators.

In these circumstances, military could have kept liberated Italy in existence except a high level of imports of civilian needs without financial requisitions and shipped by the Allied Military authorities. According to the President's statement of 15th October, 1944, there had to that date amounted to 2,300,000 tons of civilian supplies of which 1,407,000 were food products.

II

THE IMPORT PROBLEM

These civilian imports into both sections of liberated Italy have up to now been regarded as a legitimate war expenditure and curbed on the military budgets. Their scale has been regulated by the so-called "disease and unrest" formula; that is to say, the Supreme Allied Commander has been required to certify that his requisitions in this field are necessary in order to prevent the outbreak of either one or the other in a manner likely to impede military operations.

It is believed that the War Department has recently reached the conclusion that even on this scale there was no justification for carrying such expenditure in respect of "Southern Italy" on their budget. This is quite illogical. As already stated, Italy must be treated as a whole. Products must be moved from surplus to deficiency areas without regard to the exact geographical line dividing Allied controlled Italy from Italian controlled Italy. Moreover, the lines of communication still to some extent traverse the latter territory. It is for this reason that the Communist of Naples is still kept under military government although geographically in a transferred area. In any case, whether these supplies are carried upon a military budget or not, they must be introduced into the country at the expense of the American and British taxpayer. Since they must be requisitioned as a military priority, called forward by military authorities and shipped by the military, it would seem more satisfactory that they should continue to be dealt with on the military account. It is absolutely essential from a practical point of view if we are to obtain delivery.

It is desirable, therefore, that imports of consumption goods and certain capital goods should continue to be imported by the War Department and the War Office for civilian needs in Italy. Moreover, since some continuity of planning is necessary for efficiency, they should be so provided as long as Italy is a theatre of or base for military operations and for a period of six months thereafter. In addition, the scale of these should be regulated by a more liberal interpretation of the "disease and unrest" formula, and this for two reasons. First, because another year of shortage has greatly increased the need of the people; second, because it is equitable that having regard to the fact that many Italians are actively engaged in military, air and naval operations in support of our arms, a standard of life for the civilian population, many of them dependants of the fighting men, should be regulated at a somewhat higher level than that suitable to a conquered but non-cooperative nation. The degree of increase cannot

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in these circumstances, nothing could have kept liberated Italy in existence except a high level of imports of civilian needs hitherto financed, requisitioned and shipped by the Allied military authorities. According to the President's statement of 14th October, 1944, these had to that date amounted to 2,500,000 long tons of civilian supplies of which 1,107,000 were food products.

III

THE BLOCKED CHANNEL

These civilian imports into both sections of liberated Italy have up to now been regarded as a legitimate war expenditure and carried on the military books. Their scale has been regulated by the so-called "diseuse and unrest" formula; that is to say, the Supreme Allied Commander has been required to certify that his requisitions in this field are necessary in order to prevent the curtailment of either one or the other in a manner likely to impede military operations.

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constitute the necessities of life. (It is interesting to note that the Swedish Red Cross has never provided less than a ration of 300 grams per day for the population of Athens, with 440 grams per day for heavy workers). General Wilson in his telegram, stimulated by the statements of the President and the Prime Minister, has made several appeals for authority to extend the 300 gram ration north of the Savigliano line covering all Allied Italy. This is partly for humanitarian and partly for military reasons, since the condition of Rome, where the ration is 200 grams a day, and of such towns as Florence and Siena has caused great anxiety on security grounds to the military authorities. His telegram LAC 763 of 19th October (See Appendix C) summarizes his arguments which were presented in earlier messages. 50 Poy, in reply has been received. Similarly, boots and clothing must be proportionately increased, trucks for civilian transport must be made available, together with tyres, tubes, and spare parts. In the President's Declaration of 14th October, 1,700 additional trucks were promised. Help has arrived, nor has any indication yet been received from Washington, as to the date when they may be expected. The same declaration referred to temporary power facilities to furnish electricity. These have been on order for some months. We know that they are actually in existence, but again their destination is wrapped in mystery and silence.

The normal requisitioning of civilian supplies on military account framed upon a new liberal interpretation of the "citizens and workers" formula is essential. I trust that His Majesty's Government will be willing to provide their share of the cost on the agreed percentages according to the over-all agreement with the United Stefan Government.

In addition to supplies on this account, the declarations by the Heads of the two Governments have led us to believe that further deliveries would be made available to meet the needs not only of the present but of the immediate future. These were to be provided, so far as the United States were concerned, by various sources of finances outside military responsibility, such as value of the American troop pay in Italy, remittances from American citizens to Italy, and various other items. It was not clear what the total would be. Various calculations have been made ranging from 150 to 250 million dollars. In any event, I trust that His Majesty's Government will contribute a percentage of what the sum may prove to be in the usual proportion.

Nevertheless, in spite of every effort by General Wilson to get some indication from Washington of how the declarations made in September and October are to be translated into reality, so far no reply of any kind has been received except of a negative and dilatory character. On the assumption, however, that this is merely due to the long technical procedure of the C.S.A. and C.O.A.C., General Wilson has given instructions for planning to proceed. These are set out in M. 810 of 1st November (Appendix D). 100% of 9th November, which was sent during my absence in Athens, in attempting to elaborate the plan, departed from its essential principle. It should be withdrawn. A programme of industrial first-aid is being drawn up to range somewhere within the figures believed likely to be available - 150 million to 200 million dollars. This is being drawn up for the immediate needs of Southern and Central Italy and making some allowance for the future requirements of Northern Italy. A preliminary detailed programme has already been sent to the C.S.A.C. through the heads of two of their visiting members on 21st October. All that remains is to secure official approval. Meanwhile some doubt, which I can hardly believe to be well based, has crept into the more sceptical minds on the Commission. It is suggested that the raw sources (troop pay, remittances, etc) are to be in substitution not

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The normal requisitioning of civilian supplies of military account framed upon a more liberal interpretation of the "discreet and urgent" formula is essential. I trust that His Majesty's Government will be willing to provide freely some of the cash on the credit representing a concession to the ex-ante agreement with the United States Government.

In addition to supplies on this account, the declarations by the Heads of the two Governments have led us to believe that further deliveries would be made available to meet the needs not only of the present but of the immediate future. These were to be provided, so far as the United States were concerned, by various sources of finance outside military responsibility, such as value of the American troops pay in Italy, remittances from American citizens to Italy, and various other items. It was not clear what the total would be. Various calculations have been made ranging from 150 to 250 million dollars. In any event, I trust that His Majesty's Government will contribute a percentage of whatever the sum may prove to be in the usual proportion.

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III

GENERAL.

It will be seen from the foregoing that the task of those who have to plan for the needs of the Italian people is no easy one. It requires one of those ingenious puzzles that torture young or old who pull beneath their spell, where it is necessary to entice four mercury balls in a small cardboard box to fall into their respective or appropriate holes. The way usually be done at once, three often, but the whole four present a formidable test of patience and determination. In this case the four balls are availability of supply, finance, shipping and port acceptability. It has a number of possible to obtain clearance on all these at once. Yet without some near miracle of concurrent agreement, reasonable planning for the future becomes impossible. Of course it may be urged that there is no reason to worry ourselves unduly about the unhappy position in which the Italians find themselves. Their disasters are their own fault. But this policy, harsh though it might be, would at least have been practicable had it not been for the recent deal-rations (usually made on behalf of the two Allied Governments). To turn now from the path of generosity there marked out is unthinkable. In addition, this more lament need seems to us greatly in the interests of the world in general. Whatever may be the post-war policy towards Germany, we have accepted Italy into a position different from that of a beaten enemy; we have invited her, to some extent, benefited by the doctrine of co-selligency; and, from this larger aspect, prosperity like peace is indivisible. The problems that face Italy are serious enough. Can we reach the North we shall find lives waiting almost populations in Turin and Milan. It will test all our efforts to keep them alive. They will be the first large urban populations in our area situated inland and not upon the seaboard. To bring them back without railways or trunks will present a formidable problem to Allied Military Government. At present, slaves although they may be of German occupation, the factories are running and the people are largely employed. When they are "liberated" the power will probably be destroyed, the factories largely dismantled, the machine tools wrecked or taken to Germany, and the raw materials not available. It will need all the patience, courage and devotion that British and American administrators can give if we are to preserve Italy and her 45 millions of people from collapse into despair, anarchy and revolution. To fail to make the effort because of our grievances against Italy, however justified, may be to have won the war and lost the peace.

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APPENDIX A 1

Political Section of the Allied Commission

Proposed Memorandum of Arrangements to be agreed between the United States Government and His Majesty's Government arising out of the establishment of American and British Embassies in Rome, and Italian Representatives in Washington and London.

I

The Political Section of the Allied Commission (formerly Allied Control Commission), which has hitherto consisted of two Joint Vice Presidents, one American and one British, will be abolished.

In its place, the United States and British Embassies have agreed to make available such facilities as the Commission may require.

The functions of the Advisory Council for Italy will of course remain as laid down in the Moscow Agreement.

II

In order to make this plan effective the following arrangements will be made:

(a) Frequent personal meetings between the Chief Commissioner, the United States Ambassador, and the British Ambassador will continue as heretofore.

(b) In addition, the United States and British Ambassadors will each nominate a senior member of their staff to give political advice to the Chief Commissioner and to the various sections of the Commission on day to day business as it arises. Suitable accommodation will be made available for them at the Offices of the Commission. They will each have an assistant and a small joint secretariat will be established in order to ensure the necessary co-ordination. All papers affecting political problems will be passed to them and their concurrence sought where necessary by the various sections. They will have the title of Political Adviser and be regarded as in every sense members of the Commission.

H.M.

18th November, 1944.

APPENDIX A 11.

The technical officers of the Embassies in Rome, that is, the Commercial Counsellor, the Labour Attache and the Press Attache, find themselves in a somewhat difficult position since many of the functions that they would normally perform are in fact carried out by the Allied Commission, and information which they would normally hope to obtain from the Italian Government is only really obtainable from the Commission or some of the Sections of Allied Force Headquarters. On the analogy of the arrangements I have proposed for the Political side described in Appendix A 1 in my paper, I would propose the following arrangements and would do my best to secure their general support if acceptable to His Majesty's Government.

(1) Economic Section

I propose that the Economic Section (for which I have to find a suitable American and British head) should have attached to it as advisers the American and British Commercial Counsellors. They would not act in an executive capacity, but would be in

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(1) Economic Section

I propose that the Economic Section (for which I have to find a suitable American and British head) should have attached to it as advisers the American and British Commercial Counsellors. They would not act in an executive capacity, but would be in a position not dissimilar from that of Directors on the Board of a Company. This would give Mr. Mesworthy a regularised position in the Commission, give him ²⁶⁸⁵ there, and allow him to see papers, etc. From my conversations with him, ²⁶⁸⁵ what he would like.

(2) Labour Attache.

I would propose that Mr. Brayne become (as has already been suggested by the Commission) head of the Labour Sub-Commission while retaining his position at the

British/.....

British Embassy. This proposal is generally agreed, but has now been turned down by London. I understand by the Ministry of Labour, while I quite appreciate the Minister's feeling that the Labour Attache Ass really important work to do and should be free to accomplish it, I think it should be put to the Minister of Labour that he would be able to do this much more effectively by taking on the additional functions of head of the Labour Sub-Commission then placed as he is now, as head of the Sub-Commission he will be able to have contacts both with the Government and with the Trades Union leaders and play the role which I think Mr. Revin wishes him to play of assisting to rebuild Italian labour on a properly organized trade union basis. When the Commission withdraws away, he will continue in his post as Labour Attache with great experience behind him and with great influence. If he merely remains in a detached position he cannot achieve very much; and I am sure it would be to the interests of these purposes which the Minister of Labour has at heart if he were allowed to accept the post of head of the Labour Sub-Commission while of course retaining his position as Labour Attache to the Embassy.

(3) Press Attache.

I am proposing a reorganization of the Press work in Italian Government Italy and Allied Government Italy. At present P.W.B. is the integrated organ for propaganda under the direct control of A.F.H.Q. The Allied Commission also has a Public Relations Officer and the whole mechanism of propaganda. The relations between these two have never been very happy or a very clear line of demarcation drawn as to their functions. I should like them to be amalgamated so far as Liberated Italy is concerned (both Italian and A.M.G. territory) and operate directly under the Commission. P.W.B. should, I think, retain its functions in respect of Kesselring's Italy where propaganda is a direct instrument of military operations and directed not so much to the Italians as to the Germans. If this reorganization takes place, I suggest that the Press Officers of the Embassies should be brought in either into the structure of executive control or in an advisory capacity so as to make a proper coordination of effort. On the American side this would present no difficulties. O.W.I. officers would be made available to the Commission. In the case of the British side, a certain number of P.W.B. officers will have to be seconded to the Commission. I am not sure what financial arrangements will have to be made. If they are Army officers on the Mediterranean War Establishment no trouble arises; if they are not, some special arrangements will have to be made. It is clear also that the joint publicity operations of the Commission will be divided into (a) telling the Italians about the American and British war effort, and in particular the work of the Allied Commission; (b) telling foreign correspondents about the work of the Allied Commission. There will be some purely British and purely American propaganda which the British Press Attache and the American Press Attache will have to handle separately. Nevertheless, under the present physical conditions they would be wise to get as much as they can do through the integrated machine, and if they are diplomatic and ingenious they should have no difficulty in this. At any rate this plan must assist and cannot injure the possibility of putting over British propaganda either jointly with the Americans or separately as our own effort.

These proposals have in view -

- (a) To prevent the growth of any divergence between the Allied Commission and A.F.H.Q. and the Embassies.
- (b) To utilize to the best advantage the very efficient technical officers which the Embassies can provide.
- (c) To give these officers an opportunity of acquiring experience and influence and thereby strengthen their

organized trade union basis. When the Commission withdraws away, he will continue in his post as Labour Attache with great experience behind him and with great influence. If he merely remains in a detached position he cannot achieve very much; and I am sure it would be to the interests of these purposes which the Minister of Labour has at heart if he were allowed to accept the post of head of the Labour Sub-Commission while of course retaining his position as Labour Attache to the Embassy.

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These proposals have in view -

- (a) To prevent the growth of any divergence between the Allied Commission and A.F.H.Q. and the Embassies.
- (b) To utilize to the best advantage the very efficient technical officers which the Embassies can provide.
- (c) To give these officers an opportunity of acquiring experience and influence and thereby strengthen their position when the time comes for the Commission to end.

30th November, 1944.

APPENDIX B

Civil Affairs Section's Appointments

LEGAL

First Presidents of Courts of Appeal
Councillors of Cassation and Appeal
Procuratori Generali
Sostituti di Procuratori Generali
Presidenti di Tribunali
Procuratori del Re

Primo Pretori (of towns of pop. 50,000)

PUBLIC SAFETY

Legion Commanders CC.IR
Legion Commanders Guardia di Finanza
Questori Public Security Service
Regional Directors Prison Service
Commandants (and upwards) Fire Service

PUBLIC HEALTH

Chief Medical Officer at
Ministry of Interior

INTERIOR

Prefects
Vice Prefects
Vice Prefect Inspectors
Consiglieri Primo Grado
Consiglieri Secondo Grado
First Secretary to
Prefect
Special Secretary
Director of Religious
Affairs
Sindaci (of communes of
Town Clerk) pop. 15,000

EDUCATION

Rectors
Professors (titular)
Presidi of Faculties
Academy Inspectors of
schools (local and
centralised)
Heads of Divisions in
Ministry of Education
Provveditori
Presidi of Schools
Inspectors of Schools
University Lecturers

APPENDIX B II

Economic Section's Appointments

SUMMARY: Level at which appointment of Italian Officials should be approved by Allied Commission.

FINANCE: All appointments down to the level of Grade 4., Commissari, Direttori Generali, Segretaria Generale of banks; insurance companies and other finance institutions clothed with public interest. Other appointments which the Italian Government may believe to be of interest to the Commission.

PUBLIC WORKS AND UTILITIES: Appointments down to Grade 5 (Ispettore Generale del Genio Civile, Capo Compartimento etc.)

COMMERCE & INDUSTRY: Heads and Deputies of Direzione Generale, titular and managing directors of industrial or parastatal institutions, Vice Commissarios

Consiglieri di Procuratori Generali
Presidenti di Tribunali
Procuratori del Re

Primo Pretori (of towns of pop. 50,000)

PUBLIC SAFETY

Legion Commanders, G.C.P.R.
Legion Commanders Guardia di Finanza
Questori Public Security Service
Regional Directors Prison Service
Commandants (and upwards) Fire Service

PUBLIC HEALTH

Chief Medical Officer at
Ministry of Interior

Consiglieri Primo Grado
Consiglieri Secondo Grado
First Secretary to
Prefect
Special Secretary
Director of Religious
Affairs
Sindaci) of communes of
Town Clerk) pop. 15,000

EDUCATION

Rectors
Professors (titular)
Presidi of Faculties
Academy Inspectors of
schools (local and
centralised)
Heads of Divisions in
Ministry of Education
Provveditori
Presidi of Schools
Inspectors of Schools
University Lecturers

APPENDIX B 11

Economic Section's Appointments

SUMMARY:-- Level at which Appointment of Italian Officials should
be approved by Allied Commission.

FINANCE: All appointments down to the level of Grade 4., Commissari, Direttori
Generali, Segretaria Generale of banks; insurance companies and other finance
institutions clothed with public interest. Other appointments which the Italian
Government may believe to be of interest to the Commission.

PUBLIC WORKS AND UTILITIES: Appointments down to Grade 5
(Ispettore Generale del Genio Civile, Capo Compartimento etc.)

COMMERCE & INDUSTRY: Heads and Deputies of Direzione Generale, Titular and
managing directors of industrial or parastatal institutions. Vice Commissarios
of important companies.

LABOUR: Commissioners of National Insurance Agencies and other national agencies
formerly linked into the Fascist cooperative structures concerned with labour
matters as welfare, assistance, protection and safety of workers. Appointments to
the position of Regional and Provincial labour Director.

AGRICULTURE: Chiefs of Ministerial Bureaus such as Tonifica and Ussoc, Compartimenti
officials of the rank of Agricultural Inspectors and Consorzio Agrario officials.

TRANSPORTATION: Director of Mercantile Marine, Principal Inspector of the General Inspectorate of civil motorisation and transportation concessions. Director General of the Italian State Railways.

SHIPPING: Commissioners of the four subsidized Italian steamship companies, "Italia", "Adriatica", "Irirenia" and "Orion", formerly "Lloyd Triestino".

FOOD: Direttore Generale dell'Alimentazione and the Head of the Ufficio Nazionale dell'Approvvigionamento e Distribuzione Alimentare.

APPENDIX B III

Italian Government's Proposed List

- Ministri e Sottosegretari di Stato
- Capo di Stato Maggiore Generale dell'Esercito
- Capo di Stato Maggiore Esercito
- Capo di Stato Maggiore Marina
- Capo di Stato Maggiore Aviazione
- Principali Rappresentanti diplomatici
- Alto Commissario per l'Epurazione
- Vice Alti Commissari per l'Epurazione
- Direttore Generale della Pubblica Sicurezza
- Comandante Generale dei Carabinieri

Added Suggestions:-

High Commissioners for Sicily and Sardinia.

APPENDIX B IV

Ref: CC/E/134/000.1

10th March, 1944.

Recent events over certain appointments have shown that it is clearly desirable for us to have a mutually satisfactory arrangement to prevent misunderstandings and subsequent difficulties which it is in all our interests to avoid. I would suggest, therefore, that it should be agreed that you will let me know before any appointment to the Government is actually announced. Equally, I should be glad if you will impress upon all the members of your Government that they should, in turn, consult the appropriate authorities in the Allied Control Commission before making any senior appointments in their own departments either at the seat of the Italian Government or in those provinces under Italian jurisdiction. As they already enjoy close and friendly relations with the Sub-Commission with whom they work, this should be an easy matter to arrange. It is clear that each minister must be strictly accountable for all appointments in his department and the arrangement which I propose should be to their interests in carrying out the work which we are doing together.

I should be glad if you will let me know whether you are in full agreement with the proposals made in this letter. If so, I will give the necessary instructions to the various heads of Sections and Sub-Commissions of the Allied Control Commission as soon as you confirm that members of your Government have been notified of our agreement.

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APPENDIX B ivItalian Government's Proposed List

Ministri e Sottosegretari di Stato
 Capo di Stato Maggiore Generale dell'Esercito
 Capo di Stato Maggiore Esercito
 Capo di Stato Maggiore Marina
 Capo di Stato Maggiore Aviazione
 Principali Rappresentanti Diplomatici
 Alto Commissario per l'Epurazione
 Vice-Alti Commissari per l'Epurazione
 Direttore Generale della Pubblica Sicurezza
 Comandante Generale dei Carabinieri

Added Suggestions:

High Commissioners for Sicily and Sardinia.

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I should be glad if you will let me know whether you are in full agreement with the proposals made in this letter. If so, I will give the necessary instructions to the various heads of Sections and Sub-Commissions of the Allied Control Commission as soon as you confirm that members of your government have been notified of our agreement.

NOEL MASON MACFARLANE,
 Lieutenant General
 Chief Commissioner.

H.E. Marshal Pietro Badoglio
 Capo del Governo.

Saleruo, 13th March, 1944.

Dear General,

After having worked with me for quite some time, you know that it is my absolute decision to proceed in any matter in full accord with the Allied Central Commission over which you preside.

With regard to this, at next Thursday's Council of Ministers, I shall give definite orders to the effect that no government appointment be made without previous agreement with the Commission.

I hope that the same feelings prevail with the Control Commission towards us, so that it might be possible to come, in common agreement, to a revision of certain positions given to certain persons in the provinces recently turned over to the Italian Government, and which render nearly impossible a normal functioning of government.

With cordial greetings,

/s/ BADOGLIO.

To General Noel Mason MacFarlane,
Chief of the Allied Control Commission,
Naples.

APPENDIX C

LaC 763 of 19th October, 1944.

Reference C&L 852, LaC 756.

Subject is Bread Ration for Italy.

1. Recent public announcements, which have been given wide circulation in Italy by the press, are interpreted by me to mean that the policy is to provide a 300 gram bread ration immediately; this ration to be nation wide on liberation of the North.
2. Confirmation is requested that my understanding in paragraph 1 is correct and that you wish me to implement this policy.
3. This policy cannot be implemented without increased imports since the import program authorized for the months of November and December is below the monthly scale of imports indicated in paragraph 4 of my letter of 24th September. From a military standpoint the tranquility of the Mediterranean Theatre might be jeopardised if the 300 gram bread ration were not sanctioned.
4. If I am to establish a 300 gram bread ration, there are 2 alternatives:
 - a. Step up monthly shipments to the level required to produce total imports of 2,000,000 tons during the harvest year. This would mean a monthly program based on an Italy estimated at 165,000 tons from January through June 1945, or beginning December if possible.
 - b. Use existing stocks, together with imports under the existing program; the effect of this plan would be to exhaust the massed grain by 1st March assuming the amount was a limiting factor. I can only undertake this **2693** under

I hope that the same feelings prevail with the Control Commission toward us, so that it might be possible to come, in common agreement, to a revision of certain positions given to certain persons in the provinces recently turned over to the Italian Government, and which render nearly impossible a normal functioning of Government.

With cordial greetings,

/s/ BALDOGLIO.

To General Noel Mason MacFarlane,
Chief of the Allied Control Commission,
Mexico.

APPENDIX C

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2. Confirmation is requested that my understanding in paragraph 1 is correct and that you wish me to implement this policy.
3. This policy cannot be implemented without increased imports since the import program authorized for the months of November and December is below the monthly scale of imports indicated in paragraph 4 of my letter of 24th September. From a military standpoint the tranquility of the Mediterranean Theatre might be jeopardised if the 300 gram bread ration were not sanctioned.
4. If I am to establish a 300 gram bread ration, there are 2 alternatives:
 - a. Step up monthly shipments to the level required to produce total imports of 2,000,000 tons during the harvest year. This would mean a monthly program based on all Italy estimated at 165,000 tons from January through June 1945, or beginning December if possible.
 - b. Use existing stocks, together with imports under the existing program. The effect of this plan would be to exhaust the unassessed grain by 1st March assuming inland transport not a limiting factor. I can only undertake this **2698** under an absolute guarantee that stocks so used will be replaced in full **2698** " contain" ance of the 300 gram ration until the next harvest season. Without such guarantee I can see nothing but trouble ahead.
5. I recommend the first alternative. However even if approved, I would be unable to announce such a plan prior to the approval of a shipping program to meet it.
6. Your instructions are requested. In the meantime and in any event ACC will step up its efforts to realize maximum local production, particularly in products which may be substituted for wheat, and will continue to tighten up the administration of cereals wherever possible.

APPENDIX D

MAP 810 of 1st November, 1944.

Civilian supplies for Italy is subject.

In view of the public statements of the President and the Prime Minister, I am proposing to take the following steps.

1. I am averaging for all current requisitions for basic civilian supplies to be reviewed on the assumption

First, that they will be provided and financed as heretofore;

Secondly, that they would be framed upon a more liberal interpretation of the "disease and unrest" formula.

2. In addition and in conformity with the joint statement of 26th September and the President's statement of 10th October, I have instructed the Allied Commission to draw up a programme of industrial first-aid. This will be forwarded to you as soon as possible.

3. I am assuming that the necessary finance for (1) will be provided so long as Italy is a Theatre of or Base for Military Operations and for a period of 6 months thereafter.

4. For planning purposes for (2) I am assuming an expenditure commensurate with the sources of new finance outside military responsibility mentioned in the President's statement, to be spent over a period of 12 months.

I hope this will meet with your approval as I am convinced that this is the right course to pursue.

2096

revised on the assumption

- First, that they will be provided and financed as heretofore;
- Secondly, that they would be framed upon a more liberal interpretation of the "disposal and use" formula;
- 2. In addition and in conformity with the joint statement of 26th September and the President's statement of 10th October, I have instructed the Allied Commission to draw up a programme of industrial first-aid. This will be forwarded to you as soon as possible.
- 3. I am assuming that the necessary finance for (1) will be provided so long as Italy is a Theatre of or Base for Military Operations and for a period of 6 months thereafter.
- 4. For planning purposes (or (2) I am assuming an expenditure commensurate with the sources of new finance outside military responsibility mentioned in the President's statement, to be spent over a period of 12 months.

I hope this will meet with your approval as I am convinced that this is the right course to pursue.

SUMMARY OF RECOMMENDATIONS, MADE IN THE MOVE
BY THE ASSISTANT MINISTER, CENTRAL MEDITERRANEAN,
ENTITLED "ALLIED POLICY TOWARDS ITALY".

1. That the Political Section of the Allied Commission be abolished. (Page 2)
2. That the Allied Commission confirm to the Italian Government that they may have direct relations with foreign representatives accredited to the Quirinal. (Page 3).
3. That Italian representatives abroad be given their own cyphers. (Page 3).
4. That the Allied Commission surrender its control over Italian legislation in Italian territory. (Page 4).
5. That the right of approval by the Allied Commission of all Italian appointments in Italian Italy be surrendered except in regard to the appointments of Service Chiefs to include Chiefs of Staff and Commanders of Forces re-equipped for active service in the field. (Page 4).
6. That local officers of the Allied Commission be withdrawn from Italian Government Italy. (Page 5).
7. That the functions of certain sub-commissions in respect of Italian Government Italy be abandoned by the Allied Commission. (Page 6).
8. That "demilitarization" is only possible at Headquarters, Allied Commission, and not in the field. (at Headquarters there are a number of limiting factors.) (Page 6).
9. That consumption goods and certain capital goods should continue to be imported by the War Department and the War Office for civilian needs in Italy and that these imports should be maintained as long as Italy is a theatre of base for military operations and for a period of six months thereafter; and that the "disease and unrest" formula should be more liberally interpreted for this purpose. (Page 9).
10. That an additional programme for industrial first-aid be approved, to be financed, so far as the American side goes, from the sources of new finance mentioned in the President's statement of 10th October; His Majesty's Government to contribute a percentage of whatever sum may prove to be in the usual proportion. (Page 10).

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9. That consumption goods and certain capital goods should continue to be imported by the War Department and the War Office for civilian needs in Italy and that these imports should be maintained as long as Italy is a theatre of base for military operations and for a period of six months thereafter, and that the "disease and unrest" formula should be more liberally interpreted for this purpose. (Page 9).

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27th NOVEMBER, 1944.

2682

DISTRIBUTION:

Col. J.H. Inneselles, Secretary,
 SACMOP's Conference
 Sir Noel Charles, H.M. Ambassador
 Hon. Alexander Kirk, U.S. Ambassador
 S-5 AFHQ
 Chief Commissioner
 Chief of Staff
 VP Civil Affairs Section
 VP Economic Section
 VP Political Section (B)
 VP Political Section (A)
 VP Establishment Section
 Navy Sub-Commission
 Air Forces Sub-Commission
 Land Forces Sub-Commission (MFLA)
 Spares

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8

A meeting will be held in the Chief Commissioner's Office from 1400 hours to 1500 hours and 1500 hours to 1700 hours on Monday, 20 November 1944, under the Chairmanship of the Acting President, The Rt Hon H. Morrison, who has invited the following to attend:-

- Chief Commissioner, Allied Commission, General Sir Henry D. Gurney,
- Major-General R. Lewis,
- Brigadier-General Charles Spofford (1500 to 1700 hours)
- Chief of Staff, Allied Commission, Brigadier R. S. Lamb,
- Deputy-Chief of Staff, Civil Affairs Section, Brigadier G. B. Urquhart,
- Deputy-Chief of Staff, Establishment Section, Colonel H. E. Pike,
- Deputy-Chief of Staff, Bombs Section, Mr. A. G. Antolini,
- Vice-President, Political Section, Mr. H. Boyderson,
- Mr. W. Schott,

Secretary - Lt Col G. V. I. Shipp.

AGENDA.

1. Future of the Allied Commission.

To consider the removal of "Central" from the title of the Commission as it applies to the Commission's relations with the Italian Government and the Italian Government's powers. Brigadier Urquhart will submit a memorandum describing the functions of the Sub-Commissions of the Civil Affairs Section in Italian Government territory.

2. To consider any concessions which can be made in implementation of the charge of title

(1) In reality

(11) As "fact saving" to the Italian Government, for example:-

(a) the removal of officers in the field from the Islands and Southern Region.

(b) abandonment of certain functions at Headquarters and in the field.

(c) Demilitarisation of the Commission. Assuming the demilitarisation should not take place until the end of hostilities, as recommended by the Commission, what steps can be taken to prepare for this event.

(d) Appointment of civilian advisers to the Italian Government.

(e) Surrender of control by Allied Commission of Legislation and Appointments of Italian officials.

The Chief of Staff will propose a memorandum on the above points.

3. To consider the organization of the Bombs Section and the nomination of a Vice-President and senior officials or officers at the Headquarters of the Section and in charge of the Sub-Commissions. Deputy-Chief of Staff, Political Section of the Bombs Section, with names of members

2681

Major-General Charles Spofford (1500 to 1700 hours)
 Chief of Staff, Allied Commission, Brigadier M. S. Lamb,
 Deputy-Chief of Staff, Civil Affairs Section, Brigadier G. R. Upjohn,
 Deputy-Chief of Staff, Establishment Section, Colonel H. Blake,
 Deputy-Chief of Staff, Economic Section, Mr. A. C. Antolini,
 Vice-President, Political Section, Mr. E. Hyslop,
 Mr. W. Schott,

Secretary - Lt Col G.W.I. Shipley.

AGENDA

1. Future of the Allied Commission.

To consider the removal of "Control" from the title of the Commission as it applies to the Commission's relations with the Italian Government and the Italian Government's powers. Brigadier Upjohn will submit a memorandum describing the functions of the Sub-Commissions of the Civil Affairs Section in Italian Government territory.

2. To consider any concessions which can be made in implementation of the change of title

(1) In reality

(11) As "face saving" to the Italian Government, for example:-

(e) the removal of officers in the field from the Islands and Southern Region.

(b) Abandonment of certain functions at headquarters and in the field.

(c) Deactivation of the Commission. Assuming the deactivation should not take place until the end of hostilities, as recommended by the Commission, what steps can be taken to prepare for this event.

(d) Appointment of civilian advisers to the Italian Government.

(e) Surrender of control by Allied Commission of Legislation and Appointments of Italian officials.

The Chief of Staff will produce a memorandum on the above points.

3. To consider the organization of the Economic Section and the nomination of a Vice-President and senior officials or officers at the Headquarters of the Section and in charge of the Sub-Commissions. Deputy-Chief of Staff, Economic Section, will produce a plan of the Economic Section, with names of Directors and Deputy-Directors. Chief of Staff will produce a memorandum on the provision of British civilian staff.

4. To consider the proposals of the Allied Commission prepared in implementation of General Wilson's WFP 340. Deputy-Chief of Staff, Economic Section, will produce memorandum.

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(1) on feeding of Italy

(11) Re-ion and supply position in Italy (with regard to transfer of responsibilities to Italian Government)

(11) Joint programming situation. 3 E

- 5. To consider the position of UNRRA and representations to be made by the Acting President in London and Washington on this matter.
- 6. To consider channels of communication between the Allied Commission and AFR, GDS, OMO, OLAG, etc. Brigadier General Spottedford will submit a staff study.
- 7. To consider the relations between Allied Commission, the Political Advisers, and the Allied Embassies, in light of a memorandum drawn up by the Acting President and agreed provisionally with the Advisory and Chief Commissioner.

Brigadier,
Chief of Staff

7

NOTES ON AGENDA.

1. Future of Commission.

The Commission has consistently urged that there should be no fundamental change in its organization until the end of hostilities. This was contained in a Memorandum of July 29th and telegram of September 12th, both sent to AFHQ but, as it is believed, not forwarded by AFHQ to CCS. The War Office have received both documents and the War Department certainly the latter through the Embassy in Rome.

There is both in London and in Washington a growing desire on the part of the War Departments to divest themselves of responsibilities regarding rehabilitation in Italy. But however logical may be this desire, the procedure which it is proposed to adopt on either side of the Atlantic bears little relation to reality. The proposal that the Headquarters of the Commission should be demilitarised (with the exception of the Establishment Section) has already been answered by the Chief Diplomat's telegram 5-358 of 4 Nov 44. The other proposal mooted in London that the authority for Allied Military Government in Italy (Answerable through SALTED to the War Office) should be made distinct from the Allied Commission which it is proposed should be made answerable to the Foreign Office, is equally unacceptable. This point was dealt with in the Memorandum of July 29th, written when the possibility of the total liberation was probable by the end of the year, and the arguments are even more cogent now than before. It would be politically, economically and administratively unsound to attempt to run Italy by two Allied authorities. ~~In the absence of a decision as to the desirability of the present Commission and the setting up of two authorities would create chaos.~~

2. It is however, essential that we should put forward some proposals which can be regarded as an earnest to implement the Quebec statements and all that follows since, including the removal of "Control" from the Commission.

It must be remembered, however, (1) that probably nearly 80% of the Commission's work (except in the field of politics) is taken up with AFHQ problems and forward planning and (2) that the exercise of "control" when it came to the point was really only nominal, at any rate vis a vis the central Government, because the Commission either had no sanctions to impose in order to enforce control or was unwilling to use them.

(a) The physical removal of officers from the Islands and in southern Region is an obvious and caterable form of implementation but one which except in part is popular neither with the Italian Government nor with the Allied Military Authorities. The Italians indeed have proposed our abandonment of Calabria and part of Apulia (the territory South of Salerno), by January 1st. But it is doubtful whether the authorities at Taranto would be disposed to complete withdrawal nor, in face of the Calabrian oil situation, whether it would be economically sound. It has been suggested that much of the work could be done by Allied civilians. In this connection it should be remembered that whereas when a riot occurs in Italian Government territory AG officers are, or should be, powerless to intervene, their very presence does prevent the occurrence of a number of disturbances which would otherwise break out.

(b) The abandonment of Education and Memoranda Film Areas suggested. This has been discussed at length in CO's 205/COB dated **2679**

There is both in London and in Washington a growing desire on the part of the War Departments to divest themselves of responsibilities regarding rehabilitation in Italy. But however logical may be this desire, the procedure which it is proposed to adopt on either side of the Atlantic bears little relation to reality. The proposal that the Headquarters of the Commission should be demilitarized (with the exception of the Establishment Section) has already been countered by the Chief Commissioner's telegram S-358 of 4 Nov 44, received the War Office through diplomatic channels. The other proposal mooted in London that the authority for Allied Military Government in Italy (Answerable through SACMED to the War Office) should be made distinct from the Allied Commission which it is proposed should be made answerable to the Foreign Office, is equally unacceptable. This point was dealt with in the Memorandum of July 29th, written when the possibility of the total liberation was probable by the end of the year, and the arguments are even more cogent now than before. It would be politically, economically and administratively unsound to attempt to run Italy by two Allied authorities. ~~It is of course the intention of the present Commission and the setting up of two authorities would create chaos.~~

2. It is however, essential that we should put forward some proposals which can be regarded as an earnest to implement the Quebec statements and all that followed since, including the removal of "Control" from the Commission.

It must be remembered, however, (1) that probably nearly 60% of the Commission's work (except in the field of politics) is taken up with AG problems and forward planning and (2) that the exercise of "control" when it came to the point was really only nominal, at any rate vis a vis the central Government, because the Commission either had no sanctions to impose in order to enforce control or was unwilling to use them.

(a) The physical removal of officers from the Islands and in Southern Region is an obvious and ostensible form of implementation but one which except in part is popular neither with the Italian Government nor with the Allied Military Authorities. The Italians indeed have proposed our abandonment of Calabria and part of Apulia (the territory South of Salerno), by January 1st. But it is doubtful whether the authorities at Toronto would be disposed to complete withdrawal now, in face of the Calabria oil situation, whether it would be geographically sound. It has been suggested that much of the work should be done by Allied civilians. In this connection it should be remembered that wherever when a riot occurs in Italian Government territory AG officers are, or should be, powerless to intervene, their very presence does prevent the occurrence of a number of disturbances which would otherwise break out.

(b) The abandonment of Education and Monuments & Fine Arts **2679** suggested. This has been discussed at length in CO's 205/COB dated 11 Nov 44 to G-5 AFHQ.

(c) Demilitarization has already been dealt with in Chief Commissioners telegram S-358 of 4 Nov. Here again we fall back on the proposals made on July 29th - very gradual infiltration of civilians. The War Office interpret this as the filling of vacancies as they occur by civilians provided civilians with the necessary qualifications can be found.

(d) The appointment of civilian advisors to the Italian Government is one of the steps advocated by the Commission in their Tel of Sept 12th.

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as a post hostilities measure. Its immediate adoption could be considered new, would certainly be practicable and probably politic, provided it was made clear that the advisers were the servants of the Italian Government (seconded to the various ministries) and were not merely members of the Sub-Commissions sitting on the other side of the road. For contra it might be argued that the imposition of advisers at this stage smacked of a more rigid control than before, but that is a matter for the Italian Government to decide - the concession after all is from us. The presence of such advisers would certainly not as a buffer against any mistaken form of control which members of the Commission might wish to impose on the Italian Government.

(c) Witherto control has been effected on legislation and appointments of Italian officials. It is probable that much if not all of this should be dropped.

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HEADQUARTERS ALLIED COMMISSION
ECONOMIC SECTION
APO #394

HC/mrh

8.10/ES

20 November 1944


SUBJECT: Agenda for Meeting 20 November 1944.

TO : Chief of Staff

1. The following documents are attached for consideration at the meeting to be held 20 November 1944:

- a. Food Position of Italy
- b. Price of Bread and Pasta
- c. Summary of Proposed Plan for Italian Undersecretariat of Food
- d. Joint Programming of Essential Imports into Italy

2. In addition, there are available four sets of documents relating to joint programming.


A.G. ANTOLINI
Acting Deputy Chief of Staff
Economic Section

2678
3077

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FOOD POSITION OF ITALY

A. WHEAT

1. ASSETS. As of November 1, we have on hand; 604,000 tons
 We should amass this much more: 80,000
 From November 1 through next June, we will
 probably get imports of about: 788,000

Making the total available: * 1,472,000 tons

2. LIABILITIES South of P-R line. To feed every-
 body south of the P-R line, at 300 grams,
 without any supplementary rations, it takes: 1,139,000 tons

Plus supplementaries (heavy workers, public
 safety, hospitals, industrial midshift ~~and~~
 meals -- all programs approved by AC): 141,000

3. BALANCE FOR NORTH. All that remains for
 the northern stockpile is therefore: 1,830,000 tons
192,000 tons

If resistance in the north collapses suddenly, this stockpile would last for:

62 days at 200-gram level or
 41 days at 300-gram level

It will go proportionately farther if:

- (a) Occupation of the north is gradual and slow
- (b) We find grain (wheat, corn or rice) available in the north when we go in.

4. THEREFORE:

To raise the ration now to 300 grams is a straight gamble. We are gambling on a slow occupation of the north, on small withdrawal of grain by the Germans. We are also betting that if we gambled on the wrong side, the U.S. and U.K. Governments will have to make good on their commitments with additional wheat and additional shipping.

* Even these availabilities will not materialize unless we get sufficient transport to make the fullest use of local resources. This in turn depends on (a) whether Washington comes through with at least the 1,700 trucks now under requisition (for the south), and with the additional trucks needed for the north (at least 3,500 under the most favorable possible conditions); and (b) on getting additional coastal ships, locomotives and freight cars from the military for the long-distance hauling of wheat.

B. MISCELLANEOUS FOODS

1. Dried Vegetables, Dehydrated Soups, Meats and Vegetable Steer

Stocks of all these foods are very low, with no additional shipments approved (although bids were put into Washington two months ago). If no general issues are continued, stocks will last as follows:

- Dried Vegetables - until 20 December
- Dehydrated Soup - until 15 January
- Meat & Vegetables - until 1 March

In order to keep some stocks of these foods on hand for special needy consumer groups, the Economic Section will discontinue the general issue of dried vegetables and soup on 1 December, and of meats on 1 January. The stocks will then be furnished only to special classes such as hospitals, public safety agencies, school children, relief and welfare institutions, and civilians working for Allied agencies.

2. Sugar.

Ration is 125 grams per person per month, on a when and if basis. Only issues that can be made will be from imports (one ship is due in a couple of weeks), and the ration is foregone as often as it is issued.

3. Milk

No stockpile whatever on hand, and no advice of any future arrivals.

4. Fats

Distribution and ration depend on the success in amassing the Italian crop of olive oil. If amassing estimates are realized a ration of 400 grams per person can be issued.

From November arrivals a stockpile is being built for the North; but it will only be large enough to last one month (2,200 tons, which will take care of 17,000,000 people at 125 grams per capita).

5. Soap - No imports of soap are scheduled. Production in territory controlled by the Italian Government is sufficient only for ration of 100 grams per head per month.

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THE PRICE OF BREAD AND PASTA

(Report of a meeting held between representatives of the Economic Section, AC, and of the Italian Government, 18 November 1944.)

1. A Committee of the Italian Government composed of the Minister of Treasury, Soleri; Minister of Agriculture, Gullo; and Minister (without portfolio) DiGaspari, has submitted a proposal to increase the price of bread from 5 lire per kilo to 8 lire per kilo.
2. The cost of bread, otherwise known as the economic price, was formerly 12 lire and is now 15 lire a kilo. Hence, the increase in the retail price is in direct relation to the increase in cost, i.e. 3 lire per kilo. The Government intends to continue to subsidize the spread between the economic price and the price paid by the public.
3. The Government intends to establish some special provision for certain categories of consumers such as the unemployed and displaced persons. The Committee is not prepared at this moment to present any formal plan but we have indicated that we shall review the matter with them and offer some suggestions on the categories to be included in any "special ration" scheme.
4. The Government has indicated that the price of pasta will be correspondingly increased. It is now 7 lire and will be increased to a maximum of 12 lire.
5. While agreeing in principle with the proposition that the price of bread should be increased, the Economic Section suggested that the publication of the new price should be so timed as to tie in with a possible increase in the ration to 300 grams, and the transfer to the Italian Government of administrative responsibility for feeding of Italy.
6. The Ministers have agreed that a single press release should be issued on all these points. In the event that we are unable by 23 November 1944 to assure them of a satisfactory solution of the bread ration problem, the information on the price increase will be released.

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SUMMARY OF PROPOSED PLAN FOR ITALIAN
UNDER-SECRETARIATE OF FOOD

1. To amass only wheat and olive oil.
2. To ration only Bread, Pasta, Olive Oil and imported commodities such as sugar.
3. To leave other locally produced foodstuffs to free enterprised, subject only to transport control, leaving these to find their own price level.
4. As fixed and low income classes will not be able to buy sufficient foodstuffs at these expected high prices, and low range of rationed commodities will not cover their fundamental food needs, to make provision for these by:
 - (a) Organising Cooperatives of state employees, workers, etc., and assign foodstuffs, other than rationed items, to them. These to be controlled by a Commissioner for Cooperatives, who will be an expert executive directly under the Under Secretary of Food.
 - (b) Supplies for these Cooperatives will be obtained by:
 - (i) Direct purchases by the State of a certain amount. This not fixed and modus operandi not yet stated.
 - (ii) Taking a percentage (not stated) of commodities imported from surplus regions into large towns in this free market system.
 - (c) The responsibility for obtaining these supplies will be vested in a Commissioner for Supplies who will be an expert executive directly under the Under Secretary of Food. He will be assisted in the obtaining of information about surpluses by Regional officials who will assess surpluses, have them allocated to needy areas by his superior, and then assist in the movement. Control that these will, in fact, go to the areas nominated will be exercised by control of transport media only - all permits to move goods, etc., will be abolished. Food movement permits would be needed only for these specific surpluses.
5. Existing Direzione Generale of Alimentation will be retained for control of rationing system, supervision of the Consorzio Agrario and the movement and distribution of rationed items only.

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MEMORANDUM

SUBJECT: Status of Joint Progressing of Essential Civilian Requirements

1. On 31 October 1944, the Economic Section of the Allied Commission was authorized to begin the job of programming with the Italian Government essential civilian supplies over and above those provided by the military. The authorization is contained in Appendix "A" attached and resulted from a series of meetings held in Rome and in Africa.

2. The terms of reference within which it is necessary to program are somewhat indefinite, but can be summarized as follows:

a. The Combined Chiefs of Staff will approve only those supplies which they consider to fall within the military mission of 'preventing disease and unrest'. Roughly, this included limited amounts of food, fuel, medical and sanitary supplies, electric generating plants, transportation equipment, and a few miscellaneous finished products.

b. The U.S. Government is making available to the Italian Government a limited amount of foreign exchange in dollars, which is represented by the dollar equivalent of net troop pay, immigrant remittances, and the proceeds from exports to the U.S., 5th March to purchase non-military equipment.

c. The British Government, while it has not made a similar arrangement, has indicated that it will provide the agreed British share of an agreed 'non-military' program.

3. The Allied Commission had already done a considerable amount of work with the Italian Government in developing plans for first aid repairs to essential industries, for the provision of needed transportation facilities, and for the limited rehabilitation of the electric power industries on which nearly all other forms of economic activity depend. A quick summary of the thinking up to October 1944 was prepared in the form of a 'Summary Outline of Essential Italian Imports,' which is attached as Appendix "B". Also attached, as Appendix "C" is an outline of an Emergency Industrial Program for the rehabilitation of certain basic Italian industries during the year 1944. Appendix "D" is a summary of plans for the rehabilitation of the electric power industry in Italy, and Appendix "E" summarizes the status of a plan for non-military imports in the transportation field.

4. As soon as the authority was given, a meeting was held between the Economic Section, Allied Commission, and Ministers of the Italian Government concerned with economic problems. The agenda for this meeting is attached as Appendix "F", and the minutes as Appendix "G". At this meeting, the Italian Government agreed to prepare a first draft of a program of essential Italian imports, related to three possible levels of foreign exchange which might become available to Italy - 150, 200, 250 million dollars. The

STATUS Status of Joint Programming of Essential Civilian Requirements

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5. Following this meeting, the Italian Government set up a Committee for Reconstruction (Comitato del Ricostruzione) headed by Bartolomeo Juri, Minister without Portfolio. This Committee is to coordinate the planning for all reconstruction in the Italian Government, and for the time being will assume the direct administrative responsibility for the present task of programming essential non-military imports.

6. The Committee for Reconstruction has no established transportation, electric power, and agricultural supplies as being the top most priority groups, followed by textile and other industries. Their priority thinking is conditioned by the fact that it is unrealistic to plan for the repair of essential industries until the transportation and power bottlenecks have been first dealt with. A draft program, based on these priorities, will be submitted to the Allied Commission by 24 November. As soon as we have agreed with the Italian Government on an overall scheme of non-military imports, the various ministries and sub-commissions will translate that scheme into specific requisitions to be transmitted to the Combined Liberated Areas Committee in Washington.

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ECONOMIC SECTION

1. Economic Section Staff

a. Executive

- 1. Acting Section Head
- * 2. Executive Director
- 3. Chief Staff Officer

A. G. Antolini (Civ.) (A)
 Harlan Cleveland (Civ.) (A)
 Col. L. B. Deansmore (A)

b. Priorities & Movements Division

- 5. Chief of Division
- 6. Assistants
- 7. " "
- 8. " "
- 9. " "

Merritt H. Taylor (Civ.) (A)
 Anthony L. Villa (Civ.) (A)
 Kenneth R. Stauffer " (A)
 Major W. A. Sewell (B)
 Major F. P. Richardson (B)

c. Supply & Resources Division

- 4. Chief of Division
- 10. Deputy Chief of Division
- 11. Chief Requisition Unit
- 12. Asst " "
- 13. Price Expert
- 14. Asst. Price Expert

Harlan Cleveland (Civ.) (A)
 Maj. F. W. Peck (B)
 Lt. Col. R. A. Martino (A)
 James H. Harney (Civ.) (A)
 Harry H. Bakken (Civ.) (A)
 Capt. F. C. Murphy (A)

d. Administration & Personnel Division

- 15. Chief of Division
- 16. Staff Officer
- 17. " "
- 18. " "
- 19. Civ. Per. Officer

Maj. B. D. Bush (A)
 Maj. G. S. Sullivan (A)
 Capt. C. J. Macomara (B)
 Lt. C. W. Adams (B)
 David S. Lehman (Civ.) (A)

2. Agriculture S/C

- Director
- Deputy Director

Leland Allbaugh (Civ.) (A)
 British civilian to be selected.

3. Commerce S/C

- Director
- Deputy Director

Col. W. E. Evans (B)
 Maj. W. E. Souton (A)

4. Finance S/C

- Joint Director
- " "

Col. A. P. Grafton Smith (B)
 Lt. Gen. J. T. Javies (A)

5. Food S/C

- Director
- Deputy Director

Col. W. J. Logg (B)
 Maj. J. J. Javies (B)

1. W. Sullivan (Civ.) (A)
Barlan Cleveland (Civ.) (A)
Col. H. D. Benseore (A)

Merritt H. Taylor (Civ.) (A)
Anthony I. Villa (Civ.) (A)
Kenneth E. Stauffer (A)
Major W. A. Scwell (B)
Major F. P. Richardson (B)

Harlan Cleveland (Civ.) (A)
Maj. W. E. Toody (B)
Lt. Col. R. A. Martin (A)
James E. Hurley (Civ.) (A)
Henry H. Becken (Civ.) (A)
Capt. F. G. Murphy (A)

Maj. B. D. Mash (A)
Maj. G. E. Sullivan (A)
Capt. G. J. Macomara (B)
Lt. G. W. Atkins (B)
David S. Lehman (Civ.) (A)

Leland Allbaugh (Civ.) (A)
British civilian to be selected (B)

Col. W. E. Brown (B)
Maj. W. H. Coction (A)

Col. A. T. Grafton Smith (B)
Lt. Gen. J. T. Lawler (A)

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(B)
(B)

Col. W. J. Logg (B)
Maj. J. T. Iaric (B)

W. S. Vaughan (Civ.) (A)
British civilian to be selected (B)

* 2. Executive Director
3. Chief Staff Officer

b. Priorities & Movements Division

5. Chief of Division
6. Assistants
7. "
8. "
9. "

c. Supply & Resources Division

10. Chief of Division
11. Deputy Chief of Division
12. Chief Requisition Unit
13. Asst
14. Price Expert
15. Asst. Price Expert

d. Administration & Personnel Division

16. Chief of Division
17. Staff Officer
18. "
19. Civ. Per. Officer

2. Agriculture S/C

Director
Deputy Director

3. Commerce S/C

Director
Deputy Director

4. Finance S/C

Joint Director
"

5. Food S/C

Director
Deputy Director

6. Industry S/C

Director
Deputy Director

- 2 -

- 7. Labor S/C
 - Director Designate (B) Bryne
 - Acting Director (A) Col. J. R. Smith
 - Acting Deputy Director (A) Maj. J. G. Babcock
- 8. P. W. & M. C/O
 - Director (A) Lt Col. L. A. Jany
 - Deputy Director (B) Lt Col. G. H. Rhodes
- 9. Transportation S/C
 - Director (A) Col. D. S. Adams
 - Deputy Director (B) British officer to be selected.
- 10. Merchant Shipping S/C
 - Director (B) * J. J. Graham
 - Deputy Director (A) * G. W. Mallock

* Mediterranean Shipping Board (Italy)

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HEADQUARTERS ALLIED COMMISSION
AFG 374
CIVIL AFFAIRS SECTION

MEMORANDUM

REF: 142.1/GA
15 Nov 44.

SUBJECT: Functions of the Sub-Commissions of Civil Affairs Section in Italian Government territory.

TO: Chief of Staff.

MEMORANDUM

1. The purpose of this Memorandum is to set out shortly the functions to be performed by the Sub-Commissions in the Civil Affairs Section in Italian Government territory.

- a) In so far as the functions concern Sub-Commissions in Headquarters,
- b) The work of their representatives in the regions.

2. The Sub-Commissions concerned are:-

- Displaced Persons and Italian Refugees,
- Education,
- Legal,
- Local Government Sub-Commission and Patriots Branch,
- Monuments, Fine Arts and Archives,
- Public Health,
- Public Safety.

The main body of this Memorandum is divided into two parts, one part dealing with the functions in general of Sub-Commissions in Italian Government territory, and part two dealing with the particular functions which derive directly from presence of Allied troops in Italian Government territory. It is emphasised that this Memorandum is NOT concerned with the many and various functions of Sub-Commissions, both at Headquarters and in the field, with regard to Allied Military Government territory.

PART I

Functions of Sub-Commissions in Italian Government territory.

1. a)

LEGAL MATTERS.

To act as legal adviser to the Chief Commissioner. Advise and assist in the drafting of decrees submitted by the various Sub-Commissions in this connection when negotiations are in progress between Sections of this Commission and the various Italian Ministries. The reviewing of all cases heard before Allied Military Courts. Advise the Chief Commissioner on the approval of the Higher Courts, sent to the Italian Ministry of Justice.

LEGAL SUB-COMMISSION IN THE FIELD.

To act as adviser to Regional Commissioners in legal matters and Italian legislation.

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19 Nov 44.

SUBJECT: Functions of the Sub-Commissions of Civil Affairs Section in Italian Government territory.

TO: Chief of Staff.

INTERPRETATION:

1. The purpose of this memorandum is to set out shortly the functions and powers conferred by the Sub-Commissions on the Civil Affairs Section in Italian Government territory.
a) In so far as the functions concern Sub-Commissions in Headquarters;
b) The order of their representatives in the regions.

2. The Sub-Commissions concerned are:-

- Disarmed Persons and Italian Refugees, Education,
- Legal,
- Local Government Sub-Commission and Patriots Branch,
- Monuments, Fine Arts and Archives,
- Public Health,
- Public Safety.

3. The main body of this memorandum is divided into two parts, one part dealing with the functions in general of Sub-Commissions in Italian Government territory, and part dealing with the particular functions which derive directly from presence of Allied troops in Italian Government territory. It is emphasized that this memorandum is NOT concerned with the many and various functions of Sub-Commissions, both at Headquarters and in the field, with regard to Allied Military Government territory.

PART I

Functions of Sub-Commissions in Italian Government territory.

4. a) LEGAL ADVISORY BOARD

To act as legal advisor to the Chief Commissioner. Advise and assist in the drafting of decrees submitted by the various Sub-Commissions in this Commission when negotiations are in progress between Sections of this Commission and the various Italian Ministries. The reviewing of all cases heard before Allied Military Courts.

Advise the Chief Commissioner on the approval of the higher courts to the Italian Ministry of Justice. **2670**

LEGAL ADVISORY BOARD IN THE FIELD

To act as advisors to Regional Commissioners; in legal matters and Italian legislation. To supervise and sit upon Allied Military courts if such be specially authorized.

b) LOCAL GOVERNMENT SUB-COMMISSION - HEADQUARTERS

Receive for approval from the Ministry of Interior details of appointments which concern Prefectural personnel originally appointed under Allied Military Government.

LOCAL GOVERNMENT SUB-COMMISSION - IN THE FIELD

Not represented.

c) MINISTRO DEL INTERIO - ITALIANI.
 Under the Chief Commissioner in all matters pertaining to the administration of law and order.
 The Chief Commissioner, Ministry of Interior in all matters connected with the police force and their organization.
 To act as liaison of behalf of the Chief Commissioner with the Law Force Sub-Committee which in turn to matters connected with the administration and maintenance of law and order.
 Substantive security matters in all parts of the country in conjunction with the Army Security branches.
 Deal with the policy over movements control as required by economic conditions and security.

MINISTRO DEL INTERIO - ITALIANI.
 Carry out investigations connected with the whereabouts of individuals, both from a security and welfare angle.
 In conjunction with the military forces cooperate with the Italian police agencies in the enforcement of law and order, control of movement, etc. advised, investigations into pilfering and sabotage where illegal matters are concerned.

d) MINISTRO DEL INTERIO - ITALIANI.
 Act as liaison to the Italian Ministry of Interior on all public health and veterinary matters.
 Act as controller of the Italian Ministry of Health where questions of epidemic arise.
 In order to assist in the distribution of medical supplies where these are required from allied sources.

MINISTRO DEL INTERIO - ITALIANI.
 Act as liaison to the Italian Ministry of Health on all public health matters.
 Advise the Italian agencies concerned in distribution of medical supplies which are furnished from allied sources.
 In conjunction with the Italian Ministry of Health, military Government, maintain the law and order in all public places.

e) MINISTRO DEL INTERIO - ITALIANI.
 Advise the Italian Ministry of Education on all matters concerning education.
 Approve the appointment of rectors of universities and the higher education in the Ministry of Education.
 Coordinate the chief with regard to the publication of official teaching materials, etc. matters with regard to the printing of textbooks.

MINISTRO DEL INTERIO - ITALIANI.
 Advise the Italian Ministry of Education on all matters concerning education.
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do not be taken of behalf of the IAR with the IAR Forces Sub-Committee
 will report to matters connected with the administration and military
 of the force.
 Federal security matters in all parts of the country in accordance
 with the Army Security Branches.
 will with the policy of movement control as required by economic
 transition and security.

ALBIE SECURITY - IN THE MIDDLE
 any and investigations connected with the whereabouts of individuals
 with them a necessary and clear angle.
 In cooperation with the military forces cooperate with the Italian
 Police agencies by the movement of law and order, control of movements
 of people, and assignments for monitoring and reporting where linked
 areas are concerned.

(b) THE ITALIAN COMMISSIONER - HEALTH MATTERS
 will be advised to the Chief Commissioner on all public health and
 administrative matters.
 will be referred to the Italian Ministry of Interior on public health
 and veterinary matters.
 will be controllers of the Italian Ministry of Health and questions of
 administrative nature.
 will be in policy as to distribution of medical supplies where these are
 derived from allied sources.

(c) THE ITALIAN COMMISSIONER - IN THE FIELD
 will be advised to the Regional Commissioner on all matters of health
 matters.
 will advise the Italian agencies concerned in distribution of medical
 supplies which are furnished from allied sources.
 In coordination with Public Health and local military commissions,
 will be the base for control of health and related diseases.

(d) THE ITALIAN COMMISSIONER - IN THE FIELD
 will be advised to the Ministry of Public Instruction on
 matters concerning education.
 will be the point of contact of matters of universities and the higher
 educational institutions in the Ministry of Education.
 will be the office with regard to the accreditation of teaching
 institutions, arranged with regard to the printing of textbooks.

(e) THE ITALIAN COMMISSIONER - IN THE FIELD
 will be advised to the Ministry of Higher Education in matters
 concerning the Italian Commission on matters connected with education.
 will be the office for the regional commission with military
 organizations with regard to the recognition of educational institutions.
 will be the office for the Italian Commission on matters connected with
 education.
 will be the office for the regional commission with military
 organizations with regard to the recognition of educational institutions.
 will be the office for the regional commission with military
 organizations with regard to the recognition of educational institutions.

(f) THE ITALIAN COMMISSIONER - IN THE FIELD
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 will be the office for the regional commission with military
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4. LEGAL AND SUB-COMMISSION - ITALY
See the sub-section title given by the Commission and High Command-
quarters with regard to the occupation by Allied troops of occupied
territories is carried out.

b) PAVED BARRACKS - HEADQUARTERS
To function.
However, should large numbers of patriots come through the lines
this Sub-Commission may have to take in hand the disposal, welfare
and care of them as well as conjunction with the Italian Government
in the case of prisoners of war.

c) DISPATCHED PERSONS SUB-COMMISSION - HEADQUARTERS
Work in close conjunction with the various international representa-
tives in all matters connected with the welfare and feeding of
displaced persons.

Coordinate with other Sub-Commissions of this Commission, and other
military Headquarters (both higher and parallel) movement of Italian
refugees. This involves both the primary evacuation and the eventual
repatriation of these persons.

5. This Section also coordinates the work of the Sub-Commissions
concerned in this Section and in the Economic Section with regard to evacuation,
mine clearance, and investigations etc. All Sub-Commissions are concerned with
supervising execution of the first-mentioned; various other Sub-Commissions are
concerned in the other two.

PART III

6. Functions of Sub-Commissions deriving directly from the presence
of Allied troops in Italian Government territory.

a) LEGAL SUB-COMMISSION

The setting up and conduct of Allied Military Courts. These
are necessary to deal with the cases in which Allied personnel and
stores are concerned. All such cases are reviewed in the Headquarters
office of the Legal Sub-Commission. It is pointed out that these
functions involve a considerable amount of work, and as an instance,
the recent necessity for setting up special courts in the Bari area
to deal with stealing from the ammunition dumps is noted.

b) PUBLIC SAFETY SUB-COMMISSION

Organise the assistance given by Italian police members to Provost
and other departments of the armies for the maintenance of law and
order among troops and the investigation of cases in which Allied
personnel and stores are involved.

Formulate the policy and supervision of the execution of measures
taken in V.I. control, and in any matters connected with the control
of movement necessitated by outbreaks of epidemic diseases for
security reasons.

c) PUBLIC HEALTH SUB-COMMISSION

Define the requirements and the measures to be taken by the
Italian Ministry of Interior in connection with epidemic and
disease control. **2669**

d) EDUCATION SUB-COMMISSION

Assist the Italian Government and determine the real requirements
of the education authorities in cases where educational buildings are

of the cases considered by it.

b) DETACHED ARMY'S SUB-COMMISSION - HEADQUARTERS.

Form in close conjunction with the various international representatives in all matters connected with the volume and feeding of allvaccines.

Coordinate with other Sub-Commissions of this Commission, and other military Headquarters (both higher and parallel) movement of Italian refugees. This involves both the primary evacuation and the eventual repatriation of these persons.

5. This Section also coordinates the work of the Sub-Commissions concerned in this Section and in the Economic Section with regard to emigration, and clearance and devastated areas. All Sub-Commissions are concerned with supervising execution of the first-aided; various other Sub-Commissions are concerned in the other two.

PAGE III.

6. Functions of Sub-Commissions deriving directly from the presence of Allied troops in Italian Government territory.

a) JUDICIAL SUB-COMMISSION.

The setting up and conduct of Allied military Courts. These are necessary to deal with the cases in which Allied personnel and stores are concerned. All such cases are reviewed in the Headquarters office of the local Sub-Commission. It is pointed out that these functions involve a considerable amount of work, and as an instance, the recent necessity for setting up special courts in the Bari area to deal with stealing from the ammunition dumps is quoted.

b) PUBLIC SAFETY SUB-COMMISSION.

Organize the assistance given by Italian police agencies to Provost Marshal detachments of the crisis for the maintenance of law and order among troops and the investigation of cases in which Allied personnel and stores are involved.

Regulate the relief and supervision of the execution of measures taken in V.D. control, and in any matters connected with the control of movement necessitated by outbreaks of epidemic diseases for security reasons.

c) PUBLIC HEALTH SUB-COMMISSION.

Determine the requirements and the resources to be taken by the Italian Ministry of Interior in connection with epidemic and **2669** disease control.

d) EVACUATION SUB-COMMISSION.

Assist the Italian Government and determine the real requirements of the education authorities in cases where educational buildings are about to be, or have been, requisitioned for military purposes.

e) REPAIRS & A. SUB-COMMISSION.

Are the channel through which settlement of cases arising from the occupation by Allied troops of communal and semi-monumental buildings are made.

Mainly of inspections of buildings so occupied.

C. L. BERTON, Brig,
VF Ci Section,
1905.

Mr. P.A. G.V.P. CA Secy. Gen. 1886.

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SECRET

DRAFT

Ref:- S/1 A/CA

SUBJECT:- Approval of the appointment of Italian officials by A.C.

TO:- Acting President, Allied Commission. 18 Nov '44.

1. It is requested that clarification may be obtained as to the policy which should be adopted by the Allied Commission in the approval of appointments made by the Italian Government in Italian Government territory, i.e. territory which has been handed back to the administration of the Italian Government and is no longer administered by Allied Military Government. For your information the following is a brief history of the policy hitherto adopted by the Allied Commission, and a statement of the present position

2. Shortly after the first handover of territory to the Italian Government which took place on the 11th February '44, there was an exchange of letters between the then Chief Commissioner, Lt.Gen. Sir Noel Mason MacFarlane and the then Prime Minister Marshal Badoglio. (Copies of these letters are at App. "A"). In effect by these letters it was agreed that all senior Government appointments would be subject to the prior approval of the Commission.

3. Details were worked out between the Sub-Commissions and the Ministries concerned as to the level down to which appointments made by the Italian Government would be subject to the Commission's approval. Appendix "B" Part I gives a list of offices as finally agreed between the Commission and the Government which were to be subject to the Commission's approval.

With regard to Sub-Commissions in the Economic Section, no detailed arrangements were made, but the practice grew up whereby the Ministries concerned did in fact submit for approval, to the appropriate Sub-Commission, appointments down to the level set out in App. "B" Part II.

4. The arrangements so made have worked quite smoothly in practice. It is fair to say that in the vast majority of cases no difficulty has arisen and appointments have been approved almost as a matter of course, but the right of approval has proved useful in practice, and occasionally approval for good reason has been withheld and the Italian Government has been required to submit another appointee for the office.

5. Recently, and in view of the change of name of the Commission, the Italian Government has requested that the practice be revised and they have submitted a very short list of offices which they suggest should be submitted to the Commission for approval. (App. "C") 2668

6. It appears to be a matter of overall policy as to whether or not the Commission should agree to the revised list. It is the opinion of the Civil Affairs Section that the list is too short, and that at any rate the names of directors of personnel in each Ministry

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6. It appears to be a matter of overall policy as to whether or not the Commission should agree to the revised list. It is the opinion of the Civil Affairs Section that the list is too short, and that at any rate the names of directors of personnel in each Ministry should be submitted to the Commission for approval. The main reason for this is that appointments in Allied Military Government territory are always made by the Allied Commission, but in practice the Italian Government is normally consulted over such appointments, and it seems desirable that the Director of personnel should be the person approved by the Commission.

7. In view also of the importance of the C.C.P.R. in Military Government territory, and the important negotiations now in train with

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regard to the reorganization of that body, it is suggested that the senior staff officers of the Commanding General CC.FB. should be subject to approval, and also appointments to the Court of Cassation, the supreme judicial body of the country.

8. In this connection it must be remembered that in the secret terms agreed between the Commission and the Italian Government on each successive restoration of territory to the administration of the Government, it is always provided that no person appointed by the Allied Military Government may be removed, except with the consent of the Commission. If policy demands that the Italian Government is to have greater latitude in future, then it would seem necessary to modify or abandon this term, because so many appointments involve removal or transfer which requires the consent of the Commission, and thus indirectly the Commission controls appointments in many cases on a far lower level than those indicated in Art. "B". Except as a matter of "amateur prudence" there does not seem to be any objection to abandoning this provision.

G. R. *[Signature]*

C. F. BRUCHI, Brigadier.
VE CA. Sec.
D. C. O. S.

4
APPROVED TO 2/14/CA dated 18 Nov 64

Ref: CC/P/134/000.1

20 March 44.

Recent events over certain appointments have shown that it is clearly desirable for us to have a mutually satisfactory arrangement to prevent misunderstandings and subsequent difficulties which it is in all our interests to avoid. I would suggest, therefore, that it should be agreed that you will let me know before any appointment to the Government is actually announced. Equally, I should be glad if you will impress upon all the members of your Government that they should, in turn, consult the appropriate authorities in the Allied Control Commission before making any senior appointments in their own departments either at the seat of the Italian Government or in those provinces under Italian jurisdiction. As they already enjoy close and friendly relations with the Sub-Commission with whom they work, this should be an easy matter to arrange. It is clear that each minister must be strictly accountable for all appointments in his department and the arrangement which I propose should be to their interests in carrying out the work which we are doing together.

I should be glad if you will let me know whether you are in full agreement with the proposals made in this letter. If so, I will give the necessary instructions to the various heads of Sections and Sub-Commissions of the Allied Control Commission as soon as you confirm that members of your government have been notified of our agreement.

H E Marshal Pietro Badoglio
Capo del Governo.

NOEL WILSON MACFARLANE,
Lieutenant General
Chief Commissioner.

Salerno, 13 March, 1944.

Dear General,

After having worked with me for quite some time, you know that it is my absolute decision to proceed in any matter in full accord with the Allied Control Commission over which you preside.

With regard to this, at next Thursday's Council of Ministers, I shall give definite orders to the effect that no government appointment be made without previous agreement with the Commission.

I hope that the same feelings prevail with the Control Commission toward us, so that it might be possible to come, in common agreement, to a revision of certain positions given to certain persons in the provinces recently turned over to the Italian Government, and which render nearly impossible a normal functioning of government.

With cordial greetings,

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With cordial greetings,

/s/ Badoglio.

To General Noel Mason MacFarlane
Chief of the Allied Control Commission,
Naples.

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APPENDIX "B" TO 9/14/64 dated 18 Nov 64.

LEGAL

First Presidents of Courts of Appeal
Councillors of Cassation and Appeal
Procuratori Generali
Sostituti di Procuratori Generali
Presidenti di Tribunali
Procuratori del Re
Primo Pretori (of towns of pop. 50,000)

INTERIOR

Prefects
Vice Prefects
Vice Prefect Inspectors
Consiglieri Primo Grado
Consiglieri Secondo Grado
First Secretary to Prefect
Special Secretary
Director of Religious Affairs
Sindaci of communes of
Town Clerk } - pop. 15,000

PUBLIC SAFETY

Legion Commanders CC, RR
Legion Commanders Guardia di Finanza
Questori Public Security Service.
Regional Directors Prison Service
Commandants (and upwards) Fire Service.

EDUCATION

Rectors
Professors (titular)
Presidi of Faculties
Academy Inspectors of
schools (local and centralised)
Heads of Divisions in Ministry
of Education
Provveditori
Presidi of Schools
Inspectors of Schools
University Lecturers.

PUBLIC HEALTH

Chief Medical Officer et
Ministry of Interior.

2129

64

App. 12 to 5/14/44. a. 16 Nov 44.

SUBJECT:- Level at which Appointment of Italian Officials should be approved by Allied Commission.

FINANCE: All appointments down to the level of Grade 4, Commissari, Direttori Generali, Segretaria Generale of banks, insurance companies and other finance institutions clothed with public interest. Other appointments which the Italian Government may believe to be of interest to the Commission.

PUBLIC WORKS AND UTILITIES: Appointments down to Grade 5 (Ispettori Generali del Genio Civile, Capo Compartimento, etc).

COMMERCE & INDUSTRY: Heads and Deputies of Direzioni Generali, titular and managing directors of industrial or parastatal institutions. Vice Commissaries of important companies.

LABOUR: Commissioners of National Insurance Agencies and other national agencies formerly linked into the Fascist cooperative structures concerned with such labour matters as welfare, assistance, protection and safety of workers. Appointments to the position of Regional and Provincial labour Director.

AGRICULTURE: Chiefs of Ministerial Bureaus such as Emifoca and Upsed, Compartimento officials of the rank of agricultural inspectors and Consorzio Agrario officials.

TRANSPORTATION: Director of Mercantile Marine, Principal Inspector of the General Inspectorate of civil motorization and transportation concessions. Director General of the Italian State Railways.

SHIPPING: Commissioners of the four subsidized Italian steamship companies, "Italia", "Abruzziana", "Tirrenia" and "Orionis", formerly "Illoyd Triestino".

FOOD: Direttore Generale dell'Alimentazione and the Head of the Ufficio Nazionale dell'Approvvigionamento e Distribuzione Alimentare.

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

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APPENDIX "C" TO O/IA/CA dated 18 Nov 44

- Ministri e sottosegretari di Stato
- Capo di Stato Maggiore Generale dell'Esercito
- Capo di Stato Maggiore Esercito
- Capo di Stato Maggiore Marina
- Capo di Stato Maggiore Aviazione
- Principali Rappresentanti diplomatici
- Alto Commissario per l'Epurazione
- Vice Alti Commissari per l'Epurazione
- Direttore Generale della Pubblica Sicurezza
- Comandante Generale dei Carabinieri

Added Suggestions:-

High Commissioners for Sicily and Sardinia.

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

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COPY

SECRET

3

AFHQ MESSAGE CENTER
INCOMING MESSAGE

WAR
Filed: 132147Z
Recd: 140236A

AFSC N 230/14
Jto

PRIORITY

FROM: AGWAR FROM THE COMBINED CHIEFS OF STAFF (BOSE MESSAGE)
TO : AFHQ TO WILSON FOR ACTION TO SHAFT VERSAILLES FOR EISENHOWER
TO CENTRAL DISTRICT UNITED KINGDOM BASE SECTION LONDON TO
BRITISH CHIEFS OF STAFF FOR INFORMATION

REF NO THIS MESSAGE: WX 82000 15 November 1944

✓ PAN 450

Extent to which you may have responsibility beyond that essential to the accomplishment of your military mission is under urgent consideration as previously requested in your NAF 778 and as supplemented by NAF 810.

Pending issuance of instructions to you by the Combined Chiefs of Staff, you will take no steps to change the basis on which your Headquarters approves for submission to the Combined Chiefs of Staff requirements for essential civilian supplies as being within military responsibility.

NAF 778 Ref FX 24540 MC OUT 3390 C/S 13-9-44
NAF 810 Ref FX 46787 MC OUT 111 1-11-44 G-5

ACTION: G-5

INFORMATION: SGS IS&PS G-1 USPOLAD
G-3 G-4 CAO MR. MACWILLAN
MAAF USN CINC NoD RECORDS

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

Reckless

TOP SECRET

Admin Sec

2a

AFHQ

HQ ACC

S-328

TOP SECRET 1331/1944

PRIORITY

ACTING CHIEF COMM.

12 SEPT

IF FUTURE OF ALLIED CONTROL COMMISSION IS UNDER DISCUSSION REQUEST FOLLOWING POINTS
 CMA WHICH REPRESENT VIEWS OF MYSELF AND STAFF CMA BE CONSIDERED CLM PARA ONE PD SO
 LONG AS HOSTILITIES CONTINUE IN ITALY CMA ALLIED CONTROL COMMISSION REMAINS FUNDA-
 MENTALLY UNCHANGED EXCEPT FOR CIVILIAN INFILTRATION MENTIONED IN MEMORANDUM
 ACCOMPANYING BY LETTER ABLE SLANT CHARLIE CHARLIE THREE TWO ONE OF FOUR AUGUST PD
PAKEN TO AFHQ PERSONAL FOR SACMCD CMA UNCLE SUGAR POLITICAL ADVISOR AND BRITISH
RESIDENT MINISTER FROM HQ ACC FROM STONE PERSONAL PAREN ACC CONTINUES POLICY GRADUAL
 DELEGATION RESPONSIBILITY TO ITALIAN GOVERNMENT PD PARA TWO PD PAREN ABLE PAREN AT
 END HOSTILITIES IN ITALY CMA IF ALLIED POLICY IS TO RETAIN CONTROL OF AFFAIRS HERE
 UNTIL PEACE TREATY CMA I ASSUME PRESENT ARMISTICE WOULD EITHER REMAIN IN FORCE OR
 ANY ALTERNATION IN ITS TERMS WOULD PRESERVE PRESENT SAFEGUARDS TO ALLIES PD ALLIED
 CONTROL COMMISSION WOULD THEN REMAIN AS PROVIDED IN PRESENT ARTICLE THREE SEVEN BUT
 IN DIMINISHED FORM WITH EMPHASIS ON RECONSTRUCTION RATHER THAN ON CONTROL PD SERVICE
 SUBCOMMISSIONS CONTINUE AS PART OF ACC FOR OBVIOUS REASONS SEMCLN ECONOMIC BOARD
 ON LINES OF NAJES AND MASC SET UP CMA DEPENDING FROM ACC SEMCLN REMAINING SECTIONS
 AND SUBCOMMISSIONS EXCEPT AFA AND POSSIBLY PROPERTY CONTROL LIQUIDATED PD THIS BOARD
 COULD ALSO CALL FORWARD AT REQUEST OF ITALIAN GOVERNMENT SPECIAL ALLIED MISSIONS TO
 DEAL WITH PARTICULAR INDUSTRIES CMA FACTORIES CMA ETC PD PARA PAREN BAKER PAREN
 IMPORTS AND EXPORTS OF ALL KINDS INITIALLY TO BE PLACED IN HANDS OF AGENCY SUCH AS

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TOP SECRET

La

OUTGOING MESSAGE NO. 3-328, 12 SEPT 44, continued:

UKEC AND USOC PD ECONOMIC BOARD WOULD HAVE CONTROL OVER THESE AGENCIES AND RIGHT OF
 SCOURTRY INTO PROPER DISTRIBUTION AND EMPLOYMENT OF IMPORTS PD PARA PAREN CHARLIE
 PAREN CHIEF COMMISSIONER WITH SMALL STAFF WOULD REMAIN AS DEPUTY PRESIDENT UNDER
 AUTHORITY SACRED AS PRESIDENT BENCLN RELATIONS WITH ADVISORY COUNCIL UNCHANGED PD
 THE COMMISSION WOULD IN FACT REVERT TO SMALL MISSION FOR CONTROL OF ARMISTICE TERMS
 BUT WITH IMPORTANT ECONOMIC RESPONSIBILITIES PD IT IS ASSUMED THAT AT THIS TIME THE
 ITALIAN GOVERNMENT WOULD HAVE THE RIGHT TO COMMUNICATE WITH OTHER GOVERNMENTS THROUGH
 DIPLOMATIC CHANNELS ON MATTERS WHICH DO NOT FALL WITHIN THE SCOPE OF SACRED CMA
 ALTHOUGH USUAL DIPLOMATIC RELATIONS MIGHT NOT BE FULLY RESTORED PD PARA THREE PD
 AS COROLLARY TO ABOVE IT MIGHT BE DESIRABLE TO OFFER TO ITALIAN GOVERNMENT SERVICES
 OF FEW HIGHLY QUALIFIED ALLIED ADVISORS CMA ONE OR TWO TO EACH MINISTRY PD THESE
 ADVISORS WOULD BE NOMINATED BY ALLIED NATIONS AT REQUEST OF ITALIAN GOVERNMENT
 WHOSE SERVANTS THEY WOULD BE AND ON WHOSE PAY ROLL THEY WOULD COME PD THEY WOULD BE
 ADVISORS AND NOT CONTROLLERS

AUTHENTICATED:

ELLERY W. STONE
 Captain, USNR
 Acting Chief Commissioner

DISTRIBUTION:

- Hon. Alexander Kirk
- Sir Noel Charles
- V.P., Economic Section
- V.P., Administrative Section
- V.P., EC & MG Section
- V.P., Political Section

2661

Hq. & C.C.	Sec'y Gen.
DISPATCHED	
Date: 12 Sept	
Time: 12:00	
Sigs MRK	

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

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HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394

SECRET

Office of the Executive Commissioner,

(12)

30th July 1944

Vice Presidents,
Administrative Section.
Economic Section.
Political Section.

Herewith for your information copy of a memorandum I have submitted to the Acting Chief Commissioner expressing my views on the proposals and discussions which have taken place in the last few days.

Captain Stone wishes to forward the memorandum to AFHQ after discussion with Vice Presidents at the V.P.'s Meeting tomorrow.

M.S. Stone

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HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 39.

16

MEMORANDUM:

29th July 1944.

1. At this stage of the war it is natural to examine the future of the Allied Control Commission in its relations with the Italian Government, and with the Allied military forces, and its functions in Italy.

2. The objectives of Allied Military Government have been described as follows:-

- (a) To relieve combat troops of the necessity of providing for civil administration.
- (b) To restore law and order and normal conditions among the civil population as soon as possible, procure the necessary food supplies for them and where necessary provide relief and maintenance for destitutes within available resources.
- (c) To assist in making available to the occupying forces the economic resources of the occupied territory.
- (d) To promote political and military objectives of the Allied Forces in connection with future operations through efficient government of the territory and the application of the policies toward the civil population laid down by the Commander in Chief.

3. The functions of the Allied Control Commission laid down in AAFQ Administrative Memorandum No. 7, dated 2. November, 1943, were also defined as follows:-

- (a) To enforce and execute the instrument of surrender under the orders and general directives of the Allied Commander in Chief.
- (b) To insure that the conduct of the Italian Government conforms to the requirements of an Allied Base of Operations, especially transportation and communications.
- (c) To be the organ through which the policy of the United Nations towards the Italian Government is conducted and the relations of the United Nations with the Italian Government are handled.

4. On the amalgamation of the Allied Control Commission with the Allied Military Government which took place last February, the Allied Control Commission

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- (d) To promote political and military objectives of the Allied forces in connection with future operations through efficient government of the territory and the application of the policies toward the civil population laid down by the Commander in Chief.

3. The functions of the Allied Control Commission laid down in AFHQ Administrative Memorandum No. 74, dated 2. November, 1943, were also defined as follows:-

- (a) To enforce and execute the instrument of surrender under the orders and general directives of the Allied Command in Chief.
- (b) To insure that the conduct of the Italian Government conforms to the requirements of an Allied Base of Operations, especially transportation and communications.
- (c) To be the organ through which the policy of the United Nations towards the Italian Government is conducted and the relations of the United Nations with the Italian Government are handled.
4. On the amalgamation of the Allied Control Commission with the Allied Military Government which took place last February, the Allied Control Commission undertook all these responsibilities. Many of the objectives of Allied Military Government are applicable to advisory control maintained by the Allied Control Commission in territory handed over to the Italian Government, particularly with regard to maintenance of law and order and the economic resources of the territory.
5. The functions of the Allied Control Commission as regards both Allied Military Government and advisory control are governed primarily by the operational

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