

Declassified E.O. 12356 Section 3.3/NND No. 785017

ACC

10000/109/229
(VOL. I)

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DL. I)

ADVISORY COUNCIL
OCT. 1944 - AUG. 1945

2382

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77

Excess.

Acknowledgment 170 p

CC's signature.

11/6

Signer see 76.

A/Executive Commissioner
92

Three folios 91.

CSO.

6 p.

7/2 Nov. 2

MS/107

99

Executive Commissioner

folio 98 p. signature

signed, see 70.

92
A/Executive Commission

Three folios 91.

CSO.

6/7.

7/2 Nov. 2

7/2/17

99

Executive Commission

folio 98 in Appendix

23/7/45.

CSO.

815

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COS To see 35. Feb 2 Feb, Mr 42

36
33

40

Ex Com To see folio 39. Feb 27 Feb W 13

52

A Volume

CC's report to Planning Council
at 51. A slight error in p 48.

by 10/4

11/4 minus 2

65

Navy S/C

To note folio 64.

16th May.

Mr. Stewart
Mr. Ald

66

From this Commission

234

8

H/Selene

cc's report to Attorney General
at 51. A slight error in p 48.

10/14

11/4 noted. 2

65

May 5/6

To note folio 64.

16th May.

[Signature]
M. J. A. D.

66

Executive Commission

Folio 64 noted by all
members of Navy Sub-Commission

22 May

[Signature]
Lieutenant

01/

239

At Cost
Clear of demands

88. 8/11

8/11 noted. 2

21

COS

Advancing Com. cit. 17 Nov. 1030 hrs.

Rule 20. Excluded ✓
16/11

29.

COS

cc's ACI Speed. in 19/11

opposite.

8/22/11

30.

Should we not have a complete file containing
the Chief Commissioner's address to the AC from
the time of the time? Historically such a file

Page 20.

Encl

✓

16/11

29.

COS

cc's ACI Speed on 19/11

opposite.

20/11

30

Should we not have a complete file containing the Chief Commissioner's addresses from the beginning of time? Historically such a file should certainly exist.

MS (20/11/44)

31

013

Spoke with COS & explained that CC had a file which would be done. Cannot go to Richards. No action necessary.

26/11

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537 Ex. Comm R.

FORWARDED BY THE CHIEF COMMISSIONER
Office of the Chief Commissioner
AFO 394

CC 200

POLITICAL REVIEW BY HON. JUDITH WILSON, M. STONE
for presentation at the
List of Members of the Advisory Council for Italy, 12th August 1945

Attention:

AUG 15 1945

During the four months since their Council last met, three major events have occurred which have transformed world thought, almost to the exclusion of all else. I refer to the labour victory in the general elections in Great Britain, the conclusion of the Italian truce and the cessation of hostilities with Japan following the spectacular position of the use of the atomic bomb by the United States Air Force and the dramatic time of Russia's declaration of war on Japan. All these historical developments have aroused the greatest interest. I might almost say excitement, in this country. The outcome of the British general election was generally anticipated, rightly or wrongly, as a development of the greatest importance to Italy and the left-wing parties in particular hailed the British Government's move to the left as an augury of better treatment for Italy and greater comprehension of her difficulties. Some reports even went as far as to claim that the British Labour victory was in fact an Italian victory. Sir Horace Wilson called it a 'peaceful revolution' and proclaimed it as the 'greatest political event in Europe since the victory against Germany'. The recent words of Mr. David to the effect that 'Italy should not be treated as if Mussolini were still in power' have also been recalled widely in the Italian press.

The communiqué issued at the conclusion of the London meeting, with its

with Japan following the spectacular reversions of the end of the strategic bomb by the United States 15 hours and the immediate armistice of Russia's declaration of war on Japan. All these historical developments have aroused the greatest interest. I might almost say excitement, in this country. The outcome of the British general election was generally interpreted, rightly or wrongly, as a development of the greatest importance to Italy, and the left-wing parties in particular hailed the British Government's move to the left as an augury of better treatment for Italy and greater recognition of her difficulties. Some papers went so far as to claim that the British Labour victory was in fact an Italian victory. Senator Rossi called it a 'seasonal revolution' and proclaimed it the 'greatest political event in Europe after the victory against Germany'. The recent words of Mr. Berlin to the effect that 'Italy should not be treated as if Mussolini were still in power' have also been recalled widely in the Italian press.

2. The committee closed at the conclusion of the Petrosan meeting with its specific reference to the 'act played by Italy in the war against Germany and its promise of the early negotiation of a peace treaty with Italy after which her application for a seat amongst the United Nations would be considered by the Big Three'. has given wide-spread satisfaction. The President of the Council made a statement expressing his pleasure at the recognition accorded to Italy for her efforts to acquire the democracy and his gratitude to the Allies for recognizing Italy's needs. He sounded a note of warning, however, when he went on to say that he hoped that the nation's 'just aspirations

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 (C. A. ...)

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could be satisfied in the peace treaty.

5. As regards the end of hostilities in the Far East, the Italian press has given voice to feelings of gratification at the return of peace to the world mingled with a large measure of apprehension at the possible use to which the newly discovered atomic bomb may be put in the future world organization. The President of the Council, with his eye naturally on Italian needs, said in a statement that he hoped that the end of the war with Japan would mean the release of more tonnage for the transport of food supplies, coal and raw materials to Italy.

6. Although, as I have said, the main centres of interest have been outside Italy, the Italian Government have not been idle during the past month. Mr. De Gasperi, during the second half of July the Council of Ministers approved a number of decrees of an organizational nature for the setting up of the new ministries, the creation of which was decided during the June cabinet crisis. Thus the Council has approved the draft decree for the setting up of the Ministry of the Constituent Assembly and has outlined its functions. The new Ministry is charged with the preparation for the convocation of the Constituent Assembly and with drawing up a programme for the new political order of the state and the lines of its economic and social future. A commission for the study of the election laws will also be formed within this Ministry. It was a long-drawn out and delicate business for the Council to reach agreement on this basic instrument, because both the Liberals and the Christian Democrats made every effort to limit the apparent tendency of the

material to Italy.

6. Although, as I have said, the main centres of interest have been outside Italy, the Italian Government have not been idle during the past month. Not have the political situation. During the second half of July the Council of Ministers approved a number of decrees of an organizational nature for the setting up of the new Ministries, the creation of which was decided during the June cabinet crisis. Thus the Council has approved the draft decrees for the setting up of the Ministry of the Constituent Assembly and has outlined its functions. The new Ministry is charged with the preparation for the convocation of the Constituent Assembly and with drawing up a programme for the new political order of the state and the lines of its economic and social future. A commission for the study of the election laws will also be formed within this Ministry. It was a long-drawn out and delicate business for the Council to reach agreement on this basic instrument, because both the liberals and the Christian Democrats made every effort to limit the apparent tendency of the Socialists and Communists to give too much executive power to the new Ministry. On the 18th July the Council of Ministers approved the decrees setting up the Ministry for the Constitutive Assembly and the Ministry of Post-War Relief.

On the 27th July the decrees laying down the functions of the new Ministry of Food and the Ministry of Labour and Welfare were also approved. In addition to these measures, the Council of Ministers debated on July 28th and agreed to address a formal request to the Allied Governments for the early resumption of Italy of the powers of the Government for their treatment in the meantime as free zones. Measures for the assistance of Partisans and Repatriates were approved at the Council Meeting of August 7th as were also the budgets of the various

5. During the week program was reported on the preparation of the Consultative Assembly and it was given out that the parties had submitted their lists of representatives and that the new body might be expected to meet early in September.

5. The Minister of the Treasury, Signor Soleri, died suddenly in Turin on July 23rd while on a tour of the North for the purpose of popularizing the sale of Government bonds. His loss has been much regretted both in Italian and Allied circles. Senator Federico Picci also of the liberal party has been appointed to succeed the late Signor Soleri. He is well known for his opposition to Fascist financial policy and is reported to be a good administrator. During last week it was announced that Signor D'Amico Tosi, Under Secretary for Foreign Affairs, had been appointed Italian Ambassador to Warsaw. His place in the Ministry of Foreign Affairs will be taken by Signor Celeste Negerville who is also a member of the Communist Party.

6. During the month, Signor Parri has made several visits to various parts of Italy. Perhaps the most important was his trip to Sicily on July 22nd. At Palermo he was met by the High Commissioner, Signor Aldisio, and at once met the assembled economic and political representatives of the island. He told them that his administration made no promises which it could not keep but that it would do all in its power to solve Sicilian problems, which, he pointed out, were more or less the same as in all the other regions of Italy but deserved priority because of the bad treatment received by the island in the past. The setting up of a Sicilian Consultative Assembly represented the first step towards regional autonomy. He added

tion to Fascist financial policy and is reported to be a good administrator. During last week it was announced that Signor Bugnion Ceola, Under Secretary for Foreign Affairs, had been appointed Italian Ambassador to Warsaw. His place in the Ministry of Foreign Affairs will be taken by Signor Oreste Megarville who is also a member of the Communist Party.

5. During the month, Signor Ferri has made several visits to various parts of Italy. Perhaps the most important was his trip to Sicily on July 22nd. At Palermo he was met by the High Commissioner, Signor Alcide, and at once met the assembled economic and political representatives of the island. He told them that his administration made no promises which it could not keep but that it would do all in its power to solve Sicilian problems, which, he pointed out, were more or less the same as in all the other regions of Italy but deserved priority because of the bad treatment received by the island in the past. The setting up of a Sicilian Consultative Assembly represented the first step towards regional autonomy; the next would follow in due course. He added that he would keep in mind the necessities of the island when distributing public works.

6. Signor Ferri made an important statement on Venezia Giulia on August 6th when he received a delegation from that area. He told the delegation that he intended to ask the Allies to consider reviewing the existing conditions under which the Italian Government are powerless to do anything for the inhabitants of the region. He hinted that he would ask that at least an Italian observer might be allowed to go to Trieste. In commenting on this interview, Signor

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Turchio, in the Giornale del Mattino supports Signor Parri's attitude and emphasis is that while the situation has undoubtedly improved since we have been set up in Rome, Italy, it should be borne in mind that the situation still is not definitely decided otherwise, we still are part of Italy.

6. While Signor Parri was in Palermo, Signor Menni paid a visit to Milan, primarily in order to make speeches on the need for the issuing of grain and for supporting the sale of Government Treasury bonds. In fact, he also spoke at great length on the Constitution Assembly and on July 2nd he finally stated that the Socialist Party should demand that the Constitution Assembly should decide in favor of a Republic since only a Republic could be a true guarantee of democracy. Since this statement was in fact a breach of Signor Menni's oath as a member not to raise the institutional question until the will of the country could freely express its views, I pointed out verbally to Signor Parri, as instructions from the Supreme Allied Commanders, that such violations of their oaths by ministers was not likely to induce confidence in the Italian Government on the part of the Allied Governments. Signor Parri agreed that the speech he in fact had undertaken to reproach Signor Menni accordingly.

7. In the political field, the most important events were the elections of the National Council of the Socialist Party and the National Council of the Christian Democrat Party. The former took place in Rome from July 21st to August 1st. Ostensibly convened in order to listen to the political report of the Party Executive and to elect new members to the Executive for the ensuing year, the Congress in effect devoted the greater part of its time to the discussion of the need for the creation of a single working class party.

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to favor of a Republic since only a Republic could be a true protector of liberties. Since this statement was in fact a breach of Signor Badoglio's oath as a Minister not to reveal the institutional position until the role of the country could freely express its views, I pointed out verbally to Signor Badoglio, as instructions from the Supreme Allied Commanders, that such violations of their oaths by Ministers was not likely to induce confidence in the Italian Government on the part of the Allied Governments. Signor Badoglio stated that the speech he had made was undertaken to remove Signor Badoglio's name from the political field, the most important reason being to avoid the possibility of the National Council of the Socialist Party and the National Council of the Christian Democrat Party. The former took place in Rome from July 1st to August 1st. Obviously convened in order to listen to the political report of the Party Executive and to elect new members to the Executive for the ensuing year, the Congress in effect devoted the greater part of its time to the discussion of the need for the creation of a single working class party.

Signor Tagliacozzi and members of the Communist Party Executive attended all

the meetings of the Congress and Signor Tagliacozzi in a speech of greeting and

congratulation on the first day of the Congress struck the note which was to dominate the rest of the discussions. His appeal for the fusion of the Socialist and Communist Parties was developed at great length by Signor Badoglio and others. There was radically no discussion of crucial Italian domestic or international issues nor of reconstruction nor of relations with other parties. The Congress was characterized by continuous reference to the Marxist tradition.

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to proletarian unity and to the function of the middle class. It was quite clear that many of the party delegates present were unhappy at the prospect of fusion with the Communist party. However, when the Congress was asked to choose between two motions signed respectively by Signor Pertini, former Secretary of the Socialist Party of Northern Italy, and Mr. Signorini Biliore and Saragat, the former won 76% of the votes. The Pertini motion asked for all the working masses of the country to form a single bloc as soon as possible and urged that all the organs of collaboration between the two parties be strengthened and new offices of liaison created. The Biliore motion emphasized the need for the closest collaboration with the Communist Party on the basis of the pact of unity of action but at the same time expressed the need for safeguarding the political independence and autonomous administration of each party. Immediately after the conclusion of the Congress, the Executives of the two parties met in joint session and set up a "board of management" for the smooth functioning of the pact of unity of action. Although there is reason to believe that many Socialists are still opposed to this policy, despite the fact that they voted for the Pertini motion at the time, I think we must expect an ever-increasing drive towards fusion in the near future.

10. The National Council of the Christian Democrats met from July 31st to August 3rd. Apart from routine business the discussions were devoted to foreign policy and to the institutional question. Signor de Gasperi, Secretary General of the Party, spoke on two occasions on foreign affairs. He asserted that the Christian Democratic Party was as desirous as any other party for close collaboration with Soviet Russia and that the charges of hostility brought by the left-wing parties were completely without foundation.

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In the wider field of international affairs he warned the Congress that there were signs that the peace might have a "unitive" character for Italy. The indications were that future international arrangements would be based not on collaboration between the nations but on the supremacy of the great nations over the small ones and in particular over those who for a time had been their enemies. Signor de Gasperi also spoke on the problems of Venezia Giulia and Venezia Tridentina and emphasized the essentially Italian character of those regions. On the question of the future political structure of the state,

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Signor de Gasperi took the line that the party had never hindered the expression of individual monarchist or Republican sentiments, but that it was not within the competence of the National Council to commit the party as a whole to either solution. This statement was challenged by many of the delegates, many of whom asserted that the majority of the members of the party were in favor of the Republic. At the conclusion of the Congress' business, resolutions were passed on a number of subjects including one which took note of the views of those delegates who were in favour of the Republic and pledged the National Council to institute an enquiry in order that the question might be clarified in time for the forthcoming National Congress of the Party.

11. In the economic field the most important news of the past month is the restoration of virtually complete freedom of foreign trade to the Italian Government as from August 1st. All activities of the Allied Commission with respect to exports from Italy, with the exception of Venezia Giulia, ceased as from July 31st. The Commission will no longer serve as a channel of communication for export orders. Hereafter, all countries are free to deal directly with the appropriate Italian Government export authorities or with private Italian dealers subject only to such regulations as the Italian Government at themselves may impose. The United Kingdom will use both the British Embassy and private British dealers in its trade relations with Italy. British Government purchases will be made through the British Embassy while private British buyers will contact the appropriate Italian authority. For the time being, the United States Government will act as the

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programs already formulated for Italy by conflicting export activities, all Italian declarations of exportable surpluses will be examined by the Allied Commission. 2) In the interests of the United Nations' world-wide war economy, any goods falling under the Reserved Commodities List of the Combined Chiefs of Staff in Washington, will be exported only to specific countries. The list in question in one of articles in short supply throughout the world and to which Allied military necessities have prior claim. 3) Exports from AMG areas will be handled by the general agency established by the Italian Government as part of one economic unit but such AMG-area exports will be subject to AMG approval under the powers of military government so long as AMG authority prevails in the territory. 4) No dealings will be had with firms on Allied "black lists".

The Allied Commission will cease making reports on exports but will keep itself informed as to the amounts and destinations of exports and of the value of foreign exchange placed to Italy's credit by different countries.

The abolition of restrictions on Italian foreign trade has come about as a gradual evolution under the guidance of the Allied Commission, the first step having been to authorize government-to-government trade dealings with practically all Allied and neutral countries under arrangements somewhat similar to those used by the United States and the United Kingdom themselves.

That, Gentlemen, concludes my report.

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Government is part of one economic unit but such AMS-area exports will be subject to AMS approval under the powers of military government so long as AMS authority prevails in the territory. 4) No dealings will be had with firms on Allied "black lists".

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That, Gentlemen, concludes my report.

ADMINISTRATION:

Chief of Secretariat, Advisory Council (2)
 U.S. Representative, ACI
 British Representative, ACI
 Soviet Union Representative, ACI
 French Representative, ACI
 Yugoslav Representative, ACI
 Greek Representative, ACI
 Political Adviser (A), AC
 Political Adviser (V), AC (7)
 Executive Commissioner, AC
 CC Files
 British Resident Minister, AFHQ
 American Political Adviser, AFHQ
 G-5, AFHQ (2)

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JUL 21 1945

WALLINGTONS A UNIT COMMISSION
1100 of the CHIEF COMMISSIONER

SEC 206

POLITICAL REVIEW OF THE AMERICAN PRESS
for presentation at the
LOW MEMBERS OF THE ADVISORY BOARD FOR ITALY, 21 JUL 1945

Gentlemen:

Since the last meeting of this board, the Americans, although continuing to manifest an interest in the problem, have shown perhaps even a greater interest in Italy's so-called "information situation". The essence of the big time meeting was the occasion for a number of steps: 1) the Revolutions, taken collectively, with the hope of a new judicial position for Italy vis-a-vis the United Nations. A few more deals were during the United Nations Conference on the Prevention, Reduction and Elimination of War, and most of the present meeting was for the inclusion of Italy in these deliberations. Besides, when the Conference concluded, with no action having been taken concerning Italy, hope was being placed on the side. There's nothing as before the next occasion of which Italian claims might be brought forward.

In this connection, publicity has been given to various emanations from the capital of the United Nations, particularly manifesting and leading, concerning the possibility of a revision of Italy's status. Special attention has been paid to reports of the approach by the Foreign Affairs Committee of the House of Representatives on July 11 of a resolution introduced by Representative McCauley of New York providing for the inclusion of Italy to the United Nations and making the President of the United States to exert his influence to attain this end. The Italian Government in the present has naturally been brought forward.

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United Nations Conference on the Environment, various reports of the United Nations and part of the press were reported, along for the first time of Italy in these deliberations. However, when the document was submitted, with no action having been taken concerning Italy, there was considerable surprise at the time of the meeting on being the first resolution on which Italian abstained.

In this connection publicity has been given to various resolutions from the majority of the United Nations, particularly the resolution on the environment, the possibility of a revision of Italy's status. Such an attempt was made in the reports of the press by the Italian officials, but steps of the United Nations representative on July 10 of a resolution introduced by the representative of the United Nations for the resolution of Italy to the United Nations and making the President of the United Nations to meet his influence to attain this end. The Italian Government in the press have naturally maintained a dignified silence on any information that might tend to support their hopes that discussion of the status of Italy will become apparent so any agenda of the United Nations Conference, as well as especially the United Nations will result in the continuation of the armistice regime.

Italy, during the period under review, also took the steps international union of the United Nations, which has been the subject of the United Nations Conference on July 15 and the continuation of the United Nations Conference on July 15. Mention to the celebration of the United Nations Conference on July 15.

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 23/7

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high has an important impact on a whole lot of the population. The
informed citizens in the of a government or political organization have a right
that belongs to the non-armed forces government, the individual being that
that person be removed from office and to be replaced.

A 1 edition, however, the Government has provided in order to protect
the stability and continuity of the Government of the United States. The
President, the principal political authority in the United States, has
the responsibility of the Government of the United States. The Government is the
Executive branch. As you recall, those who have been elected to the
President of the United States for the "United States" and those for
the "Communist", and the other 1 at Washington for the right to elect to
the office directly and to elect the "United States" to elect the
Government to elect into office. There is a "United States" which is the
provisional Government of the United States. The United States has elected
of the personnel form of the Government of the United States. The
United States of America is a free country. Its organization has been the object
of other people. A direct election has already been taken up and is being
the most composition of the "United States" and provision for representation to be
granted to each of them. On the one hand, the United States has elected the
United States and several portions of the country. The United States has elected
persons from which will be elected, namely the political parties.
The United States has elected the United States and several portions of the
United States, cultural, religious and other organizations have been maintained.
Some criticism has been made of the election portion of the Government.

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 given to representatives of the Council, who will probably have an important role to play in the organization of the Council. It is important that the Council be able to function effectively in the future. It is important that the Council be able to function effectively in the future. It is important that the Council be able to function effectively in the future.

Calling of the Council is probably to be naturally a very complex problem. The Council will have to be able to function effectively in the future. It is important that the Council be able to function effectively in the future. It is important that the Council be able to function effectively in the future. It is important that the Council be able to function effectively in the future.

As you will recall, I was, in addition to his position, Minister for Council of the Council, and he has already been able to obtain the approval of the Council to a number of the Council's proposals. It is important that the Council be able to function effectively in the future. It is important that the Council be able to function effectively in the future. It is important that the Council be able to function effectively in the future. It is important that the Council be able to function effectively in the future.

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Council of Ministers announced that it intended to discuss the plan on July 28. The President of the Council has also continued to play an especially active role, and visited Naples on July 3 and 4 where he addressed the Chamber of Deputies and members of the Allied Forces plant. Following his return to Rome he asked the Council of Ministers to make arrangements whereby the members of the Government might maintain closer touch with the different problems affecting all of the regions of Italy, and in this connection announced his own intention of visiting Sicily toward the end of this month and Sardinia in August.

On July 16 the Italian Government also made a statement following a meeting of the Council of Ministers to the effect that the preparation of electoral lists would begin on July 15 in northern Italy. This is being effected through the ANI organization. At the same time it was stated that preparation of the lists was almost completed in southern and central Italy and that in Tuscany and Umbria where work on the lists had started fairly recently, they would be completed in September. Various statements have appeared recently in the press emphasizing the importance of Italy, in her national reorientation toward democracy, of holding general elections as early as possible. All of the political parties appear to be agreed that this is the most important single political question to be faced at the present time.

Disorder in various parts of the country have been a problem both for the Italian Government and for Allied Military Government. The disorders in Apulia which I mentioned during my last review have quieted down and no recurrence of trouble has occurred there recently. However, some dissatisfaction still exists with the situation in that area and not only the opposition

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Disorders in various parts of the country have been a problem both for the Italian Government and for Allied Military Government. The disorders in Aquila which I mentioned during my last review have quieted down and no recurrence of trouble has occurred there recently. However, some dissatisfaction still exists with the situation in that area and not only the opposition but the liberal and Christian Democrat newspapers as well have stressed the failure of the official campaign to collect arms from civilians who were in illegal possession of them. Officially the final word on this situation came in the report given on July 7 by the Minister of Finance to the Committee on the structure of the system of land administration in Aquila as the basic cause of the economic plight of the area, which in turn resulted in civil disturbances. On July 9 another report of violence was reported from Sarno in the Province of Salerno, where fifteen Italian soldiers were stated to have

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trucks into the area. Police and the Navy killed forty-seven political prisoners and wounded an additional twenty-one. The National Commissioner for Human Rights reported to the Senate of the Government and gave a statement condemning in strong terms the actions of the government, following which the opposition press in Bonn attacked the Government for its failure to make a similar statement condemning such human rights violations. The press has also reported extensively another incident in which a crowd was stated to have broken into an Allied Military Government courtroom where five other alleged participants were being tried for failure to turn in arms in violation of AMG orders and for other offenses. However, in this case order was quickly restored and the trial has continued without incident.

That, Gentlemen, concluded the report.

MEMORANDUM:

- Chief of Secretariat, Secretary General: (2)
- U.S. Representative, AGI
- British Representative, AGI
- Soviet Union Representative, AGI
- French Representative, AGI
- German Representative, AGI
- Other Representative, AGI
- Political Advisor (A), AGI
- Political Advisor (B), AGI (7)
- Executive Commissioner, AGI
- CC File

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has not been without incident.

That, Gentlemen, concludes my report.

DISSEMINATION:

- Chief of Executive, Advisory Council (2)
- U.S. Representative, ACI
- British Representative, ACI
- Soviet Union Representative, ACI
- French Representative, ACI
- German Representative, ACI
- Italian Representative, ACI
- Political Advisor (4), ACI
- Political Advisor (5), ACI (7)
- Executive Commissioner, ACI
- ACI Files

Declassified E.O. 12356 Section 3.3/NND No. 785017

CC 115

10 July 1945.

JUL 11 1945

SUBJECT: Proposed Yugoslav and Greek Members on Allied Commission.

TO : The Secretariat, Advisory Council for Italy.

I have the honor to inform you that on 7 July I received advice from the Headquarters of the Supreme Allied Commander, Mediterranean, that the Combined Chiefs of Staff concur in the recommendation put forward by the Headquarters of the Supreme Allied Commander, Mediterranean, that in present circumstances neither proposal be approved.

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

cc: American Ambassador
British Ambassador
Political Adviser (A)
Political Adviser (B)
Executive Commissioner

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re return (see below)

JUL 6 1945

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

APR 39A

POLITICAL REVIEW BY REAR ADMIRAL WILLIAM W. STONE

for presentation at the

39th MEETING OF THE ADVISORY COUNCIL FOR ITALY, 6th JULY 1945

Conclusion.

1. At the last meeting of this Council, you will recall that I broke off my narrative of the Government crisis at the point when Signor Tomasi placed his resignation in the hands of the (discretion of the Queen on June 10th. As you are aware, since that date a new Government has been formed under the presidency of Signor Mussolini and has begun its labours. You may perhaps be interested to hear a brief account of the final phase of the crisis before I deal with the composition of the new Government and its programme.

2. With Signor Tomasi's resignation the Government crisis was officially opened and the Lieutenant of the Duke succeeded the President of the Senate and the President of the Chamber and leading politicians to the Quirinale for the formal consultations which are laid down in the constitution in such circumstances. It seems that the Prince's supporters and the right wing parties were at this stage in favour of a Government headed by the aged Senator Benedetto Croce supported by technical experts drawn from the parties and classes. In the meantime, during the morning of the 15th June the delegation of the Chamber, which you will recall was in Rome at the time, passed a resolution calling for action on a three-point programme namely, the designation of Signor Parri as President of the Council, the representation in the new Government of all the political forces in the Committee of National Liberation, including such leaders as Signor Togliatti and as Crociani and finally the

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attributed to him a brief account of the final phase of the crisis before
sent with the completion of the new arrangements and its resolution.

With Signor Norcia's resignation the Government crisis was officially
opened and the lieutenant of the President of the Republic of the Republic
and the President of the Chamber and leading politicians to the Chamber for
the formal consultation which was laid down by the constitution in such cir-
cumstances. It seems that the President's supporters and the right wing parties
were at this stage in favour of a Government headed by the new Senator
Norcia. This was supported by technical reports drawn from the Chamber and also
from the Senate, during the morning of the 13th June the President of
the Senate, which was still recalled was in the at the time, passed a resolution
calling for action on a three-point programme; namely, the designation of
Signor Norcia as President of the Council, the representation in the new Govern-
ment of all the political forces in the Committee of National Liberation, in-
cluding such leaders as Signor Norcia, Signor Norcia and Signor Norcia the
appointment of five ministers without portfolio to be designated by Northern
political parties. By the evening of the same day the Declaration had provided
on the central Committee of National Liberation to accept the first point of
their programme and an invitation was immediately despatched to Signor Norcia to
come to Rome and accept the task of forming a Government. Nevertheless the
prospects for Signor Norcia's success in this did not at first look too good.
For example, Signor Norcia, though professing great admiration for the new
leader, stated flatly in the columns of the socialist paper "Avanti!" that he
would not serve in Signor Norcia's

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Government and it seems that Signor Fogliatti and de Gasperi subsequently took the same line. In any event, when Signor Parri arrived in Rome on June 14th he refused to commit himself as regards accepting the invitation offered to him and stated that he must first study the situation. On the following 2 days, Signor Parri held long conferences with the various political leaders and I am assured that he did not hesitate to deal firmly with the attempts of certain of the political leaders to indulge in petty party intrigues and so to prolong the crisis, presumably to their own advantage.

5. By the evening of June 14th, Signor Parri had decided to accept the designation of the 6 parties and on June 17th he was received by the President of the Council and officially charged with the formation of the new Government. However, although the principal party leaders had now agreed to serve under Signor Parri, there was still considerable difficulty about the allocation of the important portfolios of the Ministry of the Interior. As you know, the problem was eventually solved by Signor Parri's taking the job over himself while the past feelings of the Right and Left wing parties were mollified by the creation of two Vice-Presidents with special functions. The list of the new Cabinet was made known on June 20th and the new Ministers took the oath on the following day.

6. It is not necessary to repeat today the names of the new Ministers and the details of the composition of the new Government. You will doubtless have obtained this information already from other sources. But I may be permitted to make a few observations on the new Government. You will observe that there are three new Ministers giving the relatively large total of 22 portfolios.

These new Ministers will be...

of the health and officially shared with the formation of the new Government. However, although the principal party leaders had not agreed to serve under Sloger Party, there was still considerable difficulty about the allocation of the important portfolios of the Ministry of the Interior. As you know, the problem was originally solved by Sloger Party's taking the Ministry himself while the first feelings of the Right and Left wing parties were mollified by the creation of two Vice-Presidents with special functions. The idea of the new Cabinet was made known on June 20th and the new Ministers took the oath on the following day.

It is not necessary to repeat today the names of the new Ministers and the details of the composition of the new Government. You will doubtless have obtained that information already from other sources. But I may be permitted to make a few observations on the new Government. You will observe that there are three new ministries giving the relatively large total of 26 portfolios. However, it is fair to point out that the Ministry of Post-War Relief will now port the work of various high commissions and other agencies set up to deal with returning refugees, prisoners of war and veterans. The previous Government had a High Commission for Food and it had now been raised to the rank of a ministry which in the circumstances is logical enough. The Ministry of Reconstruction will presumably take over the work of another agency, the Inter-Continental Committee for Reconstruction. The short-lived Ministry for Occupied Italy has been eliminated. A separate Ministry for Italian has been created and its combination with Welfare will absorb a number of other agencies.

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The proportion of new blood is substantially higher than in the last Government. Counting all new faces in both, there are nine newcomers and some or that in to cabinet posts. In what is expected, the North has a preponderance of representation - 14 of the Ministers were born North of Rome. However, it is the most representative Cabinet on geographical lines that the new Italy has yet had. There are three members from Southern Italy, two from Sicily and one from Sardinia. Politically of course, the new Government is further to the left than Signor Bonomi's last administration. For one thing, Signor Corvi is a man of avowed republican sympathies and a member of the party which, although it is not Marxist and, indeed, is not even ideologically coherent, has nonetheless worked in harmony with the Socialists in the past and certainly belongs to the left wing of the political front. Then too, the fact that the Cabinet now contains Socialist and Action Representatives is enough in itself to warrant the statement that a move to the left has been made. Lastly the powers given to Signor Bonomi to take charge of the work of preparing for the convocation of the Constituent Assembly and of the Office of Sanctions against Fascism are of considerable political significance at this time. On the other hand, the Cabinet has also had its triumphs. It has succeeded in blocking the drive for a Socialist President which a month ago seemed sure of success. Signor Parri although of Republican convictions does not share Socialist views on "moral problems" - or so at least Signor Mammì himself has asserted. Further the convening of the Consultative Assembly and the Municipal Elections will preclude the Constituent Assembly and will in all probability avoid the pattern for that body, and a Liberal is in charge of the convocation of the Consultative Assembly. It is also noteworthy that

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coherent, has none-the-less worked in harmony with the Socialists in the past and certainly belongs to the left wing of the political front. Then too, the fact that the Cabinet now contains Socialist and Action representatives in enough in itself to warrant the statement that it moves to the left has been made. (Early this power given to Simon Brand to take charge of the work of preparing for the convening of the Constituent Assembly and of the Office of Sanctions against Parties has been considerable political significance at this time. On the other hand, the right has also had its triumphs. It has succeeded in blocking the drive for a Socialist President which a month ago seemed sure of success. Simon Perri although a Republican conviction does not share Socialist views on 'social problems' - or so at least Simon Perri himself has asserted. Further the Convention of the Consultative Assembly and the Municipal Elections will precede the Constituent assembly and will in all probability follow the pattern for that body, and a Liberal is in charge of the convening of the Consultative Assembly. It is also noteworthy that extremely breaking, the ministries that come in contact with the outside world have gone to the moderates - I refer to Foreign Affairs, the Treasury and Reconstruction as well as all the Service Ministries. The 'Internal Ministries' such as Justice, Labour and Post-War Relief, as well as the Interior itself have gone to the left wing parties.

5. The list of the under-secretaries of state was approved by the Council of Ministers at its first meeting on June 20th. Again, I will not go into the details but will merely observe that each party has four under secretaries and that the usual system of 'crossing' the parties in the various ministries has been followed as in previous governments.

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On June 23rd 1945, the Italian people made a brilliant appeal to the nation. After expressing gratitude to the allies for the liberation of the country and the enormous material support which they had given for its reconstruction, he reminded the Italian people that the country was still in a state of economic crisis and that only a united effort could do Italy through. The reconstruction of the Constituent Assembly would not of itself provide means for people to eat and the Allied forces would be unwilling to give that material aid which was so essential for the reconstruction of the country unless they were satisfied that the Italians themselves were making a serious effort for their own redemption. The reaction to this remarkable speech has been uniformly good.

7. On June 25th, the Constituent Assembly held its first meeting under Signor De Gasperi's chairmanship and presented a nine-point draft programme for approval by the Council of Ministers at its first session on the following day. The nine points incorporated in the subsequent statement of the Council are as follows:

- (1) preparation of the Constituent Assembly,
- (2) appeal to the allies to replace the armistice clauses by a peace treaty,
- (3) direct negotiations with Yugoslavia on the Trieste Giulia question,
- (4) reconstruction of the High Commission for functions against Fascism,
- (5) recognition of the advisory function of the Committee of National Liberation,
- (6) administrative elections as early as possible,
- (7) inclusion of representatives from the North in the Constituent Assembly,
- (8) collaboration with the General Confederation of Italian Labour and other workers' groups on problems of labour and supplies.

and finally,

On June 25th, the Council held its first meeting under Signor Parri; simultaneously and prepared a nine-point draft programme for approval by the Council at its first session on the following day. The nine points incorporated in the subsequent statement of the Council are as follows:

- (1) cooperation of the Constituent Assembly,
- (2) effort to the Italian to replace the restrictive clauses by a peace treaty,
- (3) direct negotiations with Yugoslavia on the Trieste-Glinia question,
- (4) reconstruction of the High Commission for Conciliation Against Fascism,
- (5) recognition of the advisory function of the Committee of Nations.

Liberation.

- (6) administrative elections as early as possible,
- (7) inclusion of representatives from the North in the Constituent Assembly,
- (8) collaboration with the General Confederation of Italian Labour and other workers' groups on problems of labour and supplies,

and finally,

- (9) reconstruction.

As I have said, the draft was accepted by the Council at its first full meeting on June 26th. At this same meeting the list of under-secretaries was approved and I think it worth mentioning that there has been some talk of giving one of the under-secretaryships to a woman. The plan fell through, however, because no party was prepared to yield to the others and the alternative, namely six women in the new Government, would have been, as several newspapers did not fail to point out, a little too progressive even in these progressive

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latter. The Council also approved a draft decree intended by Signor Mussolini for the abolition of the title of "tyrannical". The scope of this new decree is not yet known. The Council further heard a report from Signor Solmi and approved a budget for the next two months. A few days later it was announced that the campaign for the new loan will now be extended to the North. Minister Solmi expects by this means to increase the present subscriptions from 10,000,000 lire to 100,000,000,000. A special inter-ministerial Committee was set up for general coordination of the North and the South. The Committee consists of Signors Ruffi, De Tullis, Crotti, Tocconardi and Berlusconi. The Committee is to study the question of prices, wages and salaries. The Council also decided to postpone publication of the decree on which the House of Representatives has spoken but has not yet published in the official Gazette.

B. Reaction to the statement of the Fascist Italian question has not been very favourable throughout the country. The Council of Ministers in the programme which I have already mentioned referred to the agreement as an "unsatisfactory arrangement". The newspapers have carried articles in the same sense during the past week. The "Tribuna del Popolo" asked the Allies if there was any special significance to be attached to the division of administrative spheres since "Italians did not quite understand what the line meant in the minds of those who drew it." The "Milano" pointed out that Italy had "lost" by the terms of the agreement "about half the national production of coal, almost all her oil and a good part of her mercury". In Fascist Italian itself, however, the week has passed off without serious incident. A one-day general strike by a plasterers' trade on June 26th but

and relations. The Quercy also wishes to postpone publication of the decrees on rents which the French Government has approved but has not yet published in the official gazette.

8. Reaction to the settlement of the Corsica issue question has not been very favorable throughout the country. The Council of Ministers in the programme which I have already mentioned referred to the agreement as an "unsatisfactory arrangement". The newspapers have carried articles in the press since during the past week. The "Tribune del Popolo" asked the Allies if there was any special significance to be attached to the division of the administrative spheres since Italians did not quite understand what the line meant in the minds of those who drew it. The "Globo" pointed out that Italy was "right" by the terms of the agreement "about half the national production of coal, almost all her hydro and a good part of her mercury". In "Pubblica Giustizia" itself, however, the week has passed off without serious incident. A one-day general strike took place in Trieste on June 26th but there were no complications for Italian Italy's latest speech on the possibility of Yugoslavia and Italy living in freer relations "in an atmosphere of permanent confidence" would seem to clear the air.

9. There have been recently some disturbing incidents in Southern Italy which require a greater measure of importance in view of Signor Ferri's declaration that illegal activities must cease. The origins of the situation are obscure but reports were received on the 27th and 28th June that the Carabinieri in the little town of Minervino Murge in the province of Bari had

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been set upon and publicly tormented in their barracks by armed prisoners.

The instructor ordered to the nearby village of Andria where the local mob stormed and some 40 prisoners released. Reinforcements of 500 carabinieri which were sent to the area to restore order were virtually defeated in a pitched battle. By June 28th the situation was reported to be critical.

The new Minister of Labour, Signor Barlasacchi, was sent to investigate and settle the disturbances and on the following day reported that order had been restored. This may well be accurate, but the latest reports indicate that arms are at least being handed in by the peasants even if all the released criminals have not yet been rounded up.

15. Before concluding this report, I should, perhaps, make mention of economic developments. The main problems facing Italy and the Allied Commission are food and work. The wheat crop this year is expected to be 2,000,000 tons less than last year's, largely due to the prolonged drought which in turn has accentuated the fertilizer deficiency. The loss of the expected surplus reduces the food supply and raises other economic problems. The income of 42% of Italy's population, dependent on farming, will probably be cut by 225,000,000 dollars. Farming will not be able, therefore, to absorb the surplus labour from industries which have been obliged to close down for lack of coal and raw materials. Food shortages further raise the problems of public safety and even public health since the farms have not been producing enough for the needs of their owners let alone a surplus for export to deficit areas. The estimate of the wheat crop cannot be definite until the crop is threshed, but the dangers are clear enough to warrant calling attention to them in all fields of governmental activity. Italian is well as Allied, since

10. Before concluding this report, I should like to make mention of economic developments. The main problem facing Italy and the Allied Nations was food and work. The wheat crop this year is expected to be 7,000,000 tons less than last year's, largely due to the prolonged drought which in turn has accentuated the fertilizer deficiency. The loss of the expected surplus reduces the food supply and raises other economic problems. The income of 47% of Italy's population, dependent on farming, will probably be cut by 220,000,000 dollars. Farming will not be able, moreover, to absorb the surplus labour from industries which have been obliged to close down for lack of coal and raw materials. Food shortages further raise the problems of public safety and even public health since the farms have not been producing enough for the needs of their owners let alone a surplu for export to deficit-ent areas. The estimate of the wheat crop cannot be definite until the crop is threshed, but the dangers are clear enough to warrant calling attention to them in all fields of governmental activity. Italian is well as killed, since the all important question of increased imports is sure to be raised again. For the purposes of record, you may be interested to know that the crop last year in all Italy was 5,390,661 tons compared with an expected 4,407,000 tons this season. Average planted showed an 8% decrease compared to the non-cultivation of marginal strips in mountain areas. This year's harvest is estimated at 10,722,729 while last year's was 11,762,729. The drought has continued since March and is said to be the worst since 1922. The many small farms are harder hit than the large surplus-producing ones but the great bulk

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of farms in Italy are relatively small farms. A low yield is anticipated for other reasons also, such as hot, drying, frosts, hot winds, floods and war damage. The British and Russian reports for the season from July 1st 1944 to June 30th 1945 show that 11,123,000 quintals of grain or 95% of the target figure were raised south of the Tiber-River line. In Sicily, recently liberated, during the past season another half million quintals have been collected making a grand total of 11,623,000 quintals.

That, Gentlemen, concludes my report.

IDENTIFICATION:

Chief of Secretariat, Advisory Council (R)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
German Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC
Executive Committee, AC
CC File

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This is Secretariat, Advisory Council (2)
U.S. Representative, AFI
British Representative, AFI
French Representative, AFI
German Representative, AFI
Italian Representative, AFI
Japanese Representative, AFI
Polish Representative, AFI
Political Advisor (A), AFI
Political Advisor (B), AFI
Executive Committee, AFI
CC File

Declassified E.O. 12356 Section 3.3/NND No. 785017

534 F.R. Camp (84)

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APC 156

CO 803

POLITICAL REVIEW BY JEAR ADMIRAL EMERY W. JENSE
FOR PRESENTATION AT THE
30th MEETING OF THE ADVISORY COUNCIL, PER ITALY, 15 JUNE 1945

JUN 15 1945

Continued.

1. At this time of writing the Government crisis is still unresolved. Since the return to Rome of these members of the Government and the political leaders who visited the North in the latter part of May, discussions have continued from day to day but, while clearing up a good deal of confusion, have as yet produced no tangible result. I propose to give to you very briefly the main lines of argument during the past fortnight.

2. The first important development after the return of the politicians from the North was the sending of a letter by the Secretary General of the Liberal Party, Signor Cattani, to the Secretaries of the other political parties on May 29th. In this letter, Signor Cattani pointed out that no agreement would ever be reached on the formation of a new Government unless that agreement were based on a clarification of the functions and the composition of the committees of national liberation. He drew attention to the troubled state of the country at the present time and maintained that only a Government which could wield the maximum authority would be in a position to deal with the acts of lawlessness which were occurring, particularly in the North. Signor Cattani explained that the committees of national liberation had been set up as coordinating and consultative organs amongst the

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them, have as yet produced no tangible result. I propose to give to you very briefly the main lines of argument during the past fortnight.

2. The first important development after the return of the politicians from the North was the sending of a letter by the Secretary General of the Liberal Party, Sir Horace Rumbold, to the Secretaries of the other political parties on May 29th. In this letter, Sir Horace pointed out that no agreement would ever be reached on the formation of a new Government unless that agreement were based on a clarification of the functions and the composition of the committees of national liberation. He drew attention to the troubled state of the country at the present time and maintained that only a Government which could wield the maximum authority would be in a position to deal with the state of lawlessness which was occurring, particularly in the North. Sir Horace explained that the committees of national liberation had been set up as coordinating and consultative organs amongst the anti-Fascist parties in order to effect the transformation from a dictatorship to a regime of liberty. They further controlled and directed the resistance movement against the Germans. But these special circumstances no longer obtained and the committees were exercising powers which belonged properly to the central Government and they were consequently undermining the latter's prestige. Therefore, in the view of the Liberal Party, the constitution of the committees of national liberation must be clarified before any useful work could be done on the formation of the Government itself.

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Handwritten signature and initials.

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the hardening of attitude on the part of the Liberal Party inevitably resulted in further delay. The Christian Democratic Party also intimated that they shared the apprehensions of the Liberal Party as regards the future position of the Committee of National Liberation.

3. A whole week was spent in party discussions on this point. On June 1st, Colonel Belotti, the Deputy Interior Civil Affairs Officer at Milan, published an order to the effect that the decrees and orders issued by the CLNAI were to be considered henceforth as having no legal validity. They would be replaced by decrees and orders of AMG. This statement no doubt had its effect on the discussions in Rome. On June 2nd, the six parties met together and as a result of their deliberations were able to issue a declaration of complete agreement on this subject. Briefly it was agreed that (1) the provincial and communal Committees of National Liberation should continue to carry out consultative functions alongside the prefects until such time as the normal organs of local administration should be re-established after democratic elections;

(2) that the other committees of national liberation not covered by the preceding paragraph should return to their exclusively political character and

(3) the committee in factories and industries should be transformed into technical and trades union organizations according to the production needs or social requirements of the factory or plant in question.

4. Having reached this measure of agreement, the political parties turned again to the problem of the composition of the Government. On June

has its effect on the discussions in form. On June 2nd, the six parties met together and as a result of their deliberations were able to issue a declaration of complete agreement on this subject. Briefly it was agreed that (1) the provincial and communal Committees of National Liberation should continue to carry out consultative functions alongside the prefects until such time as the normal organs of local administration should be re-established after democratic elections;

(2) that the other committees of national liberation not covered by the preceding paragraph should return to their exclusively political character and

(3) the committees in factories and industries should be transformed into technical and broader union organizations according to the production needs or social requirements of the factory or plant in question.

4. Having reached this measure of agreement, the political parties turned again to the problem of the composition of the government. On June 4th agreement was reached on the new government's programme. This agreement is fundamentally a fusion of the agreement reached in March, of which I made mention at the last meeting of this Council, and the agreement on the future of the Committees of National Liberation, of which I have just spoken. The six-point programme is as follows: (1) the government must consist of the six parties of the FLN. (2) Collaboration with the allies is a condition of the new policy and the new government will therefore seek

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for the replacement of the Armistice by a pact of friendship and collaboration and the transfer of all Italian territory to full Italian jurisdiction.

(3) The Constituent Assembly must be convened as soon as possible and the Constituent shall function in the meantime. (4) The Committee of National Liberation shall exercise solely consultative powers - as I have just announced. (5) The purge shall be vigorously carried on and the sound forces of the resistance movement shall be incorporated in the regular armed forces. At the same time, all private citizens will be required to surrender weapons to their governments. (6) Agricultural and industrial production must be reactivated in such a way as to exclude the influence of monopolies and capitalist enterprises.

5. The six parties, having shared the ground to their satisfaction in this matter, now came into to face with the fundamental difficulty of the whole problem, namely the choice of the future President of the Council. The most likely candidates at this stage seemed to be Signor Minni, Secretary General of the Socialist Party, and Signor de Gasperi, Secretary General of the Christian Democratic Party. The Socialists claim that Signor Minni's candidacy is justified by the basic character of the party which makes it generally acceptable to the Northern population. The center-left position of the party, it is claimed, also makes it the only one capable of reconciling the views of all parties. Moreover, it is suggested that a Socialist Government in Italy would be able to count on British sympathy when, in its almost sure to happen, in the Socialist view, a Labour Government comes into power. It is also asserted that the Socialist Party Director, by reason of its alliance existing with the masses, is the only one which can capture

...to organized in such a way as to exclude the influence of monopolies and socialist organizations.

2. The six parties, moving closer the ground to their participation in this matter, are seen to have with the fundamental difficulty of the social problem, namely the choice of the future President of the Council. The most likely candidate at this stage is said to be Edgar Mann, Secretary General of the Socialist Party, and Edgar de Gasperi, Secretary General of the Christian Democratic Party. The Socialists claim that Edgar Mann's candidacy is justified by the mass character of the party which makes it especially acceptable to the Northern populations. The center-left position of the party, it is claimed, also makes it the only one capable of reconciling the views of all parties. Moreover, it is suggested that a Socialist Government in Italy would be able to count on British sympathy when, as is almost sure to happen, in the Socialist view, a Labour Government comes into power. It is also asserted that the Socialist Party Directorate, by means of its unbroken tradition with the masses, is the only one which can ensure a state of peace and order in Italy and control the revolutionary measures of the North. Finally, since Edgar Mann is no part of the Socialist group, the Socialist ideology can be the only meeting ground for the political groups both of the right and of the left. The Christian Democrat candidate is based on the flat assertion that the elections will show that the party has the greatest following both in the North and in the South. The Christian

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Democrats also maintain that they alone can count on the confidence of the British people. At the same time, they point out that the political agreement between the Communist and the Socialist parties has clarified the position of the Socialist Party and is bound to drive it more and more towards the extreme left. The question of the distribution of "key" ministries has also caused considerable difficulties. It seems likely that if Signor Norini becomes President of the Council, the Liberals will get the Interior, the Christian Democrats, Foreign Affairs, and the Communists, Action Party and Labor Democrats will agree on the distribution amongst themselves of the portfolios of Justice, War and the Treasury.

6. During the week-end of June 2nd/3rd, Signor Norini visited Naples and made a speech in the San Carlo Theater in which he reviewed the problems facing the country at the present time. He stated that Trieste was an Italian town and expressed surprise that there should be any question at all about the North-eastern frontier of Italy. Signor Norini took the opportunity of his visit to Naples to confer with Senator Benedetto Croce and it is rumored that as a result of an hour-long discussion, the Liberal Party is now prepared to back Adolfo De Gasperi's claim to the Presidency.

7. At this stage Signor Norini, on June 4th, addressed a letter to the political parties in which he reminded the Party leaders that he had kept his promise to give them time to come to an agreement and suggesting that a referendum had been reached on the future government's programme, it was now time to proceed to an "understanding". He added that the solution of major economic and political problems was being held up by the continuance of the crisis.

Participation of Justice, War and the Treasury.

6. During the weekend of June 26th/3rd, Signor Nenni visited Naples and made a speech in the San Carlo Theater in which he reviewed the problems facing the country at the present time, stressed that Trieste was an Italian town and expressed surprise that there should be any question of all about the Northwestern Frontier of Italy. Signor Nenni took the opportunity of his visit to Naples to confer with Senator Benedetto Croce and it is rumored that as a result of a hour-long discussion, the Liberal Party is now prepared to back Signor Nenni's claim to the Presidency.

7. At this stage Signor Bonomi, on June 4th, addressed a letter to the political parties in which he reminded the Party Leaders that he had kept his promise to give them time to come to an agreement and suggesting that, as agreement had been reached on the future Government's programme, it was now time to proceed to an 'understanding'. He added that the solution of major governmental problems was being held up by the continuance of the crisis. This action, he might be expected, has been interpreted in some quarters as a reminder that the crisis could do worse than go on with Signor Bonomi. The independent newspapers openly took this line and 'all hands' went so far as to say that the failure of the Bonomi Government - if it has been a failure - is not the responsibility of Signor Bonomi any more than of any other of the Ministers.

8. The next few days were taken up with further inconclusive deliberations. On June 7th it seemed that agreement had been reached but then

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suddenly there developed a far-reaching divergence of views between the Socialists and the Christian Democrats. Signor de Gasperi addressed a letter to the socialist party claiming the Presidency of the Council for the Christian Democrats and offering the Vice-Presidency to the Socialists. This proposal, apparently to the surprise of all, was turned down flat by Signor De Gasperi. He asserted that the proposal for a Socialist Presidency of the Council was not motivated by party ambition but corresponded to the needs of the situation as a result of the successful popular insurrection in the North.

9. At this stage of the discussions, therefore, it seemed that two courses were open to the political parties. The first was to go back on the Milan agreement and to break up the coalition in order to make way for a Government either of the right or of the left. The alternative was to promote the candidacy of some third personality who would be above the interests of all parties. The suggested candidates for the Presidency, if this second course is adopted, have been numerous. Perhaps the most likely are Signor Orlando, Signor Ferrero (of the Action Party), Signor Muzio (of the Labour Democrat Party) and Signor Lussu (also of the Action Party). Signori Gasparotto and Salvi are also mentioned.

10. At the meeting of the Council of Ministers of June 6th, the political situation was reviewed and Signor Ferrero offered to hand in his resignation. However, the Communist, Socialist, Labour Democrat and Christian Democrat Ministers in the Government requested Signor Ferrero to hold his

North.

5. At this stage of the discussions, therefore, it seemed that two courses were open to the political parties. The first was to go back on the Milan agreement and to break up the coalition in order to make way for a government either of the right or of the left. The alternative was to promote the candidacy of some third personality who would be above the interests of all parties. The suggested candidates for the presidency, if this second course is adopted, have been numerous. Perhaps the most likely are Leone Orlando, Walter Ferrri (of the Action Party), Giorgio Rizzo (of the Italian Democratic Party) and Ignazio Ingrao (also of the Action Party). Eleneri Gasparotto and Galassi are also mentioned.

10. At the meeting of the Council of Ministers of Jan. 6th, the political situation was reviewed and another round offered to hand in his resignation. However, the Communist, Socialist, Labour Democratic and Christian Democratic Ministers in the Government requested at some point to hold his hand for a few days more until a settlement had been reached.

11. In the meantime the political leaders in the North had been getting very impatient at the delay in solving the crisis. A conference of the regional committees of national liberation of Northern Italy was held in Milan during the week and strong criticism was expressed by speakers of the various parties of the delay in the formation of the new Government. There was a tendency to blame the politicians of the South and the Republican Party speaker went so far as to say that if Rizzo could not make up his mind, the committee of 188

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liberation in the last... should consider the possibility of writing a...
 ... of the Government of Northern Italy. At the conclusion of the Conference on
 June 15th, a formal motion was passed calling attention to the grave danger
 created by the delay and encouraging the membership's intention of sending a
 delegation of representatives of the regional committees, headed by the
 President of the UDRS, to demand from the Central Committee of Liberation the
 immediate formation of a new government representing the committee of national
 liberation and on the basis of the Milan Agreement of May 1944. On June 16th
 a delegation accordingly arrived in Rome to add its weight to the discussions.
 This delegation consisted of representatives of the regional committees of
 Lombardy in Venetia, Liguria, Lombardy, Emilia and Piedmont. Senator Morandi,
 President of the UDRS, heads the delegation.

As the result of discussions over the relations between this delegation and
 the political leaders in Rome seems to be that at this time it was agreed by
 all that the criteria must be maintained as the following day. Since Monday was
 to be on his resignation in the hands of the Lieutenant of the House and
 suggest his own successor. It was not divulged who this successor would be.
 Senator Grossi has been talking with Senator Lancia, to Gaspari, Morandi, Tassinio,
 Cattani, Pella and Pirella. During June 16th many rumors were current in the
 capital that Senator Grossi had persuaded the political parties to accept a
 compromise President of the Council. This story of rumors very rapidly gave
 place to another to the effect that Senator Grossi himself would be the new
 President. In the evening of June 16th Senator Grossi placed his resignation
 in the hands of the Lieutenant of the House, etc. etc. to begin negotiations
 with the party leaders on the following day.

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Chairman in Veneto, Liguria, Lombardy, Sicily and Piedmont. Eliazer Mendel, President of the CLNAI, heads the delegation.

14. The results of discussions over the 10 days between this delegation and the political leaders in Rome mean to be that on June 11th it was agreed by all that the crisis will be resolved on the following day. Eliazer Mendel will be given his resignation in the name of the Lieutenant of the Republic and will stay in his own command. It was not divulged the this successor would be.

Eliazer Mendel has been talking with General Mont. de Gasperi, Norcini, Piccolo, Cefaluni, Deledda and others. During June 11th many rumors were current in the capital that Senator Crow had patronized the political parties to accept his resignation as President of the Council. This story of rumors very rapidly went from 20 meters to the effect that Senator Crow himself would be the new President. In the evening of June 11th Eliazer Mendel placed his resignation in the hands of the Lieutenant of the Republic, who was to begin consultations with the party leaders on the following day.

15. During all this political activity it cannot be said that much Government business has been transacted. Everything waits on the results of the discussions. The only measure of the importance of the Government in recent weeks was to address an appeal, published in the press of June 11th, to the United Nations for renewed help in the reconstruction and development of Italian economy. In this appeal the Italian Government has pointed out that the present and the disposal of the Italian people are entirely inadequate. The of affairs recognized by the allied powers when the letter promised to furnish

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the country with a minimum of administrative products for the realization of its constitution. The plan for economic first-aid forwarded by the Allied Commission to Washington in January was being held up owing to difficulties in finding the products required. In the meantime, a new situation had arisen as the results of the liberation of the North and the Government felt it to be its duty to draw attention to the urgent need for coal and raw materials with which to re-start production in the Northern Sector.

14. Before closing this review I would like to refer briefly to the settlement of the problems of the temporary administration of the frontier districts in the NE and NW.

15. As you will be aware from the press, a military agreement was signed in Bulgaria during the weekend on behalf of Field Marshal Alexander and Marshal Tito. The agreement was undertaken by Tito after his troops to the East of the Balkans were roughly from the frontier North of Serbia, East of that town the German East of Trieste to the west to the North of Dugo Srijem.

The Italian troops will also be withdrawn from Pola and the surrounding area. The Italian reaction to this arrangement has been unfavourable. The Independent Paper "Il Tempo" pointed out on June 18th that Italy had not been consulted during the negotiations and the agreement was therefore not binding on her. Count Carlo Azeglio stated to an interviewer that the agreement represented a self-recognition of the fait accompli. The Minister for Foreign Affairs, Adolfo Azzolini, declared on June 18th that the agreement was rough-sketch over the principle announced by the United Nations to the effect that the / would

be a permanent division of the Balkans. The agreement was not in force.

15. as yet will be away from the troops. A military agreement was signed in Belgrade during the weekend on behalf of Paolo Saragat and Marshal Tito. According also to this agreement undertaken to withdraw the troops in the East of the line which runs roughly from the frontier north of Serbia, East of this town and thence East of Trieste to the coast to the South of Opatowitz. In doing troops will also be withdrawn from Foca and the surrounding areas. The Italian formally set up in Trieste on June 15th and in Gorizia on June 16th. The Italian reaction to this arrangement has been unfavorable. The Independent Worker "Il Tempo" pointed out on June 16th that Italy had not been consulted during the negotiations and the agreement was therefore not binding on her. Count Mario Loris, stated to an interviewer that the agreement represented a self-renewal of the past scandal. The Minister for Foreign Affairs, Signor De Gasperi, declared on June 17th that the agreement was rough-skid over the principle announced by the United Nations to the effect that they could settle frontier disputes to the peaceable. The agreement was nothing more than a compromise of fact and the Italian Government could not but give the attention with apprehension. Signor De Gasperi pointed out that the Government have not been informed officially of the agreement, that they have received no official word and have not yet seen the map which is attached to the agreement. However they understood that a number of small cities of unambiguously Italian character are left to Yugoslav jurisdiction.

16. As regards the North-East, I am glad to report that arrangements have been made clearly certain difficulties outside the setting up of this in certain provinces have been resolved.

That, Gentlemen, concludes my report.

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Ref: 537/76/ED

11 June 1945

My dear Mr. Ambassador:

Thank you for your letter 2431 of 8th June informing me that Captain Panagiotis CONSTANTIS, R.N.R. has arrived in Rome and resumed his duties of Naval Technical Advisor. This information has been duly noted.

Very truly yours,

[S] Elery V. Stone

KILBY R. STONE
Rear Admiral, USNR
Chief Commissioner

His Excellency M. George Skindaris
Greek Delegation to the Advisory Council for Italy,
Via Romagna 42.
R O M E

Handwritten signature and initials, possibly "PA" and "12/6".

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GREEK DELEGATION
ADVISORY COUNCIL
FOR ITALY

Ref. N°243I

Rome, 8th June 1945.

My dear Admiral,

Further to my letter N°2000 of 15th May 1945, I beg to inform you that Captain Panagiotis CONSTAS, R.H.N. has now arrived in Rome and has assumed his functions of Naval Technical Adviser near this Delegation.

Yours very sincerely,

G. EXIMTARIS.
Ambassador

Rear Admiral Ellery STONE,
Chief Commissioner A.C.
Rome.

See 76

2444

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785017

5 JUN 1945

604

My dear Admiral,

Further to my letter No2000 of 15th May 1945, I beg to inform you that Captain Panagiotis CONSTAS, R.H.N. has now arrived in Rome and has assumed his functions of Naval Technical Adviser near this Delegation.

Yours very sincerely,

G. A. Eximiaris

G. EXIMIARIS.
Ambassador

[Handwritten signature/initials]

Rear Admiral Ellery STONE,
Chief Commaisioner A.C.
Rome.

See 76

[Handwritten signature/initials]
(L. L. L. L.)

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ROUTINE

FROM: AFHQ SIGNED SIGNED CITE PHAGE

TO: ALGOM

JUN 2 1945

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Reporting ROME as naval adviser to Greek Legation is Captain
CONSTAS PANAGIOTIS R H N accompanied by wife MARIE P CONSTAS. Please
check this has been requested or approved by Greek Legation.

Dist

Action - Liaison Div 2
Info - Chief Commissioner
Exec Comm
File 2
Float

Info 64 mss

see file 75

RESTRICTED

783

(Capt. G. H. N. 100)

(Signature)

537

Cap. Com. 12
(73)

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APG 374

CC 803

POLITICAL REVIEW BY REAR ADMIRAL WILLIAM W. STONE
for presentation at the
17th MEETING OF THE ADVISORY COUNCIL FOR ITALY, 1 JUNE 1945

31

Continued,

1. Political developments during the past months have been dominated by the discussions between members of the Government, the Central Committee of National Liberation and the Committee of National Liberation of Northern Italy. While there is still nothing concrete to report regarding a change of Government, it may be useful if I trace for you the general trends of the discussions which have taken place. With our assistance a delegation of the CLNAI was brought to Rome by air from Milan on May 5th. The ten delegates - two from each party, the Labour Democratic Party not being represented in the CLNAI - had a busy programme. They called on the Allied Embassies and on myself and made frequent contact with the Central Unit, the Secretaries of the six parties in Rome and individually with their own opposite numbers. Signor Benoni received the delegation and heard Signor Morandi, a Socialist and President of the CLNAI, express the desire of Northern Italy for "a complete democratic revival in the life of the nation". The delegation presented to Signor Benoni a 5-point programme as follows:

Separation not only in the political but also in the administrative and economic fields;

Clarification of the relations between Prefects and regional and Provincial Committees of Liberation;

ment, it may be useful if I trace for you the general trends of the discussions which have taken place. With our assistance a delegation of the CLMIL was brought to Rome by air from Milan on May 5th. The ten delegates - two from each party, two labour Democratic Party not being represented in the CLMIL - had a busy programme. They called on the Allied Embassies and on myself and made frequent contact with the Central CLM, the Secretaries of the six parties in Rome and individually with their own executive members. Signor Bonomi received the delegation and heard Signor Lurani, a Socialist and President of the CLMIL, express the desire of Northern Italy for "a complete democratic revival in the life of the nation". The delegation presented to Signor Bonomi a 5-point programme as follows:

Hydration not only in the political but also in the administrative and economic fields;

Clarification of the relations between Prefects and regional and Provincial Committees of Liberation;

Reconomic reconstruction to be financed particularly by those who profited from years of autarchy or by collaboration with the Fascists and the Germans;

Agrarian reform;

and lastly,

A foreign policy "free from any kind of nationalism" and aiming at democratic collaboration among nations.

3. On May 8th, the delegates from the North made a series of public addresses at a meeting in Piazza Santi Apostoli, the headquarters of the CLM.

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Signor Morandi's speech was particularly noteworthy. He made the point that the insurrection of the North should not be regarded as a regional affair; the problems and the feelings of Italians were national and not regional; it was pure circumstance that had given the North its role. These remarks were not doubt prompted by a desire to forestall criticism in Southern Italy that the North was trying to claim all the credit for Italy's long resistance to the Germans; it was certainly calculated to allay the feeling of being slighted which some Southern Italians very naturally feel at the lavish praise accorded to the Northern Partisans. Signor Morandi concluded by stating that the country must have a new Government to bring about national unity and truly to represent the people. This attitude may be regarded as logical from a Socialist, since the Socialists are the leading opposition party and they have made no secret of their desire to get rid of Signor Isola. Whether or not the present President of the Council resigns, the next item on the agenda of the Left wing parties in the convocation of the Constituent Assembly. Actually, the other parties, notably the Labour Democrats who have recently shown somewhat more sympathy to the left, are also concerned with this matter but it is the Socialists who have taken the lead and emphasized the urgency of action. Already on May 4th, the Socialist Party paper "Avanti!" disclosed that an immediate campaign for the summoning of the Constituent Assembly would begin and, on the 10th May Signor Morandi, the Secretary-General of the Party, opened the action with a speech at the Brancaccio Theatre. He began by underlining the need for calling the Assembly as soon as possible and went on to denounce what he termed the machinations of reactionary forces during the recent elections, which he stigmatized as being one of compromise with the past. These

must have a new Government to bring about national unity and truly to represent the people. This attitude may be regarded as logical from a Socialist, since the Socialists are the leading opposition party and they have made no secret of their desire to get rid of Signor Bonomi. Whether or not the present President of the Council realizes the importance on the agenda of the left wing parties is the convocation of the Constituent Assembly. Actually, the other parties, notably the Labour Democrats and have recently shown somewhat more sympathy to the left, are also concerned with this matter but it is the Socialists who have taken the lead and emphasized the urgency of action. Already on May 4th, the Socialist Party paper "Avanti" disclosed that an immediate campaign for the summoning of the Constituent Assembly would begin and, on the 10th May Signor Nenni, the Secretary-General of the Party, opened the action with a speech at the Brancaccio Theatre. He began by underlining the need for calling the Assembly as soon as possible and went on to denounce what he termed the machinations of reactionary forces during the Bonomi Regime, which he stigmatized as being one of compromise with the past. These forces of reaction, he asserted, were trying to divide Italy by driving a wedge between the Northern worker and the Southern peasant. They were also responsible for bringing to the fore the question of Trieste. Signor Nenni also accused the same elements of seeking to nullify the efforts of Socialists, Berlinguer and others in the field of agrarian reform. The Socialist Leader then urged the Christian Democrats to take a clear-cut stand on the institutional question, arguing that the socialization of industry and agrarian reform are inevitably linked up with the proper - that is, in his opinion, the republican - solution of this problem.

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3. Morandi reacted to Signor Benelli's speech was that the Socialist leader was presenting his candidacy for head of the next government. Signor Benelli refused to commit himself on this point and asked the readers of "Avanti" and other parties to consider the substance of the Socialist programme rather than to indulge in personalities. It is true however that during the week of discussions in Rome, agreement was almost reached by all the parties on Signor Benelli's suitability as the next Premier. At the last moment, however, the Christian Democratic Party withdrew its support and the discussions petered out. The CLMAT delegates thereafter made a trip to Naples where Signor Morandi made another speech calling for a new government. They then returned to Milan on May 14th. I am advised that the delegation was dissatisfied not only with the course events had taken but also with its own failure to force an issue. Politicians in the North had been confident that their influence on the Rome Government would result in a speedy settlement favourable to Northern interests. For one reason or another, which the delegation could not explain to itself, this had not taken place. The political leaders who had remained in the North were also puzzled and inclined to think that the delegation had mishandled the situation and allowed all the prestige which the CLMAT had won during the days of the regular insurrection to waste.

4. On 16th May the CLM of Lombardy met and announced that the CLMAT had asked for the convocation of the Constituent Assembly within six months. It was difficult to say at this stage how near the Government crisis would break. It seemed clear that the Socialists were impatient for it and a resolution of the Executive Committee of the Italian Socialists reminded Signor Bonomi of

Morandi made another speech calling for a new Government. They then returned to Milan on May 14th. I am advised that the delegation was dissatisfied not only with the course events had taken but also with its own failure to force an issue. Politicians in the North had been confident that their influence on the Government would result in a speedy settlement favorable to Northern interests. For one reason or another, which the delegation could not explain to itself, this had not taken place. The political leaders who had remained in the North were also puzzled and inclined to believe that the delegation had misread the situation and allowed all the prestige which the CISAI had won during the days of the popular insurrection to wane.

4. On both May the 14th and 15th, the Government announced that the CISAI had asked for the convocation of the Constituent Assembly within six months. It was difficult to say at this stage how soon the Government crisis would break. It seemed clear that the Socialists were impatient for it and a resolution of the Executive Committee of the Alliance Socialists requested Signor Bonomi of his promise to resign on the complete liberation of the country - that is now. The other left wing parties seemed to share Socialist impatience though perhaps to a lesser degree. The Christian Democrats however issued a manifesto asking for time for clarification of party programmes before taking action. The Liberals too seemed to be in no hurry.

5. On May 17th, Signor Bonomi, with various members of the Government and representatives of the Socialist and Action Parties, travelled to Northern Italy by various means. In order to establish contact with political groups there. Signor Bonomi confirmed his visit to his home town of Mantua. The

other leaders however visited most of the Northern cities. A week of discussions between the parties followed and at a meeting of the CLMPT on May 21st agreement was reached on the formation of a Government with Signor Menet or Signor Garabat as Prime Minister; Signor de Gasperi as Minister for Foreign Affairs and Signor Bruscia as Minister of Interior. The Portfolios of the Ministry of War would go to Signor Favre of the Action Party and those of Justice and the Treasury would be held by a Communist and a Labour Democrat respectively. Later in the meeting however it seems that serious disagreement developed over the insistence of the three left wing parties on the right of the CLMPT to dictate the composition of the Government. The Liberals and Christian Democrats took the attitude that it must be done in consultation with leaders from the South and by constitutional means, that is, through the Lieutenant of the Realm.

6. At a meeting on the following day - 22nd May - very little progress was made towards agreement. The only issues under discussion for the premier-ship seem to have been those of Signor Menet and Signor de Gasperi. The Liberal and Christian Democratic representatives were still reluctant to accept Signor Menet. On the other hand, there seemed to be a chance that the Communists and Socialists might accept Signor de Gasperi. A final meeting was held on May 23rd between the CLMPT, the Secretaries of the Parties and the members of the Rome Government in the North and full agreement was reached on the following lines:

It was necessary to form a new Government. The head of the Government should be changed. All six parties should participate in the new Government.

of the CLMIL to dictate the composition of the Government. The Liberals and Christian Democrats took the attitude that it must be done in consultation with leaders from the South and by constitutional means, that is, through the Lieutenant of the Realm.

6. At a meeting on the following day - 22nd May - very little progress was made towards agreement. The only names under discussion for the premiership seem to have been those of Signor Deadi and Signor de Gasperi. The Liberal and Christian Democratic representatives were still reluctant to accept Signor Deadi. In the other hand, there seemed to be a chance that the Communists and Socialists might accept Signor de Gasperi. A final meeting was held on May 23rd between the CLMIL, the Secretaries of the Parties and the members of the Rome Government in the North and full agreement was reached on the following lines:

It was necessary to form a new Government. The head of the Government should be changed. All six parties should participate in the new Government. Finally, key positions in the new Government should be held by men who represented the progressive spirit shown by the people in their struggle for liberation. Having taken this decision, the political leaders decided to break off the talks for the time being. The members of the Government returned to Rome on May 25th. Incidentally, Signor Bonomi had already returned to the capital on May 22nd. As a result of the talks it seems that Signor de Gasperi had agreed in order to ensure the inclusion of the Socialist and Action parties in the new Government that Signor Deadi would not be the next Prime Minister. Signor Deadi and Deadi returned to Rome on April 28th and the Government crisis is now open for settlement. It is understood however that Signor Bonomi will not in any case resign until a new cabinet has been agreed.

7. While all this official activity has been going on, the Government in Rome have continued to transact the ordinary business of administration. I will not burden you with details of this routine business and the special legislation which has been passed but I should perhaps mention that at the meeting of the Council of Ministers on May 12th plans were made for the integration of the police and Partisan units and for the incorporation of Partisan units into the regular army. Other items of interest are the announcement made by Signor Bonomi on May 15th that 250,000 German Prisoners are to be made available for work on Italian reconstruction and the Italian request to the International War Crimes Commission for permission to try in Rome those responsible for the Fosse Ardeatine massacres.

8. The other line of importance which has been exercising Italian minds during recent weeks is of course the question of Trieste. The problem is now the subject of discussion at Governmental level and I do not propose to discuss its merits here but only to give you the main features of Italian reactions to the situation during recent weeks. I have already mentioned that on May 10th Signor Bonomi referred to Trieste in his speech at the Brancaccio Theatre. On that occasion he repeated the socialist thesis that the Italian character of the city could be preserved by a democratic understanding between the Italian and Yugoslav peoples and a rectification of the Eastern Frontier in such a way as to do justice to both peoples. In short, the final solution should take into account both the "Italian character" and the "European frontiers" of the city. The Democratic Party issued an order of the day on May 14th

and affirmed the Italian character

responsible for the future ardent execution.

8. The other type of importance which has been exercising Italian minds during recent weeks is of course the question of Trieste. The problem is now the subject of discussion at Governmental level and I do not propose to discuss its merits here but only to give you the main features of Italian reactions to the attention during recent weeks. I have already mentioned that on May 15th Signor De Gasperi referred to Trieste in his speech at the Congress of Trieste. On that occasion he reiterated the Socialist thesis that the Italian character of the city could be preserved by a de facto understanding between the Italian and Yugoslav peoples and a recognition of the Eastern Frontier in such a way as to do justice to both parties. In short, the final solution should take into account both the "Mediterranean character" and the "European character" of the city. The Democratic Party issued an order of the day on May 14th which was much less conciliatory in tone and affirmed the Italian character not only of Trieste but of all Venezia Giulia and Zara as well and called on all parties to rally to the defence of the integrity of the national territory. The announcement on May 15th that Marshal Tito had appointed a commander of the town of Trieste caused general uneasiness and the Council of Ministers on the 9th May charged Signori De Gasperi and De Gasperi to take the matter up with the Allied authorities. On May 16th the Council of Ministers, having heard the report of Signori De Gasperi and De Gasperi, asked formally that the occupation and administration of Italian territories be carried out by the powers with which Italy signed the Armistice. Signor De Gasperi in an interview

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Two days later told a United Press Correspondent that at Munich, 21st presented in holding Trieste by force the result would be a nationalist and reactionary Government in Italy with consequent danger to the future peace of Europe. On May 15th the above newspapers carried the news of the British and American notes to Marshal Tito asking him in substance to turn over Venezia Giulia to AHR. The Democratic Party Paper "Italian Mirror" failed also development with satirical evidence that the Allies were not doing to conduct to the solution of problems by force and the other party papers followed the same line with the exception of the Communist Paper "Unita" which played down the story and indeed affected representations as to the existence of the note or notes. The Communist position which has been rather ambiguous on the subject of Trieste was clarified by an article by signer Gaspari in the "Unita" of May 16th. He wrote in this article "We Communists affirm the Italian character of Trieste and we do not wish to see our destiny compromised by unilateral acts or statements." He added however that the Communist Party wished to find a solution fair and acceptable to all and furthermore "looked at the situation both from a national and international point of view." His position would probably subscribe to Signor Gaspari's words but the Italian press does not seem to appreciate that the point at issue is not the eventual disposal of the city but the question of who is going to administer the territory until some kind of peace treaty is made. While on the subject of Italy's frontiers I might add that Italian reactions to the reports of French military activities in Piedmont have on the whole been very calm. Indeed, Signor de Gaspari stated on May 14th that the question was "not important".

Communist position which has been rather ambiguous on the subject of Trieste was clarified by an article by Signor Foglietta in the "Unita" of May 15th. He wrote in this article "we Communist office the Italian character of Trieste and we do not wish to see her destiny compromised by unilateral acts or state-ments." He added however that the Communist Party wished to find a solution fair and acceptable to all and furthermore "looked at the situation both from a national and international point of view." All parties would probably subscribe to Signor Foglietta's words but the Italian press does not seem to appreciate that the point at issue is not the eventual disposal of the city but the question of who is going to administer the territory until some kind of peace treaty is made. While on the subject of Italy's frontiers I might add that Italian reactions to the reports of French military activities in Flanders have on the whole been very calm. Indeed, Signor De Gasperi stated on May 14th that the question was "not important".

9. Turning to the economic field, I am happy to be able to report that it is now confirmed that approximately 85% of the industrial plant in Northern Italy is undamaged. However, the lack of coal and raw materials may offset this initial advantage. The lack of coal is indeed the main problem of the North. A suggestion has been put forward to pump in electrical power to replace coal power and technical difficulties are now being studied. The vital importance of coal to the Italian economy and the industrialized North can hardly be over-emphasized. All the industries are dependent on this fuel in some way or another. Usually Italy had to import more than one million tons

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of coal a month. Employment in the industries affected - which had in times of peace a payroll of nearly 5 1/2 million - would be seriously endangered and a consequent unemployment of 4 to 5 million might easily result. At the present time only some 300,000 tons of coal a month are scheduled for Italy. Even this supply is not certain. The consequences for political unrest are obvious.

10. Otherwise the economic situation in the North does not look too bad. The economic barrier between the North and the South was lifted on May 26th but the Italian organization ENAS and the opposite number in the North will continue to exercise control over transport carrying commodities from the North to the South.

11. On May 15th the Supreme Allied Commander decided to turn over to the Italian administration the Provinces of Grosseto, Siena and Arezzo in Tuscany; Terni and Perugia in Umbria; and Ascoli-Piceno, Macerata, Ancona and Pesaro in the Marche. The port and coastline of Ancona remains however under AMG. This development brings approximately under Fifths of Italy and 2 1/2 million Italians back under direct Italian rule. The Umbria-Marche Region of the Allied Commission was closed down on May 9th and officers have begun to withdraw and will be used in AMG in the North. The Supreme Allied Commander contemplates the handover of further territories in the near future. These will probably be the Provinces of Pisa, Livorno and Florence in Tuscany. The details of this transfer have not yet been worked out.

12. Liberty of civilian movement in Italy was restored on May 28th and Italians may now move freely throughout Italy up to the security control line which follows the course of the River Po and the 25-kilometre prohibited

North to the South.

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12. Liberty of civilian movement in Italy was restored on May 28th and Hollanders may now move freely throughout Italy up to the security control line which follows the course of the Silver Pave and the 25-kilometre prohibitive frontier zone which stretches along the whole line of the Italian frontiers with France, Switzerland and Austria.

That, Gentlemen, concludes my report.

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Declassified E.O. 12356 Section 3.3/NND No. 785017

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MAY 16 1945

CHIEF DELEGAT
TO THE
ADVISORY COUNCIL
FOR ITALY

(64)

Rome, the 15th May 1945.

Ref.No: 2000

My dear Admiral,

I have the honour to bring to your knowledge that Captain Panagiotis CONSTAS, Royal Hellenic Navy, has been appointed as Naval Technical Adviser near this Delegation and will soon enter upon his functions.

Yours very sincerely,

G. Kaintaris

G. KAINTARIS,
Ambassador.

Rear Admiral STONE,

Chief Commissioner A.C.C.

R O M E

13-566

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G. Eximtaris

G. EXIMTARIS,
Ambassador.

Rear Admiral STONE,

Chief Commissioner A.C.C.

R O M E

GE:SCE

(Rear Admiral)

Handwritten notes and signatures:
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Italians, partisans to join the liberation of their cities, the capture and execution of Mussolini and other fascist leaders, and finally the unconditional surrender of the German forces in the North. Weighed as they are with a truly historical significance, these developments merit for some consideration that we can give them time this morning, and I want therefore content myself with giving you only a brief outline of occurrences during the period under review.

2. The liberation of the North was already imminent when the Council of Ministers met on 20th April to discuss the agreement with the Committee of National Liberation of Northern Italy signed by the Undersecretary of Occupied Territory on 20th March during his clandestine visit to Turin and Milan. This agreement, which was concerned mainly with local administration by the CLNAI during the period between a German collapse and the establishment of Allied Military Government, was approved by the Council, which took the occasion to reiterate its agreement with, and faith in, the policy of the Northern Committee and the work of armed partisan bands under its control.

3. At this meeting too the Council considered the problem of assistance to Italian prisoners and internees in Germany, as well as the general question of the status of Italian prisoners of war, and endorsed the Minister for Foreign Affairs to make further representations to the Allied Governments in this connection.

4. On 21st April, Bologna was liberated by the advancing Allied Armies. This was followed by the liberation of Milan by partisan bands on 26th April, and soon German dominance of the North was everywhere being shattered by Allied arms and the decisive action of the patriots. On 30th April General Clark was able to say

(Mr. Clark)

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that "the military power of Germany in Italy has practically ceased," and on 2nd May the Supreme Allied Commander in the Mediterranean announced the unconditional surrender of all German forces in Italy in the coastal west of the Isonzo River. For the valiant men of the XV Army Group, and for the countless patriots of the North, victory was won and the fighting in Italy had ceased.

5. With the liberation of Milan, the radio station there was immediately put into service to broadcast General Cadorna's orders to the partisans for a general uprising. The CLAI proclaimed a state of emergency, with subsequent broadeners of ordinance enacted by the Cassalves showed that it was proceeding effectively with the establishment of its administration. On 17th April, Radio Milan reported the capture of Mussolini and a number of his henchmen by partisans while attempting to escape across the frontier. The news of his not unexpected trial and execution by the partisans of the 52nd Brigade followed on 29th April, and even two hundred or more fascist leaders met a like fate before the Prefect of Milan, at the request of the Allied Authorities, on 30th April ordered the suspension of further summary trials and executions and the delivery of all captured fascists to the legal authorities.

6. At the meeting of the Council of Ministers on 26th April, agreement was reached on the formation of a Consultative Assembly, to which I alluded in my last report, to be composed of three principal groups. Of these, the first will be nominated by the six major political parties represented in the Committee of National Liberation, with 20 places going to parties outside the Committee. The second group will include anti-fascist deputies and Senators of the last free Parliament, while the third group will be composed of representatives of labour organizations. In addition to the Government's decision was

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Italy with the establishment of its administration. On 27th April, Radio Milan reported the capture of Mussolini and a number of his henchmen by partisans while attempting to escape across the frontier. The news of his not unexpected arrest and execution by the partisans of the 52nd Brigade followed on 29th April, and some two hundred or so fascist leaders met a like fate before the President of Milan, as the request of the Allied Authorities, on 30th April ordered the suspension of further military trials and executions and the delivery of all captured fascists to the legal authorities.

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7. It thus seems at home have brought rejoicing to the Italian people, whose feeling that the contribution of the partisans to the Allied victory in

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Italy now warrants their inclusion among the United Nations is widely reflected in the press, as much can not be said for international developments. Unhappily, unanimity at Italy's exclusion from the United Nations Conference on International Organization now meeting at San Francisco is also reflected by the press, and the Council of Ministers at its meeting on 25th April voted to send a message to the Conference claiming the right and reaffirming the will of Italy to participate in world reconstruction.

U. Asolo, as reflected by the press, concern for the fate of Trieste has been intensified by the reported occupation of that city by Yugoslav forces. Following the Cabinet's expression of a desire for unimpaired and good-neighbourly relations between Italy and Yugoslavia, reported in my last review, the Government issued an official communiqué on 30th April affirming "in the most resolute and explicit manner" its view that controversial questions between the two countries should not be prejudiced by military operations then in progress in Venezia Giulia but settled by direct agreement after final liberation of their respective territories. It should be added that the Communist Party took another step to clarify its position on this question when Signor Negrinelli declared in an interview over Radio Roma on 3rd April that his party was sure that the Italian Government of Trieste would be taken into account by the great powers in revising the frontier as fixed at Rapallo, which the Communist Party regarded as unjust to the Slav population of Istria.

2. In the economic field, I have to report that the Italian Government has officially expressed its satisfaction with the response to the offering of Treasury bonds. The new tax program also shows signs of initial success, statistics having shown tax collections of two billion lire in March. I am glad to report too that

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9. In the economic field, I have to report that the Italian Government has officially expressed its satisfaction with the response to the offering of Treasury bonds. The new tax program also shows signs of initial success, statistics having shown tax collections of two billion lire in March. I am glad to report too that the difficulties at the Sardinian coal mines appear to be in the process of solution, and it is hoped that normal production will be reached shortly.

10. The most encouraging aspect of the economic situation, however, is the possibility that the industrial plant and public utilities of Northern Italy will be found to have been less damaged than was expected. It is too early to give way to optimism, but I am reasonably hopeful that further data now being compiled by AMI officials will confirm the favorable reports which have reached the Allied Commission thus far. In the meantime, the Commission, in collaboration with the Italian Government, has established an economic boundary line between Northern and Southern Italy in an endeavor to retard the growth of inflation pending the

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availability of precise information on the basis of which definitive action can be taken.

That, Gentlemen, concludes my report.

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220 224

APR 19 1945

PUBLICITY REVIEW BY MR. ALFRED H. STONE

For presentation at the

3440 MEETING OF THE AMERICAN COUNCIL FOR THE AMERICAN, 20 APRIL 1945

SC 803

Continued

1. The International has not been asked by any committee of major importance in Italian affairs. The Council of Ministers have, however, put through a number of legislative measures and the political parties have been active in preparation for the campaign which they evidently intend to launch as soon as the issue of Italy is decided.

2. The Council of Ministers met on 9th April and amongst other things approved a draft decree law regulating in their property rights Italian subjects and foreigners who had been administered by the Italian government in 1944. This decree is very similar to the decree law which was passed in January 1944. The Council further approved a draft decree regarding the administration steps to be taken for the drawing up of electoral lists and particularly for establishing the names of candidates elected in elections which are not held under special circumstances. The Council also approved measures in the various regions, these measures range from a 10% increase for dramatic soldiers of the first category to lower percentages according to the various categories and grades. Another important measure approved by the Council was the decision not to apply certain law to subjects for acts committed during the war of liberation. This provision therefore puts

active in preparation for the campaign which was eventually limited to launch an coup in the North of Italy is indicated.

2. The Council of Ministers met on the 4th and 5th April 1945 and discussed the situation in Italy. The Council decided to issue a decree against Italian subjects and foreigners who had been convicted against by Italian racial legislation. This decree is supplementary to the decree law which was issued in January 1944. The Council further approved a decree regarding the

administrative system to be taken for the drive of the Italian State and particularly for establishing the areas of population closures in countries which were not their normal places of residence. The Council also approved the proposed by the Council. These measures were that a 10% increase for double, reduced of the first category of lower categories according to the various categories and grades. Another important measure approved by the Council was the decision not to apply currency law to subjects for note omitted during the war of liberation. This provision therefore puts the Council in line with the Committee of National Liberation as the Italian units recognized by the Committee of National Liberation as the same for the military functions assigned to take part in war.

3. On 5th April information to the Council, by the Treasury Department, that the Council had decided. The closing date is May 19th. The President of the Council spoke over the radio during the evening of 4th April and other members of the Government have also contributed to the campaign for the first time the sale of these bonds. The loan is restricted to being the first free loan in Italy for over 20 years and increases a notable amount through

which the Italian people may regard its existence in the government and the future of free Italy. It is best pointed out that the Italian people's reaction to the issue will be closely observed by financial circles abroad and that it is therefore the responsibility of all Italians to maintain further confidence by exhibiting personally and jointly.

1. The special ministerial committee in charge of plans for the setting up of the constitution, on 10th April, 1946, recommendations of the Action and Socialist Parties attended. On the following day the House of the Government Press Office gave a conference to which, commenting on the various suggestions put forward on 10th April for the formation of the Committee, he pointed out that the Action and the organization had already been laid down by the Council of Ministers. The very name of National Constituent Assembly indicated the limits of its powers. It could not be considered the political Assembly of the Nation in its entirety of the term. Moreover the administrative functions which would take place in the 10 provinces administered by the Italian Government during the summer, in the other liberated provinces in the winter, and in the provinces still held by the enemy very probably within 6 years would mean that the Committee would very soon lose the character which it was given by law to be at the present time. Finally the Government's economic policies, out that by attacking the too many differences in the legislative Assembly the Italian people might be led to think the formation of a constituent Assembly a matter of no urgency. On the contrary, it was most important that the Constituent Assembly should be convened as soon as possible so that the nation should at last have true legal representation and a Government which would be re-

...the Commission was forwarded to the Council of the
Council, the Committee was that the Commission had already
been done by the Council of Ministers. The very name of National
Constitutional Assembly indicates the limits of its powers. It could not be
considered the political Assembly of the Nation in the sense of the
text. Moreover the constituent election which would take place in the
in provinces administered by the Italian Government during the period, in
the other liberated provinces in the future, and in the provinces still held
by the enemy only previously within a year, would mean that the Committee would
very soon lose the character which it was designed to give to the
present plan. Finally the constituent election would not lead by attach-
ing too much weight to the Commission's authority and thereby this Italian people
would be led to this as a consequence of a historical and military interest of
the country. On the contrary, it was not desirable that the constituent
Assembly should be convoked as soon as possible so that the nation would
at last have been based on representative and a government which would be in
your and shadow of least the representation of the people with.

9. The Council of Ministers was given on 17th April and report from
the Italian International Relations - to which I shall refer later on in this
report - concentrated in particular various aspects of the institution for
elections against Fascism. The main provisions proposed at the meeting were
the following: it was agreed that the preliminary or first grade elections
for members against Fascism could be substituted henceforth not only so

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the situation but to underlying questions, anyone and under such conditions of the situation. This brochure was submitted by the above mentioned person to the President and by the lack of fully informed judgment of the President, it would have been made in a similar manner of other such cases. Another person was the decision to use a subversive/secret source in newly liberated territory in North Italy for dealing with the situation and particularly those Italian cities of collaboration with the Germans. The prior approval of SACLES having been secured through the Allied Commission, the Council also approved a decree appointing General Claudio Trevisani Chief of the General Staff in connection to Marshal Giovanni Deane.

6. The Council of the Party held its meeting on April 10th, 1945 to 10th April. Major questions, the Secretary General of the Party, under the able support of the Council of the Party during the last year. He declared that the Communist Party will not participate in the international situation and that, as soon as the North was liberated, the British will call for a rapid solution since the failure of Italy in that area were particularly significant in connection with the North and not only have been recognized. Since the North was freed, the three main international large and the Communist Party will also be the first decision of the people on the question. If, however, there should be delay in reaching a solution, there was an international move which the Communist Party wished to organize, namely, that the internationality of the North should be transformed into a sort of civil war. Since Trevisani reviewed the relations be-

plans and organization and (4) the interests of a Russian Government which was
resolving itself into a new form for democracy and Italy. The Committee
Party (Khrushchev) announced the withdrawal of the present organization since it
is the responsibility of the Government to take action upon the matter
Russia and improve the economic situation. At the same time, the Party
proposed to work for the Party Government in a number of the Committee
of National Education and the constitution of the country in the administration
of the country and to prepare for the reorganization of the Government on
the liberation of Italy.

7. The Italian Government and the Italian Party, after the Congress, was
at the same time. The Italian Government approved various resolutions
which consisted of various reforms for the administrative structure. The
Democratic Party Congress, however, proposed a separate government organization
the need for power in the new order, private initiative and the rights of
individuals within the form of state structure. The Party expressed its
preference for the "unrestricted freedom" of the individual problem,
which means a free market in the economy as well as the country has been
entirely liberated by the prisoners of war in the country. Another plan is
the "unrestricted" freedom in the economy in the country of the country
including Italy's right to all interests. It is the interest of the last war.

8. In the meantime, the Italian Party, I have to report that the Italian Government
has taken action in the country in the country. It is the intention to be
concerned of the government for the liberation of the Italian Government
concerned, Italian Italy and it will not allow the party to be liberated

12. The above finding was brought into the subject's court by the press before the day of April 15, 1944, at which the correspondent of the International Bureau was present, stated that he "would have done" the same of the High Court, the concerned bodies. The statement was first published in the Soviet paper "Avant" on April 15 and was confirmed in a letter written by Mr. Gorkin, a first editor of the same paper. The President of the High Court immediately requested and asked General Smolenski, Deputy of the Soviet and also of the Soviet Union, the government not to take any action for the reservation of the High Court and the High Court. The High Court immediately discussed for the publication of the High Court and the High Court. The High Court, on the other hand, published on April 15 that the Soviet Union, in the investigation of Admiral de Courten and after consultation with leading members of the Government, had decided to take the initiative for the removal of the High Court and the High Court on the High Court. Even the Soviet newspaper "Pravda" could find no fault with this decision.

13. As regards the national situation, it is understood from the High Court that the Soviet Union will continue to adhere to its own position waiting for the end of the conflict. The High Court will also wait for the end of the conflict. On April 15 the Soviet newspaper "Pravda" published the results of the investigation of the High Court. An unfortunate incident occurred on the night of April 15, 1944, which is the subject of the investigation of the High Court.

French Ambassador's report on the incident to the Council of Ministers at its meeting on 17th April. The Council has taken no action and the original anti-Italian resolution which has been referred to the Council has been rejected. The Council has also taken no action on the matter. It is noted that the situation is still in the same state as at the time of the Council's decision to put the whole matter of Anglo-Italian relations on a higher level than that of mere politics. The Council of Ministers subsequently passed a resolution expressing the views of the Italian Government in established relations of mutual cooperation between the two countries to the effect that no claims for the restoration of the original situation of Italy and Yugoslavia shall remain, and, with the advice of the great powers, decision on the solution of the problem which concerned the both. At the same Council meeting Generalissimo de Gaulle reported that the Argentine Government has decided to pay 100,000 tons of wheat to the Government of Italy.

That, therefore, concludes my report.

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...positions of national representatives before the two countries so that the period might be cleared for the time after the Supreme Court...
...of Italy and Yugoslavia could resolve, and, with the advice of the...
...court, decide on the solution of the problems which concerned the...
...both. At the same time, the Soviet Union is being reported that the...
...Agreement... was decided to put 140,000 tons of wheat at the...
...disposal of Italy.

Thus, gentlemen, concludes my report.

Participants:

- Chief of Secretariat, Advisory Council (A)
- U.S. Representative, JCI
- Belgian Representative, JCI
- Soviet Union Representative, JCI
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OFFICE OF THE CHIEF COMMISSIONER
APR 3/4

POLITICAL REVIEW BY REAR ADMIRAL ELLERY H. BRYCE

for presentation at the

32nd MEETING OF THE ADVISORY COUNCIL FOR ITALY, 6 APRIL 1945

CG 903

Gentlemen,

APR - 9 1945

1. The Council of Ministers met on 16th March and, among other minor measures, approved a draft decree aimed at the fusion of Partisan units with the regular army. The Government have for some time been seeking to give the Partisans some form of recognition and at the same time to keep alive their military enthusiasm without impairing the administration of the regular army. The fusion has now been arranged on the basis of the temporary enrollment of Partisans in the regular army with the recognition of the ranks they held while in Partisan units. These ranks go up to, and include, that of Lieutenant-Colonel. This solution seems to be acceptable to all parties and has been favourably commented upon in the press. Somewhat later in the week Major Scordisario, the Minister for Occupied Italy, stated in an interview that plans for freeing, clothing and re-organising the Partisans had been set up and that a special camp for Partisan women was in preparation. The Minister pointed out in the same address that it would be unwise to count on assistance from the north in the reconstruction of Italy. It would be more than likely that the liberated areas would need aid from central and southern Italy. He therefore looked to the Committees of National Liberation to mobilise the working masses immediately after liberation. In a speech on 22nd March the Minister also announced that Italy claimed the right to try German prisoners of war for

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The Council has now been arranged on the basis of the temporary enrollment of Partisans in the regular army with the recognition of the ranks they held while in Partisan units. These ranks go up to, and include, that of Lieutenant-Colonel. This solution seems to be acceptable to all parties and has been favorably commented upon in the press. Somewhat later in the week Steno Secocimuro, the Minister for Occupied Italy, stated in an interview that, owing to the lack of food, clothing and re-organizing the Partisans had been set up and that a special camp for Partisan women was in preparation. The Minister pointed out in the same address that it would be unwise to count on assistance from the North in the reconstruction of Italy. It would be more than likely that the liberated areas would need aid from central and northern Italy. He then, however, looked to the Committee of National Liberation to mobilize the working masses immediately after liberation. In a speech on 22nd March the Minister also announced that Italy claimed the right to try German prisoners of war for war crimes committed in Italy.

3. The Government were somewhat harassed during the last month by repercussions of the disturbances which took place in Caulonia, a small town in Calabria, at the beginning of March. Accounts of the origin and development of the episode vary, but it seems clear that, for a time at least, the local communists took over the town and ousted the proper authorities. There was a revolution in the disturbances - a priest and the secretary of a local Christian-Democrat group. The Right Wing papers have again raised the cry of the "red domination of the South" and have pressed the Government for action.

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see p152
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The press office of the Government reported on March 20th that errors had been taken to ascertain and publish the daily portion and to maintain law and order, but, as the outcry went on, the same statement was repeated the following day with the additional comment that the main source of disorder was the number of armed refugees who were circulating in the cities of Paris and that "economic difficulties and party differences still further complicated the situation." Nevertheless criticism continues in the press.

3. At the Council's Meeting on 21st March the High Commissioner for Food, Sir Peter Howard, presented a report in which he stated that the wheat situation was in hand until the next harvest. The population would receive 140,000 grams of bread and 40 grams of meat. The High Commissioner spoke again on the need of controlling prices and protecting the citizens against speculation. At this same meeting the Council also approved a decree to keep existing economic conditions in force until the end of the war.

4. The principal business of the Council Meeting on 24th March -- and the most important development of the month -- was the setting up of the Interim Consultative or Advisory Assembly. As at present planned the Assembly will have 300 members, selected as follows: 150 chosen by the most important parties; 70 by the syndicalist organizations and 70 from among old anti-Fascist persons and ex-detainees. The Assembly will be divided into commissions corresponding roughly to the various ministries, as follows: Foreign Affairs; Political and Administrative Affairs; Justice; Education and Fine Arts; National Defense; Treasury and Finance; Agricultural and Food; Industry and Commerce; Labor and Social Welfare; Reconstruction, Public Works and Communications. The Assembly will express opinions on the general problems and legislative matters which

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on the need of controlling prices and protecting the citizens against speculation. At this time meeting the Council also approved a decree to keep existing agrarian contingents in force until the end of the war.

4. The principal business of the Council Meeting on 24th March -- was the most important development of the month -- was the setting up of the long unified Consultative Advisory Assembly. As at present planned the Assembly will have 300 members, selected as follows: 120 chosen by the most important parties in the syndical organizations and 90 from among old anti-Fascist workers and ex-detention. The Assembly will be divided into commissions corresponding roughly to the various ministries, as follows: Foreign Affairs; Political and Administrative Affairs; Justice; Education and Fine Arts; National Defense; Treasury and Finance; Agriculture and Food; Industry and Commerce; Labor and Social Welfare; Reconstruction, Public Works and Communications. The Assembly will express opinions on the general problems and legislative matters which are submitted to it by the Government. The Government has agreed to seek the Assembly's opinion on matters affecting the budget and public expenditure, taxation (except in cases of extreme urgency) and the local laws. The Government can seek the views of the commissions either jointly or separately.

At its first plenary session the Assembly will nominate its President, 2 Vice-Presidents and 4 Secretaries. Each commission will nominate its own President, Vice-President and Secretary. The Sessions of the Assembly normally will be held in public but those of the commissions will be held in camera. In special

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cause the Government may make other dispositions. The members of the Government will be able to be present at the sessions and take part in the discussions of the plenary assembly and of the commissions. The composition of the Consulta will be modified as the regions now occupied by the enemy or under AMG pass in due course to Italian administration. The Council of Ministers have appointed Ministers Englarini, de Gaggeri, Ruffini and De-Scipio to study the proposals made by various parties for the procedure to be followed regarding the nomination of the members of the Consulta and to work out concrete proposals at an early date. The announcement of the beginning of this Government was hailed enthusiastically by the parties in the Government, with the exception of the Communists, whose approval was tempered by the contention that all representation should be confined to the parties of the Committee of National Liberation. The left-wing opposition parties however had certain reservations in mind. The Socialist paper "Avanti!" maintained that the move gave birth to "new unity" and the Action party paper objected to the commission principle arguing that what was envisaged was not an Advisory Council at all but merely a number of groups of experts which the Government might consult or ignore as it chose. The Action party went as far as to call the new institution "corporative"-a word which has a familiar but unpleasant ring to Italian ears. The parties outside of the Committee of National Liberation are of course willing to see how much, if any, representation they will secure.

5. In the economic field, both the Italian Government and the Allied Commission have been studying attentively the export problem. Various projects are under consideration. There are possible deals which involved the import of frozen meat from the Argentine and the repayment of 10,000 tons of wheat

of the Government, whose approval was required by the constitution that all representation should be confined to the parties of the Committee of National Liberation. The Left-Wing opposition parties however had certain reservations to make. The Socialist paper "Avanti!" maintained that the five main facts "as we see it" and the Action party paper objected to the examination principles whereby that such was suggested was not an Advisory Council at all but merely a number of groups of experts which the Government might consult or ignore as it chose. The Action party went so far as to call the new institution "counterproductive" which has a further very unpleasant ring to Italian ears. The parties inside of the Committee of National Liberation are of course willing to see their wishes, if any, representation they will secure.

5. In the economic field, both the Italian Government and the Allied Commission have been studying extensively the export problem. Various projects are under consideration. There are possible deals which involve the import of iron ore from the Argentine and the export of 10,000 tons of wheat from Spain. There are also suggestions that Italian cement and steel might be bartered for Yugoslav primes and salt. In the second half of 1945 about 100 million lire worth of silk, hemp and seeds were exported to the United Kingdom. 1,265 tons of sulphur were exported to Greece and 33 tons of mercury to France.

6. The work of de-requisitioning industrial premises is progressing. During the last 2 months, 11 plants have been released from military control and other plants including an olive oil extracting plant at Bari and a fertilizer plant at Taranto will be de-requisitioned shortly. The latest figures for the amount of olive oil are 41,000 tons. The Economic Section are confident that

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45,000 tons will be needed before the warping ceases. The amount of wheat now already at 11,023,563 quintals. For the period from last June to the end of February remittances to Italian relatives from Americans amounted to 10,830,000 dollars. Similar payments for the same period from the United Kingdom amounted to 130,000 pounds.

7. As you are aware from the special meeting of the Council at which I explained to you the implications of the new structure for Italy, the staffs of regional commissioners are in process of being withdrawn from South Italy and the Islands. The Headquarters of the Southern, Sicilian, and Sardinian Regions were abolished on April 1st and the new Umbria-Marche Region came into force on the same date. The new region will have its 4 military Government provinces in the Marche plus Terni and Umbria from the former Lazio-Umbria Region. The Regional Commissioner will be Colonel Franco Ferrarini of the Abruzzi-Marche Region.

8. Turning now to internal local affairs, I have to report that it was announced during the month that Signor Giuseppe Saragat had been appointed Italian Ambassador to France. Signor Saragat is one of the leaders of the Italian Socialist Party and is well-known in France where he spent 13 years as an exile from Fascism. It was announced later in the month that Italian diplomats had been nominated for various posts in South America and would soon be leaving to assume their duties.

9. The Quintinici-Mastrolilli Mission has given its report on its return from the United States. The report has been favourably received upon by the press in general not so much for any real concessions which the two Finis-

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 Force on the same date. The new ruler will have the Military Government provinces in the Marche plus Tami and Uchiria from the former Lazio-Uchiria Region. The Regional Commissioner will be Colonel French former head of the Abruzzi-Marche Region.

8. Turning now to international affairs, I have to report that it was announced during the month that Signor Giuseppe Bonavent had been appointed Italian Ambassador to France. Signor Saragat is one of the leaders of the Italian Socialist Party and is well-known in France where he spent 13 years as an exile from Fascism. It was announced later in the month that Italian diplomats had been nominated for various posts in British America and would soon be leaving to assume their duties.

9. The Quadrilateral-Mediterranean Mission has given its report on its return from the United States. The report has been favourably commented upon by the press in general and so much for any real consciousness which the two financials have shown for the encouraging tone of American interest in Italy. The Socialist paper "L'Unita" pointed out that nothing had really been obtained in the delicate matter of the Allied military line and found the optimism expressed by the report somewhat "overstated." Nevertheless press comment continues to be optimistic on this subject.

10. All the political parties have been campaigning for some kind of a seat at the forthcoming San Francisco Conference. It is pointed out somewhat bitterly that Turkey which has avoided hostilities all through the war will have a right to be present at the conference, while Italy is excluded.

That, Gentlemen, concludes my report.

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HEADQUARTERS ALLIED COMMISSION
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32nd POLITICAL REVIEW BY ASAC ADRIAN ELLEN W. STONE
for presentation at the
MEETING OF THE ADVISORY COUNCIL FOR ITALY, 16 MARCH 1945

Gentlemen:

The outstanding event of the past fortnight in Italy was the escape of General Roatta from the custody of the Carabinieri and his subsequent disappearance. As you are aware, General Roatta was in process of being tried with Signor Suvich, Signor Lacomini and others for crimes against the Italian state. The trial which had dragged on for some time was approaching the final stage and the verdict had been awaited by the public with some impatience. General Roatta's personal case was of especial significance inasmuch as he had been named by the authorities in Yugoslavia as a war criminal.

2. On the night of 4th March, Roatta, who had been transferred on the order of the court from the Regina Coeli Prison to the Virgilio Military Hospital, owing to alleged heart trouble, succeeded in making his escape. The whole case showed great indignation over the affair and stressed the seriousness of the threat both from the international point of view and on account of the evidence of hidden Fascist influence which it had brought to light. The Communist Party issued a statement accusing Army Police and Carabinieri of complicity in organizing the escape and generally charging the authorities responsible for separation with frustrating the demands of the people for the punishment of Fascist criminals. They also demanded the immediate dismissal of the Heads of the Carabinieri and the Police, the sup-

state. The trial which had dragged on for some time was approaching the final stage and the verdict had been awaited by the public with some impatience. General Josita's personal case was of especial significance inasmuch as he had been named by the authorities in Yugoslavia as a war criminal.

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3. The Government had already issued a statement emphasising the great impression made by Josita's escape on public opinion and promising that all those responsible would be punished. They also announced a million lire reward for his capture and stated that the head of the Carabinieri would be removed. On the afternoon of 6th March a public demonstration was held at the

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[Handwritten signature]

coliseum in which all the left-wing parties participated. After speeches by various leaders a part of the crowd moved on to the stadium where an attempt was made to enter the Palace. During this demonstration a hand-grenade was thrown killing one Italian civilian and wounding two Allied soldiers and an Italian police official. Shots were fired by the Carabinieri. The crowd then carried the body of the dead man to the President of the Council's office at the Vittoriano where Signor Bonomi received a delegation which demanded the Government's resignation. The delegation consisted of representatives of the Socialist, Communist and Action Parties, the Unione delle Donne Italiane, a Partisan, two wounded ex-servicemen and General Asst. himself a stone centre not so long ago. Signor Bonomi replied that he could not desert his post and that as head of a coalition of parties he would shoulder responsibility for the Council of Ministers. Investigations subsequently showed that the grenade or grenades were "home-made" affairs, were not thrown by the police, and it was only after they were thrown that the police fired a few shots into the air.

4. The papers of the Vittoriano were full of speculation on the Government's possible course of action and indeed on its chances of survival. Following a lengthy meeting of the Council of Ministers, however, a communiqué was issued which relieved all fears of a Governmental crisis. In this communiqué the President of the Council deplored the irresponsibility of certain press organs which had led to the necessity of supervising the activities of provocative and subversive groups. It stated that after a full discussion in which individual parties composing the Government made their position clear,

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4. The papers of the 7th March were full of speculation on the Government's possible course of action and indeed on the chances of survival. Following a lengthy meeting of the Council of Ministers, however, a communiqué was issued which relieved all fears of a governmental crisis. In this communiqué the President of the Council deplored the irresponsibility of certain press organs which had lead to the necessity of supervising the activities of provocative and subversive groups. It stated that after a full discussion in which individual parties composing the Government made their position clear, the Council of Ministers recognised that there was no reason to dissolve the coalition. The Council expressed the hope that it might be possible to re-establish collaboration within the Government of all parties composing the Committee of National Liberation and assured that the Council was in any case the effective expression of anti-Fascist democracy. This bait to the Socialist and Action parties that they would be welcome if they wished to return to the Government was subsequently firmly rejected by "Avanti!". The Council then proceeded to nominate General Brunetti to command the carabinieri in the place of General Orlando, to arrange for the re-invigoration of the police, to provide for the immediate internment of "socially dangerous elements of the old regime"

in accordance with Article 8 of the law for sanctions against fascists. It announced the preparation of a list of persons of anti-fascist beliefs and political impartiality suitable for political posts in the provinces and for speeding the purification of public life. Finally it announced the transfer of the Intelligence Office, the former S.I.D., from the Italian General Staff to the General Staff of the Army, in accordance with arrangements approved by the Allied Command. A commission of four ministers was appointed to re-organize the Purgative Commission rapidly, to prepare a law to punish any attempt at revival of fascist activity in any form and to establish juridical rules for proceeding against fascists in North Italy.

6. Cusani's speculation continues to be rife in regard to Costin's accomplices and his present whereabouts. The Vatican officially denied that he had sought refuge in Vatican territory and a similar denial was issued by the Spanish Embassy. A fantastic story, said to emanate from Costin himself, to the effect that he had arrived in North Italy by submarine was broadcast, presumably as a piece of unofficial Axis propaganda. Subsequently the Axis official radio have been at pains to point out that Costin had not succeeded in reaching the North where he was in any case subject to a capital charge for treason.

7. This event, in spite of its tragic consequences and its demonstration of inefficiency on the part of the police authorities, has shown an unexpected degree of strength in the Government or, at any rate, an unwillingness of the parties composing it to break it up with unpredictable possibilities in regard to the formation of a new Government. The story concludes with the announcement of the sentence by the Court-Life imprisonment for

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8. On the 8th March the Italian Government signed an agreement with the representative of UKUSA implementing Resolution 58 of the UNRWA Conference held at Montreal last autumn for assistance to Italy. The agreement follows the standard pattern of other UNRWA agreements but in view of the special circumstances of Italy, it has been drawn up rather more precisely. It provides for assistance to Italy up to an amount of 50,000,000 dollars in foreign exchange for (1) the care of and service for children and nurses and expectant

mothers; (2) assistance in the care of and return to their homes of displaced persons; and (3) the provision of medical, sanitary aid and supplies. Italy is not a member of UNRRA but under the agreement the Italian Government will contribute by giving an amount equivalent to the value of the cost of supplies which benefit Italian nationals. It is understood that certain limitations are to be placed on the amount of money to be spent for administrative purposes by UNRRA in Italy.

8. UNRRA has already taken over the operation of the refugee camps established by the Displaced Persons Commission in Southern Italy, and these will be formally handed over on the 1st April. They have also assumed the direct responsibility, in cooperation with the Allied Military Authorities, for the return of non-Italian refugees from Italian territory to their homes. The Italian Government will be responsible for removing Italians to their homes but will receive UNRRA assistance in their task. In the matter of food supplies a joint program has been prepared by UNRRA with the Food and Com-Mission of the Allied Commission and with the Italian High Commissioner for Food. It should be noted that UNRRA will not function in territory administered under Allied Military Government except by permission of the Allied Commission.

9. The first Regional Commissioners' Conference since last August was held this week in Rome at the Allied Commission. The meeting was presided over by the acting President and discussions ranged over a large number of subjects. Particular attention was given to the political, economic and other problems which will confront the Allied Commission and Allied Military Govern-

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10. After a series of conferences extending over a period of five weeks, the Italian Treasury has decided on two internal loans. A large loan for purposes of reconstruction will be attempted as soon as substantially all of Italy is liberated. A second has been drafted by the terms of which this loan will be on a twenty-year basis and at either 3 1/2% or 4%. It is also planned to issue immediately 25 billion lire of bonds. Bonds will be open for subscription for one month starting 15 April 1945. The delay until that time is necessitated by the customary difficulties of lack of paper, ink, electric current and transportation. It is hoped, however, to have at least

interim receipts in the hands of all branches of the Banca d'Italia by 5th April 1945. This bond will have a five-year maturity, will pay 5%, and will be issued at 97.50. It will have the customary tax exemption, can be used at price of issue to subscribe to the latter loan, to pay any law tax on capital, and can be used at par for the purchase of any materials imported for purposes of rehabilitation. The bond will also have a lottery feature, holders of each series will participate within the five-year period drawings for one prize of 2 million lire, two prizes of 1 million lire, and ten prizes of one hundred thousand lire each.

That, Gentlemen, concludes my report.

Copies to:

Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Section, AUSA

That, Gentlemen, concludes my report.

Copies to:

Chief of Secretariat, Advisory Council (2)
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Mr. Pickens

(17)

JUGOSLAV DELEGATION
TO THE ADVISORY COUNCIL FOR ITALY.

LIST OF PERSONNEL

Jugoslav Representative:

Dr. Josip Broz Tito, Ambassador;

MAY 15 1945

Officer Staff of the Representative:

Major Dr. Stjepan Broz Tito, Deputy Representative,

Captain Arsen Milosovic, Secretary of the Delegation,

Captain Miroslav RASPOPOVIC, Attache;

Lieutenant Ilija JOVICEVIC, Attache;

Clerical Staff of the Representative:

Dr. Mirko BRUNER,

Mr. Branko BOGINA,

Miss Klara GOMBOS,

Miss Mirica GORTNAR,

Mrs. Stjepan BROZ TITO,

Miss Nada CAGAR.

Rome, March 13th, 1945.

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cc: Gen. Lumin (Lumin)
Ex. Comm. Files
CC files
Pol. Advisors

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Office of the Chief Commissioner
APO 394

CC 303

MAR 4 - 1945

POLITICAL REVIEW BY REAR ADMIRAL RILEY W. STONE

for presentation at the

22nd MEETING OF THE ADVISORY COUNCIL FOR ITALY, 2 MARCH 1945

Gentlemen:

During the past month, events in Italy have not unusually been overshadowed by the Crimea Conference. So soon as the news broke in the world press that the long expected meeting of the Big Three had begun, speculation ran high in this country as to the possibility of decisions being taken at the Conference which would materially affect Italy's position. The Italian Government have all along been pressing the Allied Governments to clarify the country's status of co-belligerency and, if possible, accept Italy as one of the United Nations. This pressure was translated into a concrete request for the grant of Allied status in a telegram addressed simultaneously to President Roosevelt, Mr. Churchill and Marshal Stalin which was passed to us in the first instance for onward transmission on February 25th. As you are aware, the communique issued at the conclusion of the Conference made no reference specifically to Italy and I fear that keen disappointment was felt by all Italians. This disappointment was however in some measure offset by the news that the British Labor Conference which was sitting in London at the time had invited the Italian General Confederation of Labor to send its representatives to London and also by the release on February 24th of the news of the imminent implementation of the new Combined Chiefs of Staff Directive to the Commission. As I

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as to the possibility of decisions being taken at the Conference which would materially affect Italy's position. The Italian Government have all along been pressing the Allied Governments to clarify the country's status of co-belligerency and, if possible, accept Italy as one of the United Nations. This pressure was translated into a concrete request for the grant of Allied status in a telegram addressed simultaneously to President Roosevelt, Mr. Churchill and Marshal Stalin which was passed to me in the first instance for onward transmission on February 8th. As you are aware, the committee issued at the conclusion of the Conference made no reference specifically to Italy and I fear that keen disappointment was felt by all Italians. This disappointment was however in some measure offset by the news that the British Labor Conference which was sitting in London at the time had invited the Italian General Confederation of Labor to send its representatives to London and also by the release on February 22nd of the news of the imminent implementation of the new Combined Chiefs of Staff directive to the Commission. As I have already addressed you on this last subject, I will not now make more than this passing reference to it.

Turning to domestic affairs, I have to report that the Council of Ministers met on February 7th and tackled the difficult problem of the "political price" of bread. After long discussion, it was decided to abolish the political price as soon as possible since it had become "an intolerable burden to the State". The Council also expressed its unanimous conviction that the needy classes must be compensated for the effect of this action and instructed the competent authorities to prepare concrete suggestions so that the "necessary operation of bringing the price of bread up to its real cost might have the character of an act of national

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solidarity". The Council met again on February 16th and the political price of bread was definitely abolished. It was announced at the same time that in order to compensate the poorer classes for the increase in the price of bread "opportune increases" would be made in the pay of State employees with effect from February 15th, and that similar increases would be granted to workers in private industries, the details of which would be worked out between the unions and the employers. The Council at the same meeting also approved various measures for the protection of the Treasury, such as the institution of a special committee to reduce State expenditure by pruning non-essential items from the budget and the setting up of a National Solidarity Fund to which it is hoped that voluntary contributions will be made. Certain revenue tax increases were planned and local elective committees are to be empowered to aid the Treasury in estimating incomes. The Council again stated that the goods of high-ranking Fascists would be confiscated and that the war excess profits taxes already in force would be extended to farmers - a class hitherto exempt. Further the pay of troops is to be doubled. As regards control of prices it was announced that the interministerial committee had suggested that co-operatives and communal kitchens should be set up and encouraged. The Food Commissioner was given wide powers to control markets and supplies. On February 23rd the Government decreed a special "warzone" indemnity of 95 lire for the poorer ranks of State employees. This indemnity goes a long way to lessen the effect of the increase in the price of bread from 5 lire the kilo to the estimated 16 lire the kilo. Two days before, the Government and the Allied Commission had jointly announced that as from the 1st March the bread ration for all liberated Italy would be 300 grams or its equivalent - for example, 200 grams of bread daily and 500 grams of pasta

to which 13 is hoped many voluntary contributions will be made.

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Among other activities, the Government announced on February 6th that they had been studying closely the problem of Italian Prisoners of War in Allied hands. It was stated that there are 340,000 prisoners in British hands, 110,000 held by the Americans and 35,000 held by the French. 670,000 soldiers and several hundred thousand civilians are detained in Germany and are not given the proper status of war prisoners since Germany does not recognise the Soviet Government. The statement added that accurate figures on prisoners held by the Russians are unobtainable.

This objective report of the Government was not well received by the press which

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insisted that the prisoners detained by the United Nations should be reunited and that Germany should be compelled to give recognized status and better treatment to those in German hands. The news that Count Camillo had assumed the protection of Italian interests in the United Kingdom - hitherto the charge of the Swiss Legation in London - was however hailed with satisfaction as it was realized that the Prisoner of War question is the chief Italian interest in the United Kingdom at this present time.

At its meeting on February 26th, the Council of Ministers met up a new Commissariat for Veterans. This Commissariat will deal not only with Veterans but also with civilians in the army to be liberated and, through the Partisan organizations, will also be concerned with assistance for the patriots. Signor Bastardo has been named High Commissioner.

After the news of the unsatisfactory reaction to the call-up in Sicily and Southern Italy, I managed to be able to report that the response in Sardinia has exceeded all expectations and that to date more than 90 per cent of the classes called to the colors have reported to their reporting centers. Moreover, there has been an encouraging increase in the voluntary enlistment of former patriots in the Italian Army. It is difficult to assess why this change in feeling should have come about, but it is perhaps not imprudent to suggest to you that the improvements made for the reception of recruits and the maintenance of their families during the period of their service with the colors together with the feeling which has been steadily gaining ground that the combat units of the Italian Army are acquiring themselves well at the front have largely influenced the attitude of young Italians in answering the Government's appeal.

In conversation with the Ambassador, I should like to mention that I attended

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In connection with the foregoing, I should like to mention that I attended the ceremony which took place in Rome on the 18th February to celebrate the Day of the Soldier and Partisan. Signori Bonomi, Cossiga and Scoccimarro made speeches and were well received. The crowds in the Piazza del Popolo were impressively enthusiastic and the whole affair was carried out in an orderly and businesslike manner which came as a pleasant surprise and an encouragement to many of the Allied observers present.

During the past few weeks there has been unfortunately a certain amount of trouble with the local press in the matter of the distribution of newspapers.

The Italian press as a whole has exploited to the full the freedom of the press

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which liberation from Fascism has brought. But the newspaper owners, editors and the Italian Press Commission have not always realized that the freedom of the press must be paid for and that in these days of wartime stringency limits must be imposed on the consumption of the materials necessary for the production and distribution of newspapers. More and more daily papers have been appearing in the capital and feeling has run high in certain party quarters where it was felt that the available stocks of newsprint were being thoughtlessly squandered. The crisis became acute when it was learned that no newspapers were to be published in Naples on February 15th because it was alleged newsprint supplies had been exhausted in that city. Attention was drawn to the fact that in Rome 25 daily newspapers have been authorized and no less than 152 weeklies. The Naples editors protested so loudly that the Chairman of the Italian Press Commission and the Head of the Italian Government Press Bureau travelled immediately to Naples to investigate the affair. This enquiry does not seem to have been particularly fruitful. It seems that newsprint was in fact available in Naples and that the Naples editors' move was in the nature of a political move against the free-handed policies of the Press Commission. In any event the Rome press took the line that the shortages in Naples was due to a breakdown of transport and that the situation could be easily remedied. As a first move the Italian Press Commission decided to suspend the non-party informative journals which had been authorized since the beginning of the year. This decision was reached despite the advice given by the Allied Commission that, if the consumption of newsprint was to be reduced in Rome, the reduction ought in all fairness to be made on overall one and not by the suspension of any particular journal or journals. The Press Commission's decision naturally aroused a howl of protest and it had to be rescinded next day. The position is now that the Allied Commission has

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In the field of party politics I have to report that the Socialist and Communist Parties published a declaration on the 10th February in which a joint program was set out. The workers were first of all reminded of their duty to carry on the war against Fascism. Next, the Allies were asked for the grant of more autonomy. (3)

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While accepting the abolition of the political price of bread, the two parties insisted that the Government should take energetic measures to confiscate the profits of "all who have enriched themselves through Fascism, war or black-market dealings." The program also called for a national convention of the committees of national liberation and for the formation of a Consultative Assembly. On the tactical side the parties announced that they would work together in the administrative elections with common programs and candidates. This last arrangement however would not exclude agreements with the other parties.

A disastrous incident occurred on February 19th when a party of some 50 insurgents as before occupied the office of the newspaper "Avanti!", cut off the telephone and acted aggressively towards the editors and staff of the newspaper. The reason for this attack was to be found in an article in the newspaper which, in the opinion of the Party, inaccurately criticized that service. No action was taken but the Avanti reported the affair on the following day and the left-wing papers immediately took up the cry that the days of Fascist "squadrismo" had returned. On February 22nd a mass meeting was held by various elements sympathetic to the Avanti and a demonstration which was described by the newspaper "Italia Nuova" as "anti-Heydr" took place. The Ministry of Marine have now issued a communique saying that the culprits have been punished and the Avanti has admitted that the whole service cannot be blamed for this regrettable incident.

The trial of General Roatta and others continues without any startling developments to report. The left-wing press has been enraged by the presence of certain witnesses at the trial who, it is claimed, are members of the ONRA and yet are still safe and in the employment of the State. The Government have denied that these witnesses are members of the ONRA and the newspapers have retorted that the

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Fascism, particularly in that General Roatta among others has been asked for by the Yugoslav Government on the grounds that he is on the list of war criminals whom Marshal Tito wishes to see tried for their crimes. Opinion seems to be divided in the Italian press as to whether the Italian Government should accede to such requests. Meanwhile the business of operation has moved on a step with the setting up of a central commission. I attended its inauguration with the Prime Minister. Signor Bonomi spoke on the occasion and emphasized again what has always been his line in this matter - namely, operation must strike those who had important charges and were blindly subservient to the Fascist regime but for the lower ranks justice must be tempered with mercy. Above all the operation must be carried out with justice and legality.

I have to report that progress in the campaign for the collection of olive oil has been generally satisfactory. Up to February 19th total collections amounted to 264,770 quintals or 28 per cent of the target figure of 833,000 quintals. Of this total, assessments in the Southern Region accounted for 210,912 quintals, Toscana Region for 23,324 quintals, Lazio-Umbria for 17,516 quintals, Sicily for 6,896 quintals, Abruzzi-Marche for 4,773 quintals and Sardinia for 2,353 quintals. The Italian specialists concentrating on the drive have by now, with the help of Allied officers on loan from the Allied Commission, covered a fair portion of the territory in most of the chief olive oil producing provinces. At the end of November 1944 only 3,338 quintals had been assessed. December brought in a further 6,317 quintals and it was not until the drive got underway early this year that the figures really began to show promise. 10,912 quintals were added to the total in January and another 6,130 quintals in the first half of February. Although in past seasons

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must be tempered with mercy. Above all the operation must be carried out with justice and legality.

I have to report that progress in the campaign for the collection of olive oil has been generally satisfactory. Up to February 1944 total collections amounted to 254,770 quintals or 24 per cent of the target figure of 800,000 quintals. Of this total, branchings in the Southern Region accounted for 210,912 quintals, Toscana Region for 23,324 quintals, Lazio-Umbria for 17,515 quintals, Sicily for 6,896 quintals, Abruzzi-Marche for 4,770 quintals and Sardinia for 2,352 quintals. The Italian specialists concentration on the drive have by now, with the help of Allied officers on loan from the Allied Commission, covered a fair portion of the territory in most of the chief olive oil producing provinces. At the end of November 1944 only 3,332 quintals had been amassed. December brought in a further 6,617 quintals and it was not until the drive got underway early this year that the figures really began to show promise. 10,912 quintals were added to the total in January and another 5,130 quintals in the first half of February. Although in past seasons the collection has always shown a big decline in March compared with January and February, it is expected that this year, due to the late harvest, the present collection rate will be maintained until later in the year. If however the target of 800,000 quintals is to be reached the present weekly average of about 30,000 quintals will have to be stepped up considerably. Apart from the collections of olive oil nearly 1,125,000 quintals of Sausa have been handed over to the Sausa oil plants since the beginning of the year which should yield, after processing, another 40,000 quintals of edible oil.

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There is very little to report on Italy's international relations apart from what I have already said on the subject of the new directive. Much publicity was given to the Italian press to the report of Congressman Marcanтони's intention to ask the House to make Italy a full Ally. Signor Bonomi's statement that the armistice "does not prejudice Italy's future" was also welcomed particularly when reinforced by the declaration of the United States Acting Secretary of State, Mr. Grow, that "there is no article in the armistice concerning future territorial arrangements." Signor Tarchiani left for Washington last week and has arrived safely at his new post. Duke Gallarati Scotti, the new Ambassador to Spain, has also reported his arrival in Madrid. There is still much speculation in the press as regards the resumption of diplomatic relations between Italy and France and it is hoped that a statement will be made in the very near future.

That, Gentlemen, concludes my report.

Copies to:

Chief of Secretariat, Advisory Council (2)

U.S. Representative, ACI

British Representative, ACI

Soviet Union Representative, ACI

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U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Section, ALCOM
OC Files, ALCOM

Declassified E.O. 12356 Section 3.3/NND No. 785017

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JAG/mjp

CC 802

27 February 1945

FEB 27 1945

Dear Mr. Goshier

The Chief Commissioner has noted the excerpt from the preliminary draft of the minutes of the special meeting of the Advisory Council for Italy held on February 24th. He suggests a small insertion in the last paragraph which should therefore now read:

"The Admiral concluded that if, as he hoped, a satisfactory solution of the Italian prisoners of war problem can be worked out, the new directive of the Allied Commission will have contributed considerably in strengthening the position of the Italian Government."

Other than this, he has no comments to make.

Very truly yours,

J. A. Quayne

J. A. QUAYNE
Major, R. A.
Staff Officer to CC

Mr. John L. Goshier
Chief of Secretariat
Advisory Council for Italy
119 Via Vittorio Veneto
Rome

cc: En. Comm.
CC 802

Declassified E.O. 12356 Section 3.3/NND No. 785017

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Major, R. A.
Staff Officer to CC

Mr. John L. Goshie
Chief of Secretariat
Advisory Council for Italy
119 Via Vittorio Veneto
Rome

cc: Ex. Comm.
CC Files

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W. J.

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CG 801

13 February 1945.

FEB 14 1945

I thank you for your letter of February 9th, received today, advising me that you have been appointed by the Government of the Soviet Union to represent the Soviet Union on the Advisory Council for Italy.

I am, sir,

Yours very sincerely,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Major General Adrian Vasiliev, U.S.A.,
Representative of the Soviet Union,
Advisory Council for Italy,
Rome.

cc: COS
Political Section
CC files

15 FEB 1945

Declassified E.O. 12356 Section 3.3/NND No. 785017

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CONFIDENTIAL

To: AFHQ

8-421

12 February 1945

ROUTINE

FEB 13 1945

CONFIDENTIAL PD

MAJOR GENERAL ADRIAN VASILIEV HAS ARRIVED TO ASSUME DUTIES AS THE
REPRESENTATIVE OF THE SOVIET UNION

FAREN D. AFHQ FROM ALCOM FROM STONE CITE ACSCG FAREN

ON THE ADVISORY COUNCIL FOR ITALY

DISTRIBUTION

CC

COS ✓

POI

Hon. Alexander Kirk
Sir Noel Charles

From: Chief Commissioner

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ELBERT W. STONE
Rear Admiral, USNR
Chief Commissioner

CONFIDENTIAL

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COS 35

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
A/C 394

MSB/cfo

CC 803

2 February 1945

FEB 2 1945

ADMIRAL STONE'S ADDRESS TO ADVISORY COUNCIL - 2 FEBRUARY 1945

Gentlemen:

The most notable development in the last two weeks has been the decision reached by the Council of Ministers on the 30th January to extend the vote to women who are over 21 years of age. The Government had already laid down in two recent decrees that electoral lists should be drawn up in all communes of Liberated Italy in order that elections might take place in the late spring. Originally the lists would only have comprised the names of male electors but in view of the decision of the 20th January it will now be possible to include the names of female voters. The Minister of the Interior has advised all prefects telegraphically of this reform and instructed them to bring it into force forthwith. I think we must welcome this decision of the Council of Ministers as a step towards the establishment of truly democratic Government and also to the stabilisation of political conditions in the country. I have therefore written to the President of the Council extending my personal congratulations on this reform. There is one point which I should perhaps mention here in parenthesis in connection with the forthcoming elections. There has been much discussion on the subject in the press but no statement has yet been made by the Government as to the nature of the body which the

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2. On the 23rd January, Signor Bargnani, the Vice Commissioner of the West Commission, gave a press conference in which he announced that our Directorate General would henceforth take the place of the two divisions of administration and rationing. He promised to facilitate the

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the organization of cooperatives and group kitchens and to encourage exchanges between the regions and cooperation with USSR. As regards the supply of non-rationed goods, the Commissioner announced that his programme was to obtain from the Allies permission to import food from foreign markets, to persuade the producing population to accept the principle of the same prices for export as for local sale and to provide food at the lowest possible prices to people with low fixed incomes.

3. Signor Scoccimarro, the new Minister for Occupied Italy, also gave a press conference at the end of last week in which he called on Journalists to cooperate in "mobilising public opinion in favour of the partisans of the north". The Minister announced that the 18th February would be observed as a "day of national solidarity" dedicated to patriots, soldiers, sailors and airmen. He stated that preparations must be made for the fusion of partisans with the regular army—a fusion which would indicate national unity in the material as well as in the spiritual sense. A strong army created in these conditions might induce the Allies to call on Italy to participate in the invasion of Germany. Signor Scoccimarro concluded his conference by asserting that his Ministry was above party politics and claimed that he and his Liberal Under-Secretary, Signor Medici Torregiani, worked together as if they belonged to the same party.... While on the subject of the partisans and the Italian army, I think I should mention that the enlistment of partisans in the regular Italian forces has been progressing rapidly in recent weeks. This is due, in

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While on the subject of the partisans and the Italian army, I think I should mention that the enlistment of partisans in the regular Italian forces has been progressing rapidly in recent weeks. This is due, in the opinion of my advisers, to the improvements made in the arrangements for receiving and caring for partisans as they come through the line and also to the feeling which has recently gained ground that the Italian army is now represented in the fighting line and that the Italian combat units have given a good account of themselves.

4. I am happy to report that there have been no further disturbances in Sicily. There was however an anti-call-up demonstration in Ragliari in Cardinia on January 18th as a result of which one person was killed and eleven wounded. The Island is now quiet. The response to the call-up

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in Calabria has not been encouraging.

5. There have been some new appointments in the past fortnight. Signor Boeri who has lately returned from exile in Switzerland has been named Secretary of the High Commission for functions against Fascism. He was one of the founders of the action party. Signor Panno, the Communist Deputy Assistant Commissioner in charge of the section dealing with the liquidation of Fascist property has given up his post and has been succeeded by Signor Brugner who also belongs to the Communist Party.

The Council of Ministers have decided to place the Chief of Army Staff under the Ministry of War and General Ronco has been appointed to this post. He succeeds General Berardi who has taken over the command of the troops in Sicily. The latter's predecessor in this post, General Mariotti, has been placed on retirement together with several other officials whose names were published in the press on January 31st.

6. The trial of General Costa and Signor Davich and their associates opened on the 23rd January. It was learned shortly before the trial began that Signor Berlinguer had agreed to conduct the prosecution. General Costa at the first session stated that he had been unable to find another lawyer to take the place of Signor Cassinelli who had been suspended for reasons of operation the day before the trial. Lawyer Santoro, also of the General's defense, undertook to find another lawyer but asked that the case be postponed while the new barrister could brief himself. The remainder of the trial was taken up with the discussion

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Declassified E.O. 12356 Section 3.3/NND No. 785017

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7. Some consternation was caused by the remarks made by the British Prime Minister in the House of Commons on the 18th January. Mr. Churchill's reference to Italy, torn from its context, was interpreted by the press on the whole to mean that Great Britain was uninterested in the future of Italy. This unfortunate impression was corrected by a statement issued from Downing Street on the 23rd January with the text of which you will all be familiar. This clarification was commented on favourably by the Government and responsible sections of the press.

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8. On the 18th January, Signor de Gasperi, the Minister of Foreign Affairs, made a report to the Council of Ministers on international affairs. He stated that the message regarding the formation of a national army to which I referred in my last report had been transmitted to the Allied leaders. He also announced the formal recognition by Italy of the Chungking Government and declared null and void the Fascist Vienna Award of 1940 replacing it by a declaration of the "necessity of free cooperation between Italy and the Balkan/Panbalkan Nations". He further informed the Council that negotiations were proceeding in Washington between Italian financial experts and the competent American authorities on the financial clauses of the Armistice.

It was announced at the same time that Signor Alberto Marchiani had been appointed Ambassador to the United States. Signor Marchiani, who was born in 1885, is a real Anti-Fascist. He was once Editor of the "Corriere della Sera" in Milan and went into exile in 1926. In Paris he became associated with Casselli, Lussu and Vianca in the publication of the paper "Justice and Liberty". He travelled widely in his years of exile and is well known abroad. He served in the last Badoglio Government as Minister of Public Works. He is a member of the Action Party.

At its 30th January meeting, the Council of Ministers also examined relations between Italy and France. Signor de Gasperi set out the conditions on which both diplomatic and consular relations and more general

Relations between the two countries...

the Council that negotiations were proceeding in Washington between Italy and the Abyssinian nation". He further informed Italian financial experts and the competent American authorities on the financial claims of the Amhara.

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At its 30th January meeting, the Council of Ministers also examined relations between Italy and France. Signor de Gasperi set out the conditions on which both diplomatic and commercial relations and more general relations between the two countries might be normalised. The Council expressed its ardent wish to re-establish as quickly as possible the traditional friendship between the two countries and remarked that this also seemed to be the wish of General de Gaulle.

That, Gentlemen, concludes my report.

cc: 2-Adv. Council Secretariat.
1-Political Sec.
1-C of S.
1-cc Files.

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APC 394

cc 803

19 January 1945

ADMIRAL STONE'S ADDRESS TO ADVISORY COUNCIL - 19 JANUARY 1945

Declassified:

During the past fortnight the Italian Government have continued to tackle the problem of reconstruction. At their meeting on the 5th January, the Council of Ministers allotted 5 billion lire for repairs to buildings - 3 billions for public buildings and 2 billions for private. The program of reconstruction might more correctly be called a 'shelter program' since the Government emphasized that the funds were to be spent on urgent repairs rather than on new construction which necessitate a more fitting time for nation-wide planning. The immediate need is to reduce, as soon as possible, the number of people without roofs above their heads. The Ministers of public works and industry have notified the Allied Commission of their needs in the way of raw materials, transport and coal. Special committees have been formed in all the communes to deal with the problems of the shelterless thus making certain that the problem will be approached from a local as well as a national point of view. Posters are to be put up everywhere explaining the machinery of the law so that the average citizen will know where and how to make his claim. The Council of Ministers also approved measures to better the lot of the fighting soldiers, raising their food allowance and doubling their cigarette ration. They also examined the

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2. At the same meeting on January 5th, the Council examined Count Sforza's letter of resignation in which he gave statistics of the work done under his administration. The Count expressed himself as moderately satisfied with results and indicated his belief that the process of separation would be carried out much more rapidly in the

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North where it would be a simple matter to ascertain whether or not individuals had collaborated with the enemy. The new decree law No. 2 of January 5th, 1945 amending decree laws Nos. 159, 257, and 265 has now been published. The amendments are mostly of an administrative nature. The High Commissioner for Sanctions against Fascism is to be appointed by a resolution of the Council of Ministers and will rank for the duration of his office as a judicial magistrate of the first grade. It does not seem likely however that anyone will be appointed to fill this post for the time being. Until such an appointment is made, the President of the Council will preside over the work of the four assistant commissioners. The latter and their deputy assistant commissioners may in their own branches act for the High Commissioner for Sanctions against Fascism should the High Commissioner be prevented from acting. The rest of the decree defines and varies certain less important Fascist crimes, lays down the method of appointing the chairmen of certain committees, extends various time limits and alters sundry details connected with the retirement of persons affected by the decree. Signor Secoraro, the former Assistant Commissioner for the Purge of the Administration, has given up this appointment in order to take up the post of Minister for Occupied Italy. It has been announced that he will be succeeded by Signor Ruggiero Grieco of the Communist Party. Four Deputy High Commissioners have also been nominated - for the Punishment of Fascist crimes, Avv. Salvatore ITALIA (Christian Democrat), - for the Purge of the Administration, Signor Gullio MUGLIAS (Labour Democrat) -

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3. The trial of General Goatta and Signori Luovich and Jacononi is scheduled to begin on January 22nd. There has been much speculation in the press as to whether or not the trial will be held. The preliminary investigations have disclosed that matters of high policy and military strategy are involved and there has been no lack of suggestion that the "dark forces of reaction in ambush" will attempt to suppress

the trial for their own reasons.

4. It was also announced during the week that the Air Minister Scialoja had been obliged to resign for reasons of health. He has been succeeded by Signor Luigi Casparotto who has recently returned from Switzerland. Signor Casparotto, whose son, a member of the Action Party, was killed by the Fascists in North Italy, does not belong to any party. Although he is 72 he is an extremely vigorous and forceful personality. His appointment is entirely acceptable to the Allied Military authorities.

5. Another step towards the democratization of Italy and the eventual cessation of Allied Control was made on the 15th January when an instruction from the Supreme Allied Commander private news agencies were again admitted in Rome. This means that world news agencies such as the Associated Press, the International News Service, Reuters and the United Press are free to sell news to any individual Italian newspaper and newspapers in turn are free to buy any world or domestic news services they wish. This decision was hailed with satisfaction by the Rome press who rejoiced that the long servitude of the Italian press had come to an end. Private news agencies will gradually be admitted in the rest of Italy under Italian Government administration so soon as the technical problems involved in this change can be solved. At the same time, the Supreme Allied Commander's instructions envisaged the handing over at an early date to Italian control of radio operations

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6. On the 11th January the Rome press carried an Order of the Day published by the Central Committee of National Liberation urging the Government to constitute a national army. The Committee stated that the Italian people wished to participate more widely and more visibly in the re-conquest of national independence and in the common war for

liberty and democracy. The failure of the Allied Military authorities to respond to this desire had resulted in an unfortunate depression of morale. The Committee therefore requested the Government to intercede with the Allies for the constitution of a strong army which should be the expression of the renewed national consciousness and the deployment of which at the front would satisfy the aspiration of the Italian people to contribute more effectively to the liberation of the country and to re-acquire on the battlefield the fullness of national dignity. The press - particularly the left-wing press - came out strongly in support of this Order of the Day. The Committee of National Liberation thereafter sent copies of it to the United States, Soviet and British Embassies and later, through the medium of the Ministry of Foreign Affairs, telegrams in the same tenor to President Roosevelt, Marshal Stalin, Mr. Churchill and General de Gaulle.

7. In striking contrast to this verbal enthusiasm for a more active part in military operations is the news of disturbances which have taken place in Sicily in protest against the call-up of the 1914 to 1924 classes. In my last report I mentioned that during late December demonstrations against military conscription had taken place in Catania and other towns. These disturbances however were easily quelled and the situation appeared to be returning to normal. However much more serious disorders broke out in Ragusa Province towards the end of the first week of January. Armed crowds disarmed carabinieri

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forcements failed to get through to the affected area. Italian reconnaissance planes were brought into use and the Italian Government decided to send two Italian cruisers to Sicilian waters to protect harbour installations at Palermo and Catania and to show the flag. 300 Italian troops entered Vittoria during the morning of January 10th and landed at midday on January 11th--apparently against little opposition. By January 11th Ragusa Province was reported to be returning to normal and operations were in progress against the rioters who had taken to the country. The Italian Military Commander has ordered the surrender of arms but none have been recovered to date. In the meantime small disorders broke out in Agrigento Province but were reported quelled by January 15th. It is reported that during these disturbances 18 soldiers have been killed and 24 wounded, while 19 civilians have been killed and 63 wounded. It seems clear that these disorders were on a much larger scale than hitherto and on the basis of this experience the Italian authorities are taking precautions in Sardinia where it is proposed in the next two months to call up the same age groups. As regards the reason for these disturbances the causes seem to be the same as those which I mentioned at our last meeting, namely a genuine desire to avoid conscription at this stage of the war, the unpopularity of grain hoarding and the closing of the flour mills. Some evidence has been obtained of the activities of separatist and fascist elements working under German direction.

8. In the field of international affairs the Italian Government

Declassified E.O. 12356 Section 3.3/NND No. 785017

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8. In the field of international affairs the Italian Government have announced the resumption of relations with the Norwegian Government. The Italian Ministry of Foreign Affairs have explained that relations are also being re-activated between Italy on the one hand and Austria and Bulgaria on the other. It is pointed out that diplomatic relations with these two countries were never in fact broken off but were merely suspended as a result of force majeure. The present developments are therefore claimed to be nothing more than the re-activation of its relations.

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9. At a press conference on January 9th the spokesman of the Italian Government expressed pleasure at Mr. Macmillan's statement on the "new deal" for Italy which envisaged the progressive restitution to the Government of political and administrative responsibility. The Spokesman also expressed the Government's satisfaction at the further step which had been taken in the normalization of relations between Italy and the United States by Mr. Kirk's presentation of letters of credence to the Lieutenant of the Realm. The spokesman also made a statement in reply to a question by a correspondent to the effect that the Italian Government, far from objecting to the publication of the Armistice Terms, were in fact in favour of such publication and were not aware of the nature of the military considerations to which President Roosevelt had referred in a press conference a few days previously.

That, Gentlemen, concludes my report.

Declassified E.O. 12356 Section 3.3/NND No. 785017

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cc: 1-adv. Council Secretariat.
1-divisional sec.
1-6 of 8-6
1-cc files.

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Declassified E.O. 12356 Section 3.3/NND No. 785017

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JAN/45

(22)

CC 802

11 January 1945

JAN 12 1945

Dear Mr. Goshie:

I return herewith the draft minutes of the 28th meeting of the Advisory Council. The Chief Commissioner wishes to make some alterations on page 5, the first paragraph of which should now read:-

"Rear Admiral Stone stated that Mr. Macmillan's recommendations had been submitted to his Majesty's Government for approval and that British and American authorities were now discussing them. He expressed the opinion that the recommendations may be considered an implementation of the Churchill-Roosevelt statement regarding Italy issued on September 26, 1944 and indicated that Mr. Macmillan felt that a further official statement regarding his recommendations might be expected within a fortnight. The approval of Mr. Macmillan's views in the premises would result, inter alia, in a slight change in the relationship between the Allied Commission and the Italian Government to the extent that (1) nominations made by the Italian Government would no longer require Allied Commission approval and (2) decrees of new legislation would no longer have to be submitted to the Allied Commission for approval. Furthermore, it would result in a decrease in Allied Commission personnel in Sicily and other places."

Yours very truly,

J. A. QUINN
Major, R. A.
Staff Officer to CC

cc C/S
Mr. John L. Goshie
Chief of Secretariat
Advisory Council for Italy
Via Vittorio Veneto, 119
Rome

WMM

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

785017

537 of

20

Office of the Chief Commissioner

Meeting of Advisory Council

Political Section

CC

221

15 November

16 NOV Read

1. The next meeting of the Advisory Council will be:
 - a. Friday, 17 November 1964
 - b. 1030 hours
 - c. Palazzo Farnese
 - d. French Representative in the Chair
2. Will you please prepare the usual report for me on "Political Situation"?

Stone.

cc: CCS Section
'A' Files

Handwritten signature/initials

Declassified E.O. 12356 Section 3.3/NND No. 785017

SECRETARIAT
ADVISORY COUNCIL FOR ITALY

Rome, November 14, 1944.

The next meeting of the Advisory for Italy, scheduled for
November 17, 10:30 a.m., will be held at Palazzo Farnese
under the chairmanship of the French Representative.

Enclosure;

Agenda

COMMODORE ELLERY STONE

Acting Chief Commissioner

Allied Commission

Rome.

AGENDA

FOR THE NOVEMBER 17, 1944 MEETING
OF THE ADVISORY COUNCIL FOR ITALY

1. POLITICAL REVIEW - by Commodore Stone, Acting Chief Commissioner
of the Allied Control Commission.
2. ITALIAN WAR CRIMES PROBLEM.
3. GERMAN ATROCITIES IN NORTHERN ITALY.
4. MISCELLANEOUS.
5. PRESS COMMUNIQUE.

Ref: P/223/108

7 November 1944

9 NOV Recd

My dear Ambassador,

In reply to your letter No. 1771 of the 2nd November about the appointment of Mr. Caloutas as Greek Governmental Agent in Bari, I beg to inform you that, as a result of the request addressed verbally to Mr. Abbott by the First Secretary of your Delegation on the 3rd November, a communication was addressed to the Office of the United States Political Adviser at Allied Forces Headquarters asking that the Allied Military Authorities should be notified of the above appointment so that Mr. Caloutas can be duly recognized. I hope that under these circumstances there will be no further difficulty in this matter.

Believe me,

My dear Ambassador,

Yours sincerely,

EWL

ELDERY F. STONE
Commodore, USNR
Acting Chief Commissioner

M. George Krintaris
Greek Delegate to Advisory
Council for Italy
Via Romagna, 42
Rome

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Pol Sec

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RECEIVED THE UNITED STATES
Office of the Acting Chief Commissioner
APU 34

3 November 1944

SPRING TO ADVISORY COMMITTEE - COMMISSIONER OF

The British and American Governments have not yet clarified the joint declaration of September 25 by President Roosevelt and Mr. Churchill in its application towards Italy save to reiterate their good intentions by announcing that in future the word "Control" would be eliminated from the title of the Commission. This became effective on October 26.

A more profound expression of the policy of the Allies, however, was the announcement on October 25 that direct relations had been resumed between Great Britain and Italy and, thereafter following, that diplomatic relations with Italy had been established by the United States and Russia. In its announcement, His Majesty's Government stated that Sir Noel Charles had been given the personal rank of ambassador and expressed its agreement to the appointment of Count Ciano as Italian representative in England. Russia appointed M. Kostylev as her ambassador. The United States Government stated that its action had been taken after consultation with the other American Republics all of whom, excepting Argentina, had agreed to resume diplomatic relations with Italy. The U.S. Senate was to be asked on November 14th to confirm the nomination of Mr. Kirk as ambassador. It was made quite clear in the U.S. statement that no change in Italy's status of co-belligerency was inherent in the U.S. Government's resumption of diplomatic relations which, however, did

Declassified E.O. 12356 Section 3.3/NND No. 785017

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The Italian press hailed these developments as an important step towards Italy's emergence from isolation and towards the Government's obtaining greater autonomy. The Prime Minister found that by then, Italy had regained her individuality as a nation, but that this situation was incompatible with the state of subjection in which she was held by the terms of the armistice. He trusted that the sense of justice of the allies would cause them to appreciate the need for making Italy of Italy.

The British Government has a number of reasons for the attitude of support it has adopted towards the Italian people. It is, of course, a matter of common sense that the Italian people should be helped to the extent possible. It is also a matter of common sense that the Italian people should be helped to the extent possible. It is also a matter of common sense that the Italian people should be helped to the extent possible.

the two countries, and in light of the well-known attitude of Mr. Eden towards Fascist Italy. Press comment which thus far has appeared is friendly and stresses the fact that Mr. Eden was opposed to the Fascist regime—not to the Italian people.

There have been activities in the economic field affecting Italy and the allies following on the statement of October 12 of the President of the United States regarding credits for Italy. Anglo-American representatives arrived in Rome to review requisitions and delineate justifications for a program of aid to Italy. An Italian economic-financial mission, accompanied by a senior member of the Finance Sub-Commission, left ^{Friday} ~~Monday~~ for the United States. It has been suggested that the Italian Government accept an invitation to attend the convention of the International Chamber of Commerce at Atlantic City early in November.

Hope is entertained that private cable and radio communications will be established between Italy and the ^{United States and the British Empire on Nov. 15th.} ~~rest of the world during the winter~~

The Economic Section is introducing a project for joint planning with the Italian Government to the Italian Ministers, at a conference today, when a supply program will be presented to them. This program will transfer substantially many of the present A.C. operational responsibilities

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The Economic Section is introducing a project for joint planning with the Italian Government to the Italian Ministers, at a conference today, when a supply program will be presented to them. This program will transfer automatically many of the present A.C. operational responsibilities in the field of supply over to the Italian Government, placing the Economic Section in its proper focus of supervision and review.

The question of Imports-Exports is being reviewed with the Ministry of Industry, Commerce and Labor and the I.C.E. (Istituto Commercio Estero). A working plan has been submitted by the Italian Government and is being reviewed by the Economic Section.

Final reports have not yet been received regarding the regrettable ^{12th} incident which occurred in Palermo on the day before our last meeting, when Italian troops fired upon a demonstration of persons before the

in which ^{were killed} ~~20~~ ^{were wounded.} ~~and wounded 136~~ ^{It appears}
office of the High Commissioner, ~~20~~ ^{were wounded.} ~~and wounded 136~~ ^{It appears}
however that a combination of economic and political factors were in play
in this protracted effort by private employees to obtain the same wage
concessions as had been conceded public employees (actually the decrees
which met their demands had been approved prior to the demonstration and
was passed by the Council the following day) but separatist culpability
has not been determined. Although the troops, consisting of a lieutenant
and 36 men, were attacked by a hand grenade hurled by one of the crowd,
wounding eleven of them, there is question first as to the authority for
their use, and next as to the employment in a street riot operation.
Measures are being taken to obviate a repetition of this action by the
military. On its side, the Council of Ministers prepared the necessary
decrees to set up in Sicily a consultative body of 24 members representing
various interests on the island, to finance further industrial development
by special funds and to institute agrarian reform.

The situation in Palermo remained tense for four days, after which
it became tranquil.

Further in the field of domestic affairs, instances occurred of
the seizing of land by peasants which, in some cases, led to conflicts
between the Carabinieri and the peasants. This caused the Prime Minister
to issue a circular instruction to the Prefects outlining the principles
of the decrees relative to the transfer of land to associations of peasants
and, stressing the restricted and emergency nature of these measures, to
urge a strict observance of the law.

The measures to increase the wage scale which I discussed in my

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The measures to increase the wage scale which I discussed in my last report, have been passed and signed by the Lieutenant-General. The decrees regarding family allowances has been presented to the Council of Ministers.

Efforts to increase the food ration continue. The issue of 350 grams of flour or pasta every two weeks in the total area north of the Garigliano River has been authorized. This supplementary issue is equivalent, in terms of bread, to 25 grams per day per person. Hence, the two ration positions in total liberated Italy are 400 grams south of the Garigliano River and 225 grams north of the Garigliano River.

Decision has been reached to ^{turn} back the feeding of liberated Italy to the Ministry of Agriculture. The plan suggested by them reflects elimination of controls and a state purchase in the free market with distribution through a selective rationing system on a subsidy basis. The subsidy to be reflected in the saving of part of the present subsidy on the bread and pasta prices. The Economic Section has this plan under consideration and decision will ^{be} reached with the Italian Government within the next few days.

in Rome
The general strike which was to be called on October 31 was cancelled. A conference was held with the Ministers at which time the Prime Minister presented requests of labor as follows:

- 1) Equalizing the ration for the heavy workers and the light workers under military control.
- 2) Increase of bread ration to all workers to 350 grams per worker per day. (This means an increase of 50 grams of bread per day south of the Garigliano and 125 grams per worker north of the Garigliano.)

Both of these points will be reviewed by the Economic Section after the Minister has submitted the necessary statistics and formal proposal.

A third point, which was conceded by the Economic Section, was the issuance of a pasta allowance to the private industrial masses in Rome Province.

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cc: *C. J. S.*
Political Sec.
Mr. Goshop
"A. Fikes"

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HEADQUARTERS ALLIED COMMISSION
120 394
Signal Division
Office of Chief of Staff

Tel: No. 47001

Ref: 537/11/001

3 November 1944

SUBJECT: Soviet Representative to the Allied Commission

TO : All Sections.

In the absence of Lt. Gen. A. VASILIEV, Major General SUSHOMOV
Soviet Representative to AC, is acting Soviet Representative on the Advisory
Council for Italy.

For the Chief Commissioner:

R. Roubert
+ Brigadier
Chief of Staff

DISTRIBUTION:

GENERAL SECTION
STAFF SECTION
CIVIL AFFAIRS SECTION
POLITICAL SECTION
"A" FILE

SH P/A
[Signature]
3/11

HEADQUARTERS ALLIED COMMISSION
APO 394
Liaison Division
Office of Chief of Staff

Tel: No. 478001

3 November 1944

Ref: 537/10/008

SUBJECT: Advisory Council

TO: The Secretary Soviet Union Delegation
Advisory Council for Italy.

I am instructed by the Acting Chief Commissioner to thank
you for your letter of October 30 in which you informed him that Major
General BULANOV is authorized to be the acting Soviet representative
on the Advisory Council for Italy.

For the Chief Commissioner:

R. R. R. R.
Brigadier
Chief of Staff

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SOVIET UNION DELEGATION
ADVISORY COUNCIL FOR ITALY.

Commodore Ellery Stone
Acting Chief Commissioner
Allied Control Commission.

Rome, October 30, 1944.

2 NOV Recd

I have the honour to inform you that Lt. General
A. Vasiliev has left Rome for Moscow and Major General Susloparov
is authorised to be the acting Soviet Representative on the
Advisory Council for Italy.

Sincerely yours

Burakov

Secretary of the Delegation.

*Prepared by
Horse Col 5*

General
is authorized to be the acting Soviet Representative on the
Advisory Council for Italy.

Sincerely yours

Our action

Secretary of the Delegation.

*Prepare ack
Advise C of S
all*

C.O.S. Section

Passes to you for action. See A/C's minute above.

J.A. Gandy 723

1-11-44

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Declassified E.O. 12356 Section 3.3/NND No. 785017

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SSS/dfe

W/Chief Commissioner

1 NOV Rect

Meeting of Advisory Council

1 November 4

Political Section

1. The next meeting of the Advisory Council will be:
 - a. Friday, 3 November 1944
 - b. 1030 hours
 - c. Villa Maraviglia, Via dei Monti di Parioli, 24
 - d. M. Miloje Smiljanic, Acting Yugoslav Representative in Chair
2. Will you please prepare the usual report for me on "Political Situation"?

cc: OS Section
'A' Files

Stone.

21 RPP

Declassified E.O. 12356 Section 3.3/NND No. 785017

A/CC 001-1

29 October 1944
31 OCT Rest

My dear Mr. Ambassador:

Thank you for your letters of 26th and 27th. In anticipation of
so that Colonel Alexander Antikopoulos and Mr. Boris M. Moulins
have arranged their functions with your delegation, the contents of
which I have duly noted.

Yours sincerely,

EWS

WILLIAM A. JENNINGS
Colonel, USA
Acting Chief Counselor

A. George Brinkley
Greek Delegate to the
Advisory Council for Italy
Via Senguen, 42
Rome

cc: CGS
Political Section
1st Floor

256

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Declassified E.O. 12356 Section 3.3/NND No. 785017

Thank you for your letter of May 10, 1964 in which you informed me that Daniel Alexander Anderson and Dr. Robert Anderson have assumed their positions with your delegation, the members of which I have duly noted.

Yours sincerely,

EWS

THOMAS E. SWANSON
Governor, Utah
Acting Chief, Commission

Dr. George B. Swindler
Greek Delegate to the
Advisory Council for Italy
Via Mazzini, 42
Rome

cc: COW
Political Section
121 Files

SW

5/12/64

W.R. (Hawthorne)

C O P Y

GREEK DELEGATION
TO THE
ADVISORY COUNCIL FOR
ITALY

Ref. N. 1986

Rome, the 26th October 1944

My dear Commodore,

Following my letter N. 1738 dated the 3rd.
inst., I beg to inform you that Colonel Alexander ASSIMACOPOULOS
has arrived in Rome and has resumed, as from today, his
functions as Military expert to this Delegation.

I remain,

Yours very sincerely,

GEORGE EXINDARIS
Ambassador
Greek Delegate to the Advisory
Council for Italy

Commodore
Ellery Stone
Acting Chief Commissioner
to the A.C.C.
Rome.

Declassified E.O. 12356 Section 3.3/NND No. 785017

C O P Y

GREEK DELEGATION
TO THE
Advisory Council for
Italy.

Ref. N. 1852

Rome, the 27th October 1944.

My dear Commodore,

I beg to inform you that Mr. Dimitri
NICOLAREZIS, Secretary of Legation, has been appointed as
Secretary near this Delegation.

Yours sincerely,

/s/ George EXINDARIS

Commodore
Ellery Stone
Acting Chief Commissioner
to the A.C.C.
Rome.

537-10
20 October 1944

(A/C/C/S) ADDRESS TO ADVISORY COUNCIL

I am not going to take much of your time this morning for the good reason that there has been no major political development during the past fortnight. The period has been one of making time for the moment when we are in a position to explain to the Italian Government exactly what the joint declaration of September 26 by President Roosevelt and Mr. Winston Churchill will mean in its day to day application towards Italy. That moment has not yet come.

Meanwhile certain further statements of policy have been made in Washington. On the 12th of October the President stated that Italy would be credited in dollars with an amount up to the total represented by Allied Military Lend Lease issued to pay American troops in Italy, by remittances from America to the Italians in liberated Italy and by the value of Italian exports to the U.S.A. It is not exactly clear what this total will amount to, but the statement has been welcomed by the Italian Government as an indication of their concern in the financial and economic future of the country. In addition an announcement was made in Washington regarding the lifting of the trading with the enemy regulations for liberated Italy. Once again the exact scope of the statement is not clear from press reports but we trust shortly to be in a position to make a formal communication to the Italian Government on the subject.

While these developments, if still lacking precision have been of encouragement to the Italian Government and people I am bound to say that the statement about colonies ascribed in the press to the British Secretary came

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While these developments, if still lacking precision have been of encouragement to the Italian Government and people I am bound to say that the statement about colonies ascribed in the press to the British Secretary came as a douche of cold water. According to the Roman press it was alleged that Mr. Eden had said that the British Government was opposed to the return of colonies to Italy and the Italian Empire in Africa was irretrievably lost. It appears however that he did not himself use any such words but merely replied to a question framed in this sense by a Private Member with the words, "Yes, Sir." In a later question specifically about Britain it was made plain that the future of this territory must await consideration by the United Nations at the conclusion of peace and that the previous question and answer in the House of Commons had only sought to lay down the present attitude of the British Government. From the public discussions of this incident in the

Declassified E.O. 12356 Section 3.3/NND No. 785017

20 Oct 44

press in Italy ... is apparent that certain sections in Italy seek to draw a distinction between the Italian Empire as represented by Abyssinia and Albania and the old colonies such as Eritrea and Tripoli which did not owe their foundation in any sense to Fascism.

In the field of home affairs the most important developments have been a decree providing for certain special cases for the workings of large holdings of land and measures to increase the wage scale. As regards the former a decree in under consideration providing that uncultivated lands or lands that were relatively uncultivated in relation to the quality of the agricultural conditions of the area could be worked by the peasants through properly organized and recognized peasants' cooperatives. The surrender of the land is to be carefully controlled by a board in which all parties--peasant, land owner, and State--are represented and by the terms of the decree the length of the concession cannot be for more than four years. As regards wage increases, the Italian Government is in the process of completing legislation with respect to (a) an increase in wages for private industry and (b) increase in salaries and wages for public employees. With regard to (c) the Government formulated a program calling for increases of fixed daily sums for each worker plus other benefits. The Commission recommended that the legislation take the form of an increase in the percentage scale based on wages and salaries of 1 September 1942, together with an increase of family allowances. A proposed Decree now pending before the Ministers of the Council would carry out the Government's approach to this situation. The pending legislation will grant a cost of living bonus of L.35 and L.30 plus an increase not only of 50% family

properly organized and recognized peasants' cooperatives. The surrender of the land is to be carefully controlled by a board in which all parties--peasant, land owner, and State--are represented and by the terms of the decree the length of the concession cannot be for more than four years. As regards wage increases, the Italian Government is in the process of completing legislation with respect to (a) an increase in wages for private industry and (b) increase in salaries and wages for public employees. With regard to (a) the Government formulated a program calling for increases of fixed daily sums for each worker plus other benefits. The Commission recommended that the legislation take the form of an increase in the percentage scale based on wages and salaries of 1 September 1942, together with an increase of family allowances. A proposed Decree now pending before the Ministers of the Council would carry out the Government's approach to this situation. The pending legislation will grant a cost of living bonus of L.35 and L.30 plus an increase not only of 50% family allowances but a fixed additional amount of L.5 for each dependent. These increases are to be superimposed not on the 1942 rate but on present wages, many of which include illegal increases. With regard to (b) wages for public employees, the Government's position has been reduced to Decree form and it is expected that the matter will be submitted to the Council of Ministers shortly. The increases for public employees will include (a) graduated monthly payments of from 500 to 1000 lire, (b) 100% increase in family allowances up to the third child, and (c) a special cost-of-living bonus similar to the bombardamento indemnity to be paid in instances where it had not been received previously and requiring joint approval of the Ministers of the Interior and the Treasury.

Declassified E.O. 12356 Section 3.3/NND No. 785017

20 Oct 44

There is one further subject to which I should draw your attention and that is the decision by both British and American Authorities that the Sicilian Separatist Movement has any Allied support. In view of the claims made by the Separatists it was thought advisable to make the attitude of the Allied Governments plain to the Italian Government and you will have seen in the press yesterday an official statement by the Italian Government pointing out the assurance that they have received on this subject.

Finally in accordance with the Council's recommendation, the six provinces of Teramo, Aquila, Pescara, Chieti, Viterbo and Rieti have been turned over to Italian Administration with the approval of the Supreme Allied Commander, Mediterranean, as of 16 October.

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Declassified E.O. 12356 Section 3.3/NND No. 785017

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Allied Commander, Mediterranean, as of 16 October.

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

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EW3/dfo

H/Chief Commissioner

18 OCT Road-

Meeting of Advisory Council

17 October 4

Political Section

1. The next meeting of the Advisory Council will be:
 - a. Friday, 20 October 1944
 - b. 1030 hours
 - c. Via Vittorio Veneto 119
 - d. U. S. Representative in Chair
2. Will you please prepare the usual report for me on "Political Situation"?

cc: C of S, "A" Files

Stone.

117

SWP/117