

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

785017

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

785017

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ADVISORY COUNCIL
FEB. - SEPT. 1946

289.
Ex. Comm. Please see Salvo 285-288 for
info. (See hup CSO)
G.M.C.M. 30/8
CSO

This is the last refat which C.C. will
submit. In future copies of the ^{AC} Bulletin will
be sent to the A.C. i. the Political Review of
which will represent the C.C. refat.

07/3/5
178/30/8

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

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220.

Ex Comm. - 10 209-219 for info. H.S. 813

77/113

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249.

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10 271-274 for info. H.S. 1917

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MS/1415

273.

Ex Comm.

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H.S. 1917

Sum ^{for}

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284.

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10 280-283 for info. H.S. 16/8.

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File 284

HEADQUARTERS ALLIED COMMISSION
Office of the Executive Commissioner
APO 794

Ref: 557/293/DC

SUBJECT: Telephone Directory - A.C.

TO :

I enclose for your information copies of the latest
Allied Commission Telephone Directory.

Please destroy all previous editions.

FOR THE CHIEF COMMISSIONER:

Walter H. Hunsley
Brigadier,
Executive Commissioner.

Copy to : All Delegates to A.C.I.
All Foreign Representatives AC
Secretary General A.C.I.

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537-98
3 September 1946.

MEMORANDUM TO: P.R.O., AC.

SEP 4 1946

With reference to the Executive Commissioner's letter 537/269/EC of 31 August 1946, it is directed that copies of the Weekly Bulletin for distribution to the members of the A.C.I. be forwarded to this office for delivery weekly.

J. C. RIVELY
Major, Inf
Staff Officer to CC

Copy to: Ex Comm ✓
Polad A
Polad B

AK

(alt K)

383 -

P.A. Hodge
10/10

537/91 292
SEP 4 1946

3 September 1946.

Dear Mr. Goshie:

In accordance with our conversation at the last political meeting, I am enclosing seven copies of the "Allied Commission Weekly Bulletin" for distribution to the members of the Advisory Council for Italy. The "Fortnightly Political Report" will no longer be issued and in lieu thereof in the future, copies of the "Allied Commission Weekly Bulletin" will be distributed directly to the members of the Advisory Council by this office.

Very truly yours,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USN
Chief Commissioner

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

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British Mission AFHQ
US Polad AFHQ
D-5 AFHQ

Polad (A) 40
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(G.H.K.)

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1.2.46
H.H.

Ref. : 557/289/EC

31 August 1946.

SUBJECT: A.C. Weekly Bulletin

TO : P.R.C.
A.C.

1. The last fortnightly political report by the Chief Commissioner to the A.C.I. was for the period 16-30 August 1946.

2. In future the political report of the weekly Bulletin will represent the C.C.'s report in this respect.

3. Will you therefore please confirm that additional copies of the Weekly Bulletin will be distributed as under:

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Soviet Union Representative, A.C.I.
French Representative, A.C.I.
Yugoslav Representative, A.C.I.
Greek Representative, A.C.I.

BY ORDER OF REAR ADMIRAL STUBBS:

A. W. Knisely.

Chief Staff Officer
to Executive Commissioner

COPY to: C.C.
Filed A
Filed B

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

AUG 29 1946

CC 803

PORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period August 16th to August 30th, 1946)

During the second half of August political interest has been mainly focussed on the activities of the Italian delegation to the Peace Conference at Paris and the reactions registered by the Communist and Socialist parties in Italy.

Intensive lobbying by the President of the Council and other members of the Italian delegation among the various foreign delegates at Paris resulted at first in excessive optimism on the part of the delegation and other Italian observers at Paris regarding their hopes of securing a revision of the treaty in Italy's favor. This impression was on the whole encouraged by Mr. Byrnes' and Mr. Alexander's speeches of August 16th made in reply to the Russian delegate's charges against the Italian Government of three days before, (although their speeches were possibly too optimistically received by the Italians). On August 17th the Italian delegation issued a statement defining its attitude at the end of the first phase of the Conference's labor and affirming that the delegation must reserve judgment on the treaty as a whole "until the territorial, economic and military clauses are defined and until the Constituent Assembly is in a position to assume co-responsibility for the treaty." The statement also declared that the delegation's activities had "created an

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On the following day the delegation presented a bulky exposition of their case, raising sixty points on the economic aspects alone with about 20 pages of comment on each. The immediate reception of this document by the political commission departed by the Conference to examine and report on the Italian treaty was unexpectedly severe. In a criticism of the preamble to the draft treaty intended to secure recognition of the part played by Italy in the war against Germany, it was pointed out that Holland and Belgium had never

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See Mar 299.280

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declared war on Italy. This incited the Belgian and Dutch representatives on whom the Italian delegation had been counting for support at least in securing minor concessions, to protest violently, on the grounds that the Italian statement implied a slur on the hundred per cent character of their war effort. The Italian amendment was defeated unanimously, and the delegation was generally regarded as having committed a first-class tactical blunder. Their depression was accentuated by the fact that no support had been received from the foreign delegates who had responded favorably to the delegation's advances during the preceding few days.

However, an alternative amendment recognizing in more explicit terms the assistance given by Italy in the war against Germany was subsequently introduced by the Dutch delegate, and accepted on August 26th with the agreement of all except Yugoslavia.

Up to date little progress has been made by the commission dealing with the economic aspects of the treaty.

On August 17th it was decided by the Peace Conference that Austria should be invited to state her views on the Italian peace treaty. Prominence was given in the Italian press to this decision and to the fact that it had been supported by the British and United States and opposed by the Soviet delegations.

These developments at Paris have been accompanied by an incident governmental crisis at home. Signor Togliatti, the leader of the Communist party returned on August 13th to Rome from Paris where he had seen M. Molotov. In an interview with Unita he attacked the Government's policy particularly as regards De Gasperi's proposal to postpone for a year the settlement of the

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These developments at Paris have been accompanied by an incipient governmental crisis at home. Signor Togliatti, the leader of the Communist party returned on August 18th to Rome from Paris where he had seen M. Molotov. In an interview with *Unita* he attacked the Government's policy particularly as regards De Gasperi's proposal to postpone for a year the settlement of the Venezia Giulia question, which he declared would only prolong the Allied occupation and enable them to transform Trieste into another Malta or Gibraltar. These statements followed a week of tension during which the Communists had accused De Gasperi of acting without authority from the treaty commission of the Constituent Assembly, of secretly intending to align Italy on the side of the Anglo-Saxon powers and failing to emphasize sufficiently the complete break between the old Fascist regime and the present one. Another charge, that of becoming involved in negotiations for the formation of a Mediterranean bloc was the subject of a denial issued by the Italian delegation on August 17th.

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The press organs of the Christian democratic party responded to this broadside from the Communists by declaring that in her present difficulties Italy needed to show a united front, and that it was improper for the Communist party to indulge in such fierce opposition when it was itself represented in the Government. The tension was partly relieved however by Signor Togliatti's calming statement that although he reserved the right to criticize the government when necessary the development least desired at present was a governmental crisis.

As regards the position of the Socialist Party, in spite of Signor Kenni's assertions that the Socialist party must pursue its own course and not act as mediator between the Communists and Christian Democrats a rift seems to have appeared in the party ranks between those who with Signor Kenni would like to renew the pact of unity of action with the Communists and the rest, who have come to regard continued partnership with the Communists as a course too dangerous to Italian interests to be justifiable in present circumstances.

Division of opinion also exists in the Christian Democratic party on the question whether the Communists are most dangerous to them inside or outside the government. Feeling on the subject is so strong that a fairly strong group within the party, led by the former deputy, Signor Martire, is reported to be ready to form a new "National Catholic Party" if an unsatisfactory reply is received to its insistent request for a clarification of the party policy.

The President of the Council, who returned to Rome on August 23rd, may have a somewhat difficult task before him if he intends to restore order and

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The President of the Council, who returned to Rome on August 23rd, may have a somewhat difficult task before him if he intends to restore order and unity in the heterogeneous ranks of his government's supporters before returning to Paris in a week's time. He began the task by endeavoring to clear up misunderstandings and to answer his critics in a report to the Council of Ministers on August 24th. Among other things he emphasized that in proposing to postpone a settlement of the Venezia Giulia question for a year he in no way hoped for a similar postponement of the peace treaty itself. He had endeavored to reach a settlement of the question by direct discussion with the Yugoslav delegate, but the latter had refused to enter into contact with him. Although De Gasperi's statement was criticized at length by the Communist

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Minister of Finance, Signor Scelcimmo, the meeting concluded by passing a unanimous resolution of approval for the work done by De Gasperi and the delegation at Paris.

During the fortnight the National Monarchist Party succeeded in securing the adherence to it of the "Democratic Liberal National Concentration", the monarchist movement "Rinascita Nazionale" and the "Monarchist Christian Democratic Center." In the world of the press the paper "Minuto" has disappeared and been replaced, under the same editor, by "Figaro." "Risorgimento Liberale" has revealed, as a part of the current polemic against the Communists, that the Communist paper "Unita" had undertaken for the Soviet Embassy the distribution of one of their bulletins containing the text of M. Molotov's speech on the Italian question at Paris.

Possibly as a result of the calm to be expected during and after the long Ferragosto holiday during which many factories were closed down altogether between August 10th and August 19th, the labor situation has generally been quiet. The Commission set up to discuss the question of the ban on the dismissal of workers, following the negotiations between Confindustria and the C.G.I.L., met for the first time on August 22nd and divided up its work among seven subcommittees each dealing with a special industrial sector.

The question of the partisans has once more come to the fore. Following the developments at Asti where a band of partisans took to the hills as a protest partly against their unsatisfactory economic status, partly against the government's attitude in certain political questions, a delegation was received by Signor Norri, who in the absence of Signor de Gasperi was acting President of the Council. The delegation presented a petition containing seven

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

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AUG 16 1946

FORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period August 1st to August 16, 1946)

Since your last meeting the principal factor in the Italian political scene has, as in the preceding fortnight, been the Paris Peace Conference. A certain sense of impatience on the part of Italians has been apparent. Further, the pessimism which ensued on publication of the terms of the draft treaty has hardly been softened by the necessary delay in consideration of the substance of the treaty, occasioned by debate on conference procedure.

On August 1, just after the terms of the draft were published, the Italian Government issued a statement in which it referred to the "unanimous painful impression caused by the harshness and gravity of the Treaty, particularly in its economic provisions." The Council of Ministers instructed its delegation to the Paris Conference to "make every effort in order that the United Nations . . . may make it possible for Italy to become a positive element in international reconstruction and cooperation." Shortly thereafter the Government issued an official denial of a press report that the Italian Government had warned the US Government to expect drastic changes in Italian foreign policy unless the peace terms were modified.

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In fact, Pietro Nenni's trip to several of the capitals of Northern Europe seems to have been aimed at laying the groundwork for, and ascertaining the possibility of, modifications in the Treaty. Upon his return to Rome on August 5, Nenni stated for publication that although the terms are indeed hard, he was personally optimistic regarding the future, long term attitude toward Italy of the major powers. He went on to say that modifications of the treaty which appeared to be particularly desirable included: extension of the limits of the proposed free territory of Trieste so as to include therein Pola and the west coast of Istria; postponement of final decision on Italian

See 11-28-4

W. J. Nenni
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colonies (as has been agreed upon by the Council of Foreign Ministers) but without any derogation meanwhile of Italian sovereignty over the colonies; and improvement, from the Italian point of view, of the terms of the treaty dealing with Italian use of hydro-electric power produced in the territory to be ceded to France. The economic clauses, which had caused such grave concern when first published, Nenni thought the most likely to be modified.

An official invitation to Italy to appear before the Peace Conference was received just prior to Nenni's return. Following his report to the Council of Ministers and final consultations with the Italian delegation, the President of the Council, accompanied by Signori Saragat, Bonomi, Corbino, and Facchinetti, departed for Paris on August 7. According to an earlier announcement, the delegation also comprised the Italian ambassadors at Moscow, London, Washington, Rio de Janeiro, and Warsaw, as well as experts on juridical, military, and economic-financial questions. With regard to territorial problems, it had been stated that colonial experts and representatives of the frontier areas under discussion in the treaty would also be in attendance.

Signor de Gasperi had, of course, given several indications of the line which he would take in his address to the Peace Conference. Just before departing from Rome he said that he felt his position to be "four-fifths that of one accused as responsible for a war that I did not make and that the people did not want, one-fifth that of co-belligerent." The Prime Minister's formal address to the plenary session of the conference took

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Trieste problem be set aside for a year, and then be settled by direct Italo-Yugoslav negotiations. With regard to the economic clauses, public attention was particularly directed at De Gasperi's opposition to enforced renunciation by Italy of claims against Germany.

In the days following de Gasperi's address, the local press has also given prominence to reports of the replies in rebuttal delivered by the Chiefs of the Yugoslav and Russian delegations to the conference.

The domestic political situation has in considerable degree been determined by the moods engendered by developments at Paris; several urgent problems, principally economic in nature, have of necessity been dealt with by the Government. The Minister of Labor went personally to Milan on the first week-end of the month to attempt to solve the difficulties which had led to strikes and labor unrest there. At the same time scattered demonstrations in protest at the peace terms were taking place in the North. At no time, however, either in territory under Italian administration or in AMG-administered Zone A of Venezia-Giulia, where supporters of both sides were manifesting discontent with the Trieste solution, did the authorities lose effective control of the situation.

The most serious disturbances during the period under review took place in Caccamo, Sicily, beginning with a clash on August 5 between Carabinieri attempting to enforce amassing of wheat, and a sizable portion of the local citizenry. On August 8, however, the acting president of the Council of Ministers was able to report that order had been restored. It

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The Government has also given serious consideration to the problems of unemployment relief, as epitomized in the dispute ^{between} the CGIL and the Industrial Confederation over extension beyond July 31 of the law forbidding dismissal of surplus labor in industrial establishments. The Government has now extended the ban on dismissals to September 30, and has urged labor and

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management to continue their efforts to agree on a mutually satisfactory arrangement. The Government has appointed a Commission which will investigate the facts of the situation and make recommendations to the Government for possible use should labor and management continue to fail to agree. Meanwhile the Industrial Confederation has promised payment of the Government-decreed "premium of the Republic" on a satisfactory solution of the problem of dismissals, although several individual industries are understood to be proceeding with payments of the premium.

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

AUG 1 1946

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE FOR PRESENTATION
AT THE
55th MEETING OF THE ADVISORY COUNCIL FOR ITALY ON AUGUST 2, 1946.

Gentlemen:

At your last meeting, I reported on the results of the election and referendum, and on the preliminary stages of the transition for Monarchy to Republic in Italy. During the intervening weeks there have been two basic factors in the political situation in the country; first, the attempts by Prime Minister De Gasperi to form a government to carry on internal administration, which have been intimately associated with attempts to initiate the work of the Constituent Assembly. The second factor has been one which Italians consider vital to themselves and to their nation, but about which neither the Italian Government nor people have had a determining voice. I refer, of course, to the conclusion of a peace treaty with Italy.

It is not possible, in appreciating the recent political developments in Italy, completely to separate these two factors; De Gasperi himself, during the course of his remarks to the Constituent Assembly, acknowledged this fact by pointing out the necessity of forming a government before the peace conference of 21 nations should convene in Paris.

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It is not possible, in appreciating the recent political developments in Italy, completely to separate these two factors; De Gasperi himself, during the course of his remarks to the Constituent Assembly, acknowledged this fact by pointing out the necessity of forming a government before the peace conference of 21 nations should convene in Paris. It is not at all improbable that revelation of many of the preliminary decisions of the Council of Foreign Ministers, particularly those affecting Italy's frontiers, had considerable psychological effect in helping to precipitate the purely domestic matters which had to be solved before a government could be formed.

It became apparent soon after De Gasperi accepted President De Nicola's charge to form a government, that a critical issue would be whether Italian labor should receive a general wage increase at this time, to the possible detriment as claimed by Corbino, for example - of the country's efforts to control inflation. This basically economic issue appears to have been solved by political means and it seems safe to say that what

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the political parties have been able to agree upon as government economic policy represents a series of compromises adding up to a moderate and slightly right of center position. It was evident during the course of the negotiations that labor politics had a considerable part; disagreement, and therefore the necessity for compromise, among the three principal parties of the CGIL was apparent. Inasmuch as these same parties were the three most influential in the governmental sphere, their disagreement was probably salutary in that it served to air inter-party differences and permit an appreciation of the obstacles to future government stability.

On July 10, it was reported that substantial agreement had been reached among the three mass parties on a Government program. The domestic aspects of the program, which are largely economic, aim at the recovery of public finances and the protection of the lira against further devaluation. There will be two budgets, a regular one which it is hoped to bring into balance, and an extraordinary budget, to be financed in part by a public loan and to be designed to meet expenditures on public works and other economic palliatives. In lieu of a general wage increase, it has been decided to grant the so-called "Republic" bonus, and at the same time to put in hard measures designed to stabilize, or, preferably, decrease the cost of living. In making this program known to the Constituent Assembly on July 15, De Gasperi gave the impression that the Italian Government will assume direct responsibility for the unemployed, thus relieving industries of their present considerable financial burden in this regard. He also indicated at this time that a principal preoccupation of

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The names of the members of the new Government were announced on July 13, and the Cabinet was sworn in the next day. In accordance with the terms of the so-called MacMillan Memorandum of 1945, only the names of proposed Ministers of Navy, War and Air Force were submitted for the approval of the Allies. Contrary to some reports, I think you will be interested to know that the names thus approved were the only names submitted

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by De Gasperi.

A tentative proposal to decrease the total number of Ministers was not adopted; although some former Ministries were abolished, the total number is not changed from that of the previous Government. The Cabinet comprises eight Christian Democrats, four Socialists, four Communists, two Republicans, and one Independent; De Gasperi retained, in addition to the Prime Ministry, the Ministry of Interior and, until the conclusion of peace, the Ministry of Foreign Affairs. The former Ministry of Reconstruction has been replaced by a joint inter Ministerial committee.

As I have suggested, the Prime Minister's attempts to form a government coincided with the arrival of news of Italy's future fate. The Italian press reported extensively and commented bitterly on the decisions of the Council of Foreign Ministers; at the same time, there were outbreaks of violence in many cities throughout the country. In every case, so far as I can judge, the principal subject of protest by the demonstrators was the decision to internationalize that part of Venezia Giulia between the proposed so-called French Line and the area definitely confirmed as Italian. The demonstrations, like the press, assumed a marked anti-Allied tone. In this connection I think you may be interested to know that on July 11 I received a letter from De Gasperi expressing regret at demonstrations against Allied Officers and troops, which he attributed to the general atmosphere of anxiety, perturbation and disappointment of the Italian people with regard to the solution adopted by the Paris conference.

In his address to the Constituent Assembly, to which I have al-

the forum

As I have suggested, the Prime Minister's attempts to form a Government coincided with the arrival of news of Italy's future fate. The Italian press reported extensively and commented bitterly on the decisions of the Council of Foreign Ministers: at the same time, there were outbreaks of violence in many cities throughout the country. In every case, so far as I can judge, the principal subject of protest by the demonstrators was the decision to internationalize that part of Venezia Giulia between the proposed so-called French Line and the area definitely confirmed as Italian. The demonstrations, like the press, assumed a marked anti-Allied tone. In this connection I think you may be interested to know that on July 11 I received a letter from De Gasperi expressing regret at demonstrations against Allied officers and troops, which he attributed to the general atmosphere of anxiety, perturbation and disappointment of the Italian people with regard to the solution adopted by the Paris conference.

In his address to the Constituent Assembly, to which I have already referred, the Prime Minister outlined the new Government's foreign policy. In regard to frontier questions, he said, Italy would seek to obtain an ethnic frontier to the east; he reaffirmed Italy's will to collaborate with Yugoslavia, and asked, with reference to the western frontier, that Italy be consulted on all problems regarding French claims. In other matters connected with the peace treaty, De Gasperi sought to define his conception of Italy's best interests and concluded by saying that the Government would not pledge its word on a peace treaty before consulting the

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Constituent Assembly, to which, he noted, the law gives the right to decide whether a peace treaty is to be signed or rejected.

During the last fortnight, the Government has undertaken efforts to obtain support for Italy's cause among nations other than those represented in the Council of Foreign Ministers. To this end Pietro Nenni has made a trip to the capitals of northern Europe with the avowed purpose of explaining Italy's position, and in the last few days, Count Sforza has arrived on a similar mission in South America.

Although no formal invitation has yet been received by the Italian Government to the Conference at Paris, the Prime Minister feels that he has received assurances of such an invitation, and hopes shortly to go to Paris at the head of a delegation. In all probability the Italian Ambassadors at London, Washington, Rio de Janeiro and Moscow will form part of any such delegation, in addition to economic, geographic and other experts, and a group representing Venezia Giulia. I envisage that the delegation, unlike that which appeared on July 19 before the Foreign Ministers' special commission on the free territory of Trieste, will be concerned with all aspects of the treaty. The delegation which was heard by the Trieste commission confined its first statement to a reservation of acceptance of the principal of internationalization and took exception to the short notice on which they had been summoned to present Italy's views. I understand, however, that a few days later definite Italian views on the form and structure of the proposed future international state were submitted in writing.

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Meanwhile, Italy's international position remains juridically unchanged, since the Italian Government has been too occupied with the broad problems of internal organization and long term international arrangements to be able to study and comment on the proposed revision of the 1943 armistice terms.

Thank gentlemen, concludes my report.

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PORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLELY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period July 5th ---- July 19th, 1946)

Since my last political review, which was read to the Council by Brigadier Lush on July 5th, I have to report that after 10 days of negotiations Signor de Gasperi has succeeded in forming the first Government of the Italian Republic. The process, despite considerable difficulties in agreeing upon the political and economic programme and in deciding the new composition of the Ministries, had been completed in 10 days, a period of time which, for shortness, compared favorably with that taken up in the formation of former Italian governments.

The economic programme which had been drafted for Signor de Gasperi by Signor Corbino, former Liberal Party Minister for the Treasury, was anti-inflationary in tendency and aimed at reduction in the cost of living as opposed to increase in wages. The Communist Party came out in firm opposition and demanded salary increases for all workers of at least 20%. In this they received a measure of support from the Socialists who maintained that while inflation had to be avoided steps should also be taken to meet the demands of the needy classes. The solution preferred by the Socialists was that there should be a greater amount of essential commodities at controlled prices. Throughout the discussion of this particular aspect of the governmental programme the Christian

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Socialist parties, general agreement was reached in the economic and financial sphere as also in the field of foreign policy. Briefly the following points were agreed upon: in foreign policy, the need for joint action in the defence of Italy's interests on the part of all parties represented in the Government was reaffirmed and it was declared that all the ministers would share equally the responsibility for the Government's foreign policy. As regards internal policy it was laid down that the maintenance of public order and respect for the law were to be the essential principles in the Government's action. As to financial policy, the meeting agreed that their objectives must be the recovery of public finances and the defence of the purchasing power of the lira. With these ends in view the budget would be divided into two parts, namely, an ordinary and an extraordinary budget, the revenue for the latter having to be derived from an internal loan to be launched next September, from an extraordinary tax on capital and from confiscation of Fascist and war profits. The solution of the salary question took the form of a compromise. It was decided that while the Government must aim at reducing the cost of living, at the same time they would grant all workers a bonus to be known as the "bonus of the Republic", 3,000 lire for each head of a family and 1,500 lire for other workers, the unemployed and the war veterans being eligible also for the 1,500 lire bonus. The final point in the new programme was the reaffirmation of the Government's intention to carry out land reform.

As a first practical step in line with the Government's expressed determination to bring down the cost of living, the bread ration, it was agreed, should be raised to 250 grammes per day and the pasta ration to 2,000 or 3,000

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As a first practical step in line with the Government's expressed determination to bring down the cost of living, the bread ration, it was agreed, should be raised to 250 grammes per day and the pasta ration to 2,000 or 3,000 grammes per month which according to various estimates would mean an increase in the real value of wages of anything up to 18%. In actual fact the pasta ration remains fixed for the present at 2,000 grammes per month, since from the supply point of view it is apparent that the 3,000 gramme goal would be difficult to attain. Simultaneously with the discussion of the programme, discussions were held between the three major parties regarding the actual structure of the new government, the Socialists having previously proposed that the number of Ministries should be reduced to 10 by combining the ministries of War, Air and Marine into a single Ministry of National Defence, by fusing the

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Ministry of Finance with the Treasury and certain other alterations. However, when Signor de Gasperi was finally able to announce his Government it was seen that it contained 17 Ministries, only 2 less than before though with the same number of Ministers, two Ministers without Portfolio having being appointed. Changes in the structure of the Government other than numerical changes had all the same taken place. The Ministries for the Constituent Assembly and for the Consultative Assembly had, for obvious reasons, disappeared. The Ministry of Reconstruction no longer figured, in that it had been an ineffective creation which it was thought better to suppress and a Ministry of Mercantile Marine had been created. Government policy on reconstruction will be coordinated by an interministerial committee which will probably be on the model of that which collaborated with the Allies since 1944. The following is the full list of the new Government as announced in the press on July 14th:

Ministry	Minister	Party
Foreign Affairs (ad interim)	De Gasperi	Christian Democrat
Interior	De Gasperi	Christian Democrat
Without Portfolio	Nenni	Socialist
Without Portfolio	Macrelli	Republican
Justice	Gullo	Communist
Finance	Scoccimarro	Communist
Treasury	Corbino	Independent
Education	Gonella	Christian Democrat
Public Works	Ronita	Socialist
Agriculture	Segni	Christian Democrat
Transport	Ferrari	Communist
P.T.T.	Scelba	Christian Democrat
Ind. & Commerce	Marandi	Socialist
Labour	D'Aragona	Socialist
Post-war Assistance	Seroni	Communist
Navy	Micheli	Christian Democrat
Air	Cingolani	Christian Democrat
War	Fachinetti	Republican
Mercantile Marine	Aldisio	Christian Democrat

The name of Signor Tegliatti is absent from the Government for the reason

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Public Works	Romita	Socialist
Agriculture	Sogni	Christian Democrat
Transport	Merrari	Communist
P.T.T.	Scalza	Christian Democrat
Ind. & Commerce	Merandi	Socialist
Labour	D'Aragona	Socialist
Post-war Assistance	Sorani	Communist
Navy	Micheli	Christian Democrat
Air	Cingolani	Christian Democrat
War	Pachinotti	Republican
Mercantile Marine	Aldisio	Christian Democrat

The name of Signor Togliatti is absent from the Government for the reason that he had preferred to remain outside in order to look after the affairs of the Communist Party. Signor Nenni receives an appointment as Minister without Portfolio but he will take over the Portfolio of the Ministry of Foreign Affairs from Signor de Gasperi after the Peace Treaty. The much sought after Portfolio of the Interior has been retained by the Christian Democrat Party as also the Ministry of Education which had been a bone of contention during the negotiations. Signor de Gasperi at one moment had felt constrained to threaten abandoning the attempt to form the Government if the Socialists maintained

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their objection to the Portfolio of education being given to a Christian Democrat as opposed to a "layman". The Socialist Party found themselves without support from the Communist Party on this point, however, and finally gave way on the understanding that they would retain the Ministry of Industry and Commerce.

On 13th July representatives of the parties met to discuss the appointment of under-secretaries of which it had been decided that there should be 24 in number. It was agreed that 10 under-secretaries should be Christian Democrats, 5 Socialists, 5 Communists, 3 Republicans and one Independent.

Throughout the period of negotiation for the formation of the Government news from Paris of progress in the decisions of the Foreign Ministers of the Four Great Powers continued to cause the greatest consternation in Italy and now that invitations have been sent out by France to the other 20 nations who will attend the Peace Conference on 29th July, the Italian Government is actively preparing its case against what is generally regarded by the Italian people as a harsh and unjust peace in store for it. At the first meeting of the Constituent Assembly, on 16th July, after the formation of the Government, Signor de Gasperi devoted much of his speech to his views on what Italy should regard as its aims at the Peace Conference. Signor de Gasperi, preceded by a delegation of experts, will shortly leave for Paris to expound the Italian case to the Conference. According to Il Popolo his functions during his absence will be carried out by Signor Menai.

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JUL 6 1946

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE FOR PRESENTATION

AT THE
54th MEETING OF THE ADVISORY COUNCIL FOR ITALY ON JULY 5, 1946

Gentlemen:

In my last review to the Council on June 7, I reported that unofficial results of the Referendum showed a victory for the Republic by a plurality of approximately two million votes. It was thought that the Supreme Court of Cassation, which had the task of scrutinizing the ballots and examining the appeals, would finish its labors by June 8 and declare the results of the referendum on that day. Victory having already been unofficially conceded to the Republic, it was believed furthermore that the King would leave for Portugal immediately thereafter. The Queen and royal children had already left Italy on June 6 aboard the Italian cruiser "Duca degli Abruzzi", destined for Portugal.

By June 8, it became known that certain groups of Monarchists had entered protests against the legality of the Referendum. The most important protest was made by the Secretary of the Liberal Party and Signor Cattani, Liberal Party Cabinet Minister, who drew the attention of the Prime Minister to Article II of Decree Law No. 98 of March 16, 1946, which provides that the outcome of the Referendum shall be calculated on the "majority of voting electors". Thus, for example, if 26 million votes were cast and two million were found to be technically invalid, the majority in the Referendum would nevertheless have to be over three million according to Signor Cattani's

approximately two million votes. It was thought that the Supreme Court of Cassation, which had the task of scrutinizing the ballots and examining the appeals, would finish its labors by June 8 and declare the results of the referendum on that day. Victory having already been unofficially conceded to the Republic, it was believed furthermore that the King would leave for Portugal immediately thereafter. The Queen and royal children had already left Italy on June 6 aboard the Italian cruiser "Duca degli Abruzzi", destined for Portugal.

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On June 10 the Court of Cassation made an interim report to the Govern-

ment and the people on the basis of almost complete reports (118 precincts had not

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yet been heard from). Results as announced by the Court were 12,672,767 votes for the Republic and 10,684,905 votes for the Monarchy. The report concluded that the Court would pass final judgment on the protests and claims before complete results of the referendum were proclaimed. The Council of Ministers immediately thereafter issued a communique stating that the Council had taken note of the Court's findings which indicated a majority favoring the Republic, calling upon all Italians to preserve calm and order and declaring June 11 a national holiday in honor of the Republic. In Rome the next day, demonstrations took place in the Piazza del Popolo to celebrate the advent of the Republic. Signor Romita, Minister of the Interior, spoke to the crowd in a reasonable manner, assuring those people who had voted in favor of the Monarchy that they had nothing to fear and that they would be treated like all other Italians provided that they accepted the results of the Referendum as the rest of their fellow citizens were doing.

The interim report of the Court led to a most unfortunate situation, however, inasmuch as those members of the Government of republican tendencies desired the Republic to be proclaimed immediately on the basis of the Court's interim report while the King on the other hand was not convinced that it was proper for him to transfer the sovereign powers to the Provisional President of the Republic until the definitive findings of the Court had been received. In the days following the Court's interim report the Cabinet met early and late to discuss ways and means of transferring the powers of Government before the final decision or otherwise to work out a compromise solution. The King proposed the appointment of Signor de Gasperi as his Lieutenant General, since Signor de Gasperi as President of the

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The King's formal reply came on June 12 in a letter to the Prime Minister which was simultaneously published in Roman newspapers confirming his willingness to await the decision of the majority of Italian electors, which he said would be clarified by the decision of the Supreme Court, and concluding with the statement

that he was sure that he and the Government could continue their cooperation for the sake of Italian unity. The Government, after three meetings during the day, took a different view of the situation and issued a communique in the early morning hours of June 13 in which it adopted the position that the interim report on the Referendum by the Court had automatically established a transitional regime and that as a result thereof, the functions of the chief of state fell automatically to the President of the Council of Ministers. The Government communique ended by saying that the King's letter to the Prime Minister could not be considered to modify this constitutional situation.

During these negotiations and deliberations on both sides, the King made a sudden and secret decision to leave Italy. He left from Ciampino airport at four o'clock in the afternoon of June 13 by Italian aircraft, spending the night in Barcelona and joining his wife and children in Portugal the next day. The first news of the King's actual departure from Rome was received in the Allied Commission by a telephone call from Ciampino airport relayed by Rome Area Allied Command, one-half hour after the plane took off. The destination was unknown. Shortly after 5:00 p.m. Avv. Lucifero, Minister of the Royal Household, telephoned for an appointment with me and subsequently arrived in my office at 5:45. Avv. Lucifero informed me that the King had left Italy which was the first report that I received that the King had actually left the country. While Avv. Lucifero would not tell me at that time what the King's destination was, he did inform me that a Royal proclamation would be issued later that evening. When I asked Avv. Lucifero if the proclamation would be issued by the Royal Household or by the

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The royal proclamation, which was released late in the evening of the 13th, recalled the King's oft-expressed willingness to abide by the decision of the people, but stated that in view of the provisional and partial results made known by the Court of Cassation, the various protests and the question raised as to the manner of calculating the majority, the King had decided to await the official and final decision of the Court of Cassation as indicated in his letter of June 12. The proclamation went on to say that in violation of the law, the Italian Government had accomplished a "revolutionary" act by assuming powers that did not belong to it. Thus, it was stated, the King was faced with the alternative of causing bloodshed or enduring violence, and in order not to become an accomplice

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to the illegality committed and to spare the people further suffering, he had chosen to leave the country. However, it was added that, in leaving, Umberto II felt it his duty as an Italian and as King to protest against the violence committed. He called on his followers not to do anything to threaten the unity of the country. All those who had sworn allegiance to the King were released from their oaths. The proclamation stated finally that the country could always rely on the King as the most devoted of its sons.

The King's departure was likewise carefully concealed from the Italian Government and when an Italian aircraft was requested for the King from the Italian Ministry of Aeronautics, the Ministry was requested by the Palace not to inform the Prime Minister since the Palace would do that itself directly. According to the Presidency of the Council of Ministers, the Prime Minister learned of the King's departure through other channels.

The Government issued a statement on June 14, saying that the King's proclamation was a "spiteful" document constructed on a false basis. Regardless of the Government's earlier recognition of the results of the referendum on June 10, the King continued to discuss a delegation of royal powers, and in spite of the difficulty of reconciling the two points of view, the Government had continued the discussions with the King until they were broken off by Avv. Lucifero the night of June 12, it declared. It was stated that the King's letter of June 12 ignored the report of the Court and therefore the Council had to meet to reaffirm the results of the referendum. The President of the Council had given the King proof that a peaceful solution was sought and the King had recognized more than

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On the same day the Prime Minister spoke to the nation, recalling that the procedure for deciding the results of the referendum was laid down by law, and promulgated by the King. He stated that all parties in Italy, and the same conclusion was reached abroad, considered that the decision was arrived at freely and honestly. Signor de Gasperi stated it was distasteful to ~~reopen~~ ^{reopen} the controversy but that on repeated occasions he had found the King in a conciliatory

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mood, and that it was possible to consider from a human angle the tragedy of Umberto II who had inherited a discredited dynasty. De Gasperi said that the nation could consider this last episode of an old dynasty as a part of the national catastrophe. He closed by calling on all to present a united front to those threatening Italy's frontiers.

The Court of Cassation issued its final official report on the referendum on June 18. The definitive findings of the Court included reports from all of the precincts previously missing and consideration of the protests of irregularities in voting. According to the Court's final report the Republic received 12,717,923 votes, and the Monarchy received 10,719,284 votes. The Court decided that the phrase in the electoral law "majority of the electoral vote" must be interpreted as meaning a majority of the electors who expressed themselves through valid votes. The final report of the court indicated that there were approximately one million and a half invalid votes.

Immediately thereafter, the Council of Ministers approved a decree establishing procedures in view of the change in the institutional form of the state. The decrees during the interim period would be issued by the President of the Council of Ministers in virtue of his authority as provisional chief of state. The Italian tricolor was established provisionally as the national flag without the Savoy coat of arms. The Government also approved a decree dissolving the Senate on the date the Constituent Assembly should convene, that is, June 25, 1946. The law provided that the personal status of the senators shall be considered by the Constituent Assembly in due course.

At the request of the American and British Governments, I called on the

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At the request of the American and British Governments, I called on the Prime Minister on June 21 to extend to him the congratulations of these governments upon the orderly manner in which the first free elections since pre-Fascist days had been carried out in Italy. I said that the United States and British Governments had been particularly impressed by the large number of electors who participated in the elections, thus demonstrating their appreciation of the responsibility of each citizen in a democracy.

The Constituent Assembly convened in Rome, at Palazzo Montecitorio on June 25. Giuseppe Saragat, Socialist party leader, was elected President of the Assembly. Subsequently, four vice-presidents and a secretary were elected. The

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session was opened by Signor Orlando as the dean of the deputies in point of age. The Prime Minister replied on behalf of the Government. Both speeches referred to the meeting of the Council of Foreign Ministers in Paris and reiterated the reasons why Italy should not be subjected to a punitive peace.

The President of the Italian Republic was elected by the Constituent Assembly Friday afternoon, June 28. The Assembly's choice, by 396 out of 504 votes cast, was Enrico de Nicola, a Neapolitan jurist, 69 years old, with a distinguished legal and parliamentary career behind him. The new President arrived in Rome on Monday, July 1 and will take up temporary residence in the Palazzo Madama. Signor de Gasperi was received by the President the same afternoon and headed in his government's resignation. At the time of writing (July 3) President de Nicola, after consulting government and party leaders in the formation of a new government representative of the people's will as expressed in the recent national elections, has charged Signor de Gasperi with the task of forming a new government.

This, Gentlemen, concludes my political review. I regret that my attendance at a SACRED conference at Caserta on July 5 prevents my attendance at your meeting.

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...ing... legal and parliamentary career behind him. The new President arrived in Rome on Monday, July 1 and will take up temporary residence in the Palazzo Madama. Signor de Gasperi was received by the President the same afternoon and handed in his government's resignation. At the time of writing (July 3) President de Nicola, after consulting government and party leaders in the formation of a new government representative of the people's will as expressed in the recent national elections, has charged Signor de Gasperi with the task of forming a new government.

This, Gentlemen, concludes my political review. I regret that my attendance at a SACRED conference at Caserta on July 5 prevents my attendance at your meeting.

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APO 794

JUN 10 1946

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POLITICAL REVIEW BY REAR ADMIRAL HENRY W. STONE FOR PRESENTATION
AT THE
53rd MEETING OF THE ADVISORY COUNCIL FOR ITALY ON JUNE 7, 1946.

Gentlemen:

As was to be expected, the first week of the period under review was entirely taken up with preparations for the elections on June 2nd and 3rd. The Council of Ministers was unable to meet during this period and therefore no government business was transacted. All the Ministers and political party leaders were touring the country at lightning speed, making their final pre-election speeches.

Political excitement reached its fever pitch on May 30th with the holding of the last publicly allowed political gatherings. On that day Signor de Gasperi spoke in Florence and Milan. He had spoken earlier in the week in Sicily, Southern Italy and Rome. Signor Togliatti made his principal speech at a large Communist gathering on the Palatine Hill on May 30th while the Republicans met in the Piazza delle Cancellerie, the Socialists at the Basilica of Maximilian and Senator Orlando addressed the adherents of the National Democratic Union in the Teatro Adriano. Political gatherings were of course forbidden on May 31st and June 1st and there was consequently a noticeable slackening of the tension at least on the surface. Political activities no doubt continued on these days but the general air of orderliness throughout the country was only marred by one incident, when, it is reported, a hand grenade was thrown into the offices of the

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Before reporting on the elections themselves and discussing such results as have become known at the time of writing, I would like to draw your attention to one or two events which took place during the last week of May and may be said to have some influence on the elections also. As you are already aware, at 5.30 p.m. on May 29th, the Executive Commissioner of the Allied Commission, acting on my behalf, called on the President of the Council and left with him a written communication to the effect that in view of the imminent elections the Allied

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Governmente regarded as terminated the undertaking given by successive Italian Governmente since the armistice regarding the truce on the institutional question. Although in practice the institutional truce has been violated a number of times by both sides in recent months, and could not therefore be said to be operative any longer, it was necessary from the point of view of the Allied Governmente to take official action to terminate the truce in order that at some future date the Italian political parties should not be able to accuse the Allied authorities of having hampered their electoral activities by insisting on the maintenance of the truce and thereby prejudicing the free expression of the popular will.

During the week the press was full of rumours regarding the imminent signature of the new armistice terms. These rumours were given a stimulus by the visit to Rome of the Supreme Allied Commander on May 29th. However, General Morgan did not see the President of the Council on this occasion and therefore, needless to say, no truth in the story that the new armistice was about to be signed. However, on instructions from the Supreme Allied Commander, I caused the text of the revised armistice as agreed by the Four Foreign Ministers at Paris on May 16th to be officially communicated to Signor de Gasperi at 11 a.m. on June 1st.

The text of this document is as follows:

"Whereas hostilities have ceased.

"Whereas after the armistice, Italian Forces contributed to the war against Germany, Italy declared war on Germany as from October 13, 1943 and thereby became a co-belligerent against Germany.

"Whereas the armistice terms have thereby become in part obsolete or have been

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"Whereas the armistice terms have thereby become in part obsolete or have been superseded by events.

"Whereas the Government of Italy has requested and the Governments of the United States, United Kingdom, Union of Soviet Socialist Republics and France have agreed to a modification of the armistice regime in the light of existing circumstances.

"Accordingly, the afore-mentioned Governments have decided that the Armistice terms shall be modified as follows, pending the coming into force of a treaty of peace.

"1. The additional conditions of armistice of September 29, 1943 are hereby abrogated.

"2. Relations between the United States, United Kingdom, Soviet and French

Governments, acting in the interest of the United Nations, and Italy, shall be governed by the Armistice of September 3, 1943, as modified by the present agreement.

"3. The Allied Commission is hereby abolished.

"(A) A special section of Allied Force Headquarters under the orders of the Supreme Allied Commander who will act as chairman, shall be established to assume the control functions of supervision and direction of the Italian Armed Forces heretofore exercised by the Land, Navy and Air Force Sub-Commissions in the Allied Commission. This section shall control the production of armaments.

"(B) The employment and disposition of the Italian Navy shall remain as at present under the command and control of the Supreme Allied Commander.

"(C) Pending the coming into force of any treaty of Peace, Allied Military Government shall be continued under the Supreme Allied Commander, Mediterranean, in Venezia Giulia and in the Province of Udine.

"4. The provisions of the present instrument shall not apply in or affect the administration of any Italian colony or dependency.

"5. Simultaneously with the coming into force of the present agreement, further agreements shall be concluded between the United States and Italy, and between the United Kingdom and Italy, providing for the maintenance in Italy of Allied Forces under redeployment, and for the retention of the Allied Forces required for the Allied lines of communication to Austria.

"6. Italian prisoners of war now held under the jurisdiction of the United States, United Kingdom, the Soviet Union and France shall be repatriated as soon as possible.

"7. The Government and people of Italy will abstain from all acts detrimental

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"7. The Government and people of Italy will abstain from all acts detrimental to the interest of the United Nations or of their nationals.

"8. The Italian Government will cooperate in the apprehension and surrender for trial of, or in making available as witnesses, Italian subjects or nationals of states at war with the United Nations designated by the United Nations as war crimes commission or the International Military Tribunal established by the agreement signed at London on August 8, 1945.

"9. The Italian Government will provide, at its own expense, all necessary facilities for and will cooperate with the United Nations in the search for and

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restoration of property wrongfully removed from the territories of the United Nations and located in Italian territory.

"10. The Italian Government, in full recognition of the absolute and untrammelled right of the people of Italy to choose by constitutional means the form of democratic government they desire, hereby renounces its pledge to submit to the will of the people, to this end, the Italian Government undertakes to provide through free elections for an expression of the popular will on the democratic forms of government to be chosen by the people, it being understood that the choice shall be decided by the majority of the popular vote, which shall be binding upon the present government and upon bodies constituted through such elections.

"11. The present agreement shall be without prejudice to any claims of any of the United Nations against Italy rising out of hostilities conducted in or by Italy and shall in no way affect the final disposal of Italian territory or property, nor shall it impair any limitations or restrictions which may be imposed upon Italy in the Treaty of Peace.

"12. The present agreement shall enter into force upon signature thereof by the President of the Council of Ministers of Italy, and by the Supreme Allied Commander in Italy duly authorized thereto by the Governments of the United States, United Kingdom, Union of Soviet Socialist Republics and France and shall remain in force until superseded by other arrangements or until the coming into force of the Peace Treaty with Italy."

The agreement revising the armistice terms will be signed by the Supreme Allied Commander and the Italian Government at the same time as two supplementary agreements between the United States and Italy and the United Kingdom and Italy signed in this country. These

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The agreement revising the armistice terms will be signed by the Supreme Allied Commander and the Italian Government at the same time as the supplementary agreements between the United States and Italy and the United Kingdom and Italy respectively regarding the maintenance of Allied troops in this country. These supplementary agreements will be negotiated with the Italian Government and I understand that they are, for your information, similar to the agreements which the British Government concluded with the United States Government in London during the war for similar purposes and recently with certain Allied Governments since the liberation of Eastern Europe in connection with British lines of communication with Germany and Austria.

The only other development of importance during this period was the proclamation of King Umberto II on June 1st. This statement came as the climax to a week of great activity on the part of all Monarchist sympathizers. ~~that~~

King himself was in the vanguard making appearances in Salerno, on May 28th, Catania, Messina and Reggio Calabria. On May 31st he was in Genoa and on June 1st he appeared in Milan and Venice where his presence is reported to have been variously received. In his statement of June 1st, His Majesty spoke with sympathy of the voter's personal attempts to do his duty in the present crisis and he reiterated his pledge to accept the results of the referendum. He stated that he would ask the supporters of the Monarchy also to respect "the decision of the majority without reservation." The King then went on to say that, should the referendum show that the majority of the people was in favor of the Monarchy, he pledged himself that, so soon as the Constituent Assembly had accomplished its task, the Italian people would again be given the opportunity to express their views on the institutional question in such form as the representatives of the people might suggest. By that time feelings would have calmed down and many Italians who were now perplexed would have had time to make a mature choice. Signor Togliatti, writing in the Unita on June 1st, immediately branded the King's statement as "a last attempt to confuse people who are still uncertain." He said that, even in the event of a Monarchist victory, King Umberto would not automatically ascend the throne but would have to abide by the decision of the Constituent Assembly on the selection of the Head of the State. As for a second referendum, the Communist leader declared, somewhat incautiously, that the electors had had enough electoral campaigns.

The elections themselves were held throughout Italy except in Venezia Giulia and Bolzano Province on June 2nd and 3rd. According to all reliable accounts they passed off without incident. The poll seems to have been particularly heavy and

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The voting procedure seems to have been rather slow at first in the big centres where the electors often had to wait four or five or six hours before their turn came. Nevertheless, despite the long waits there appears to have been no unpleasantness apart from a little mild grumbling. The electors appear to have been duly impressed by the seriousness of the decision that they were taking and discharged their duty with a high sense of political decorum.

As regards the results of the voting, the position as at the time of writing (June 6th) is as follows. Out of 35,318 electoral precincts, the

ballots of 34,875 have been scrutinized. This scrutiny shows the following distribution of votes throughout the country:

Christian Democrats	8,049,161
Socialists	4,696,490
Communists	4,294,875
National Democratic Union	1,535,546
Italian Republican Party	993,091
Young Quilunquus Party	1,201,773
Action Party	334,935
Liberty Bloc	632,536
Democratic Republican Concentration	94,464
Unionist Movement	71,962
Christian Social Party	51,673
Other lists	830,525
TOTAL	<u>22,792,911</u>

It is estimated that 25,000 ballots have still to be scrutinized.

The results of the referendum on the institutional question have not been officially published as they were received at the Ministry of the Interior but have been collected for general publication. This proclamation may take place on Saturday. The unofficial results show a victory for the republic by a plurality of over two million.

That, Gentlemen, concludes my report.

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APO 794

JUN 1 1946

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FORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period May 10th --- May 24th, 1946)

As reported in my supplementary statement at the 52nd meeting of the Advisory Council for Italy on May 10th, King Victor Emmanuel abdicated in favor of his son Prince Humbert, on May 9th. An official communique was issued by the Royal Household in the evening of that day as follows:

"Today, at 12 o'clock in Naples, King Victor Emmanuel III signed the instrument of abdication and, according to custom, left as a voluntary exile. As soon as the new King returns to Rome an official communication will be made to the Council of Ministers."

The actual instrument of abdication is couched in the following terms:

"I abdicate in favor of my son, Humbert of Savoy, Prince of Piedmont."

Signed Victor Emmanuel III,
King of Italy,
Naples May 9th, 1946."

The President of the Council stated to the press on the same evening that the essential point was that any change should not affect the solemn and unequivocal pledge given by the Crown to entrust its fate to the decisions of the referendum and the Constituent Assembly. He said he had no reason to doubt that this would be so and that he was awaiting the official communication which would reach him on the following day before the meeting of the Council of Ministers.

The King's abdication was the subject of bitter comment in the Left

Royal Household in the evening of that day as follows:

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The King's abdication was the subject of bitter comment in the Left Wing press, particularly in the Communist newspaper "Unita" to which Signor Togliatti, Secretary-General of the Communist Party, contributed an article in which he accused the Royal Family of having violated the truce on the Institutional Question. He stated that the Lieutenant of the Realm was in fact described in official documents as "the Lieutenant-General of the Realm" and not of the King. The law governing the holding of the referendum laid down three points:

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- (1) That the people would be called upon to decide whether Italy was to be a Republic or a Monarchy;
 - (2) That even if the referendum were to favor the Monarchy, the decision on the person of the King would still rest with the Constituent Assembly;
 - (3) That if the referendum were to favor the Monarchy, the Lieutenantcy would be maintained until the new Constitution had been approved.

At its meeting on May 10th, the Council discussed the situation arising out of King Victor Emmanuel's abdication and Signor de Gasperi read to the assembled Ministers the following letter from the new King:

"My father's abdication gives no succession to the throne analogis. His action in no way alters the constitutional powers exercised by me in my capacity as Lieutenant-General; nor does it modify in any way the pledge I took concerning the referendum and the Constituent Assembly. I feel certain that the Government wishes to continue to collaborate with me in the interests of the country until the decision of the popular consultation."

Signor de Gasperi proposed that in view of these assurances the Council of Ministers should accept King Humbert's succession. Signor Togliatti formally protested against what he termed a "violation of the institutional trust." His charges were rebutted by the Ministers Cattani and Corbino. The Action Party Minister, Bracci, eventually proposed the compromise formula which involved the deletion of the words "by the Grace of God and the will of the Nation" from the headings of decrees and legal judgments. The Council, after many hours of discussion, approved a decree law of one single article providing that all the regulations on the limits of the powers of the Crown in accordance with Decree

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King Victor Emmanuel's abdication was inevitably the cause for numerous demonstrations during the week-end, all of which seem to have passed off without

serious incident. There was a spontaneous Monarchist demonstration on the day of the King's abdication and an organized meeting on the following Sunday. On the Republican side a mass meeting was held in Piazza del Popolo on May 11th at which the Left Wing press claims 200,000 citizens were present and paraded uninterruptedly in the centre of the city for an hour and a half.

The abdication has been generally interpreted, especially in Left-Wing political circles, as an astute move on the part of the Monarchist Party to improve its chances in the forthcoming elections. While the King himself has repeatedly declared his intention of submitting to the will of the people, certain sections of his supporters have been campaigning vigorously for a postponement of the elections, or at least of the holding of the referendum, on the grounds that the country has not been allowed sufficient time to settle down in order to take a calm decision on this important matter and that, moreover, many hundreds of thousands of Italians will be unable to express their opinion on June 2nd. This campaign took the form of approaches to various Allied officers, including myself, and it was for this reason and in order to remove any form of misconception in the responsibility of the Allies in this matter that I published the following statement to the press on May 17th:

"The date of June 2nd was set by the Italian Government and, by his signature on the decree, was confirmed by the King when he was Luogotenente. Since the Italian Government with the King's approval has set the date, it is not correct to address me on the subject and I must refuse to receive, therefore, any petitions or other communications requesting Allied Commission intervention."

"The question of postponement has not been raised with me either by the

...and his supporters have been campaigning vigorously for a postponement of the elections, or at least of the holding of the referendum, on the grounds that the country has not been allowed sufficient time to settle down in order to take a calm decision on this important matter and that, moreover, many hundreds of thousands of Italians will be unable to express their opinion on June 2nd. This campaign took the form of approaches to various Allied officers, including myself, and it was for this reason and in order to remove any form of misconception on the responsibility of the Allies in this matter that I published the following statement to the press on May 17th:

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"The question of postponement has not been raised with me either by the King or the Italian Government. Any move by the Allied Commission in this matter would therefore be an unwarranted intervention in Italian internal affairs."

In the meantime the political parties have been most active in their campaigning in this important pre-election period. In fact, in the latter part of the period under review public attention has been focussed very largely on the electoral campaign to the virtual exclusion of all else. Numerous important speeches have been made, notably one by Signor de Gasperi in Rome on May 11th. On the subject of the Monarchy, the President of the Council asked his audience whether they really wished to establish a Republic. In other words, did they

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think they were capable of assuming the greater responsibility and the greater sacrifices called for by a regime in which everything, including the choice of the Head of the State, depended on their personal decision? He went on to say that if Italians had confidence in the Republic which was in theory the most ideal democratic regime, if they believed they were ready for the Republican order, they could not give their votes to those parties which, as had happened in France, wished to lead Italy to a Republic dominated by one single Assembly or by the most daring and unscrupulous man, by an Assembly which might become a committee of public safety or a dictatorship by one man or one party. Signor de Gasperi therefore appealed for greater unity within the Christian Democrat party and expressed his belief that in spite of the national disaster, Italians would save themselves and would save Italy.

On the same day, Signor Monni spoke in Milan and affirmed his belief that no reactionary force in the country could prevent the holding of the elections on June 2nd. On that day the people would pass judgment not on the King but on the political institution of the Monarchy. He again called for the maintenance of the alliance between the Socialists and Communists and referred to the dangers of any foreign policy which aimed at attaching Italy to any so-called bloc of great powers.

Sunday, May 12th, was notable for numerous political speeches throughout the country. The President of the Council spoke in Trento where he disclosed that there had been attempts to induce the Government to postpone the elections, while on the other hand exaggerated fears had been expressed on the subject of a possible coup d'etat. These difficulties, he said, had been overcome without

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Speaking later on in the day at Rovereto, Signor de Gasperi dealt with the Colonies and declared that Italians could not accept a bargain at their expense.

Count Sforza spoke in Milan on the same day and declared that the Republic stood for stability and the Monarchy for adventures. In Palermo, Signor Togliatti announced that the Communist party recognized the right of the Sicilian people to administrative autonomy within the framework of national unity. At Verona, Signor Menni affirmed that the Italian people on June 2nd would not proclaim the Republic of Menni and Togliatti; nor would it proclaim the Republic of de Gasperi. On June 2nd Italy would proclaim the Republic of the whole Italian people.

During the last week, King Humbert made surprise visits to Sardinia on May 19th, to Naples on the 20th and to Turin on the 22nd. He seems to have been generally well received. On May 21st, Signor de Gasperi spoke in Cagliari and discussed the food situation, Venetia Giulia (with special reference to the results of the Paris meeting of the four Foreign Ministers), the Italian Navy (which he declared should form part of the international naval force which the UNO proposed to create) and the Colonies (which he stated still required Italian assistance for their future exploitation). The latter half of his speech was taken up by a description of his party's policy of decentralization and regional autonomies. On May 19th Signor Gasparotto, for the National Democratic Union, Signor Soragat for the Socialists and Signor Giannini for the Uomo Qualunque Party made speeches in Milan. Signor Gracchi discussed the social programme of the Christian Democratic Party in Bologna, while in Florence Signor Cevelotto, speaking on behalf of the National Democratic Union, affirmed the need for a strong central bloc. Count Sforza also spoke in criticism of the Monarchy. The Socialist

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During the period under review the Council of Ministers has transacted a certain amount of business other than that arising out of the abdication and the preparations for the holding of the national elections. At their meeting on May 10th, Signor de Gasperi made a full report on his mission to Paris. He

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stated that the Yugoslav representatives had adopted an extremely rigid attitude. He, for his part, had made it clear that no democratic Italian Government could accept the loss of Trieste and he had refused the Russian offer of colonial compensations therefor. He had also had the opportunity in private conversations of discussing Italy's other problems with the four Foreign Ministers. To Mr. Bevin he had expressed the hope that Italy might be allowed to retain her navy as an international force in the services of the UNO. As regards the colonies, he had suggested a form of mandate in which Italy would take part as soon as she was admitted to the UNO. He had had a most cordial conversation with M. Molotov with whom he had discussed the colonies and relations with Yugoslavia. M. Molotov had indeed insisted that he should stay in Paris to meet M. Kerdell with whom he had had a cordial non-political talk.

Meeting on May 15th, the Council of Ministers discussed public order in relation to the forthcoming elections. Signor Ramita, the Minister of the Interior, informed the Council of the measures he had taken to ensure that the elections would be held in the greatest calm. On his proposal it was decided to inform the Italian Federation General of Labor that the Government would not allow strikes of an economic character until after June 2nd. The Council decided in principle to call upon employers and workers to avoid during the next few weeks any discussion on questions which might lead to suspension of work and to disturbances. Signor Gattani also drew attention to certain difficulties which had arisen in connection with the distribution of electoral certificates. At the end of the discussion the Council formally reconfirmed its determination to hold the political elections and the referendum on June 2nd. The Council then examined the problem of the locust plague in Sardinia and, on the subject of the

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published until after the elections on June 2nd but it will bear the date of May 15th. It was decided that an amnesty would be granted immediately quashing sentences up to six months imprisonment or 9,000 lire fines. This measure would be absorbed in the general amnesty decree which will be published after June 2nd and in which special attention will be given to political crimes. The Council also examined a draft statute for the Sicilian region which provides for a very wide autonomy of the island with a large measure of decentralization, within the framework of the united Italian State. The statute was approved and will be submitted to the Constituent Assembly for its coordination with the new constitution of the State. A similar statute for Sardinia is also in preparation. The Council concluded its meeting by examining the coal situation.

On the following day, May 16th, the Council again studied the problem of public order and it was decided to ban open-air political meetings during the two days before the elections and not to interfere with the discretionary powers of the Minister of the Interior with regard to the holding of political meetings since the condition of public order did not give rise to anxiety. Other decrees approved by the Council provided for the grant of an attendance bonus for civil servants, for radical changes in the present working of Assise Courts and for the allocation of a further sum of 5 billion lire on land reclamation works.

The Council's meeting on May 23rd was taken up by discussions on the negotiations now in progress between the Italian Air Ministry and the Transcontinental and Western Airways, Inc., for the creation of a joint company 'Linee Aeree Italiane'. Signor Nenni acquired whether this projected Anglo-American concern might not become, in view of the possibility that it might assume a

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Finally approved a declaration as follows:

"The Council of Ministers, recalling that the law approved by the Constitutive Assembly decided on by the Council of Ministers itself, ratified and issued by the head of the State, binds everybody to respect the decision of the people's referendum; reaffirms its intention of taking care, with the greatest energy and objectivity, that the voting operations take place in an atmosphere of freedom and under the full authority of the State, which alone has the duty and the right to safeguard public order, which is entrusted exclusively to its own organisms. The Government therefore is firmly determined to forestall and repress any act of intimidation or violence, and to prevent any attempt to prepare and create armed Party formations, and appeals to the Parties and the press to be good enough to help the Government in its effort to revive in the people the sense of responsibility and self-discipline, of which it gave proof during the recent administrative elections."

The Council also approved the text of a proclamation to the Armed Forces submitted by the Services Ministers. This proclamation, after reaffirming the freedom of opinion of the members of the Armed Forces, reminds them of their allegiance to the laws of the country and of their duty to observe that the regulations are enforced for the preservation of public order.

May 24th was celebrated through Italy as the anniversary of Italy's entry into the 1915/1918 war. In Rome, the President of the Council, various Ministers, the Chief of the General Staff, Representatives of the Armed Forces and of the CGIL attended a ceremony at the tomb of the unknown soldier. The official speaker was Signor Gasparotto who declared that Italians looked confidently to the United Nations in the hope that Italy's contribution to victory would be taken into account and that the victorious Allies would not impose unbearable

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In the field of foreign affairs, it became known on May 16th that the

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The President of the Council, having failed to reach agreement on the conclusion of a peace treaty with Italy, had agreed on an immediate revision of the armistice terms. The President of the Council reported to his colleagues on this agreement on May 16th and stated that a member of the Italian Delegation in Paris would arrive on May 17th by air bringing with him the text of the new armistice terms. According to information which had reached him and to communications which he had received from the Allied Commission he understood that it was a question of a revision of the armistice terms rather than of a modus vivendi. He summed up the revision as follows:

- (1) The abolition of the Allied Commission and the creation in its place of a military commission attached to the Mediterranean Military Command.
- (2) The drawing up of civil affairs agreements between Great Britain and the United States of America on the one hand and Italy on the other.
- (3) The immediate repatriation of all Italian prisoners of war.
- (4) The confirmation of the declaration that the armistice would leave Italy's territorial position unprejudiced.
- (5) An undertaking on the part of Italy to hand over war criminals.
- (6) An undertaking on the part of the Italian Government and of the Allies to allow free elections.

On the following day, Signor de Gasperi stated to the press that the full text of the Armistice with the supplementary agreements was still being elaborated by the Allied Governments and that no forecast could be made as to when the revised Armistice would be signed. As regards the conference of the Deputies of the Foreign Ministers which would start in Paris on May 27th, Signor de Gasperi confirmed that Italian Representatives would be asked on May 27th and May 30th

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POLITICAL REVIEW BY REAR ADMIRAL HENRY W. STONE FOR PRESENTATION

AT THE

52nd MEETING OF THE ADVISORY COUNCIL FOR ITALY ON MAY 10th, 1946.

Gentlemen:

The four Foreign Ministers' Conference at Paris has been the dominating topic of news during the last fortnight. It has aroused Italian interest almost to the exclusion of everything else. The news of the scale of reparations proposed to be exacted from Italy and of the plans for the disposal of the Italian Fleet have provoked the most violent reactions in all sections of the Italian press. On April 29th the President of the Council despatched a telegram to each of the four Ministers met in Paris, the text of which is as follows:

"Press reports from Paris, particularly those relating to reparations and the Navy, arouse profound anxiety among Italian public opinion at large. Not being in possession of direct news of the proceedings of the meeting of the four Foreign Ministers, the Italian Government hesitates to believe these reports and continues to have faith in a peace with justice and in the foresight of the statesmen who are preparing the peace treaty in Paris. However, following the decision to form two Committees, financial and naval, the former to examine Italy's capacity to pay reparations, and the latter to study the present situation of our Navy, the Italian Government asks that Italian financial and naval

to the annihilation of everything else. The news of the scale of reparations proposed to be exacted from Italy and of the plans for the disposal of the Italian Fleet have provoked the most violent reactions in all sections of the Italian press. On April 29th the President of the Council despatched a telegram to each of the four Ministers met in Paris, the text of which is as follows:

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On the same day it became known that the Marquis Melfi Lupi di Soragna, a former Ambassador, had been appointed as Head of the Italian Delegation to the Peace Conference, should an Italian Delegation be invited to participate in the Conference's work. The Ambassador was received by the President of the Council on April 29th and left for Paris on the following day accompanied by the Marchese Colonna. Later in the week, however, - on May 1st - the Italian Government received an invitation from M. Bidault to send representatives in Paris to state the Italian case on Venezia Giulia. After some discussion it was decided that Signor de Gasperi should himself go and he accordingly left on the following day accompanied by Count Caramisio, the Italian Ambassador in London, and numerous experts of the Italian Ministry of Foreign Affairs. Signor de Gasperi presented the Italian case to the four Foreign Ministers on May 3rd and according to press reports was much encouraged by their reception of it. However, this first phase of optimism has been rapidly succeeded by one of depression due to the apparent failure of the four Ministers to reach agreement among themselves on the question of the North-East Frontier. It is not yet known whether Signor de Gasperi has had any opportunity to state officially the Italian Government's point of view on reparations, the fleet and Italy's overseas possessions, although it is known that he had every intention of doing so if the opportunity could be made.

In the absence of Signor de Gasperi, the Council of Ministers has not transacted much business but it met on May 3rd under the Presidency of the Vice-President, Signor Kenni. It approved several decrees for the reduction of the staffs of the armed forces, allotted 11,000,000 lire to the S. Cecilia Academy, approved the arrangements for the distribution of relief commodities to State

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The Christian Democrat Party National Congress, the main proceedings of which were reported in my last fortnightly review, concluded its labours in Rome on April 29th. Signor de Gasperi made a detailed statement in which he echoed the anxiety of Italian public opinion over the news coming from Paris. He exhorted his audience to maintain calm, lest certain manifestations of opinion should be distorted by other countries into a justification for a hostile attitude and for charges of neo-Fascism against the Italian people. The Congress concluded its labours by appointing a new executive, after having decided that in future there

should be only one deputy secretary instead of three as hitherto. Signor de Gasperi was re-elected Secretary-General and Signor Pinomni was elected Deputy Secretary. The other members of the Executive are as follows: Signori Mastagni, Pastore, Deambrosi, Maria Iervolino, Brussoni, Mattarella, Vassini, Lorenzi, Patrone, Panchini and Fanfani. The following were reconfirmed in their posts: Signor Restagno as Administrative Secretary and Signor Gandola as Editor of "Il Popolo", the official organ of the Party. The following are to be ex-officio members of the Executive: Signor Achille Grandi, Secretary of the CGIL; Signore Angelo Galdi Cingolani, National Delegate of the Women's Movement; and Signor Giulio Andreotti, National Delegate of the Youth Group. On the proposal of Signor de Gasperi it was unanimously approved that the following should remain on the Executive: Signor Tupini, as Commissioner for the Constituent Assembly, and Signor Cingolani as Commissioner for the Consultative Assembly. Finally the following will be members of the Executive in an advisory capacity: the Ministers Gronchi and DeSilva and the Under Secretaries Spatone, Segni, Cossiga and Morasini.

The National Congress of the Italian Liberal Party was opened in Rome on April 29th. The inaugural address was made by Senator Croce who declared that the aim of the Liberal Party was to establish or rather to re-establish democratic political methods. He declared that in the choice of the measures to be adopted in solving the economic problems of the country no guiding principle should be followed other than that of deciding whether it helped or harmed liberty. On the subject of the institutional question, Senator Croce claimed that a liberal should not be concerned with the question which did not affect the

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mistakes of the Fascist war are remembered and the 20 months of heroic rebellion are forgotten. This tone of anxiety over the international situation was dominant in the speeches of succeeding orators such as Signor Nitti and Signor Orlando. The former said Italy today was threatened from all sides and had no friends and could only rely herself again by the united efforts of her children. It was essential that Italians should fight as little as possible amongst themselves and should unite in the face of the common danger. Signor Brogini in his speech recalled the facts of the partisans. Signor Casandro next delivered his political report which, following the lead given by Senator Croce, claimed that the institutional question was a problem of secondary importance whereas the main duty of the Liberal Party was to create a new state.

During the second day of the Congress's proceedings Count Camarini spoke and declared himself to belong to the party's progressive left-wing with special reference to land reform and to industrial reform, advocating the nationalization of the great industrial combines as an exceptional measure. He concluded, amid expressions of approval and dissent, by stating that only a limited degree of socialization could guarantee the moral improvement of the working classes and disavow them from experiments in collectivism. The next speaker was Signor Brogini who raised the vital question of the Party's attitude on the monarchy-republic dispute. He declared himself in favor of taking up a definite stand and said that he personally had already decided for a republic.

On the third day of the Congress, Signor de Caro spoke and created something of a sensation by declaring that the Italian fleet would scuttle itself rather than submit to being handed over to the Allied powers. Signor Corbino who

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On the third day of the Congress, Signor de Caro spoke and created something of a sensation by declaring that the Italian fleet would scuttle itself rather than submit to being handed over to the Allied powers. Signor Corbino who spoke mainly on the financial situation also proclaimed the belief that no Italian Government could subscribe to peace conditions which would perpetuate the state of Italy's "humiliating inferiority." Later in the day, Signor Sarno, who was one of the prominent resistance leaders in the North, spoke in favor of a progressive monarchy. Towards the end of the day's proceedings three resolutions were submitted for the vote, the first in favor of a non-committal attitude on the institutional question, the second favoring the monarchy and the third the republic. Voting began in the evening and the results were announced on May 4th. The "non-committal" motion was rejected by 508 votes to 309. The "monarchical" motion received 412 votes and the "republican" motion 261 votes. 121 blank votes were recorded and 11

declared null and void. The text of the winning motion is as follows:

"The third Liberal Party Congress recalls that during the twenty years of the Fascist regime and the twenty months of resistance, Liberals of the Monarchist trend and those of the Republican trend have fought side by side for the rebirth of a liberal and democratic Italy: it pledges from this moment all Liberals to accept loyally the verdict of the popular consultation, whatever may be the result, by explicitly abandoning a legitimist attitude and to oppose, in the case of a Republican solution, any attempt at a monarchial restoration against the people's will; recognizing the need for a renovation of the monarchial institution, it expresses the conviction that the maintenance of constitutional continuity offers at the present difficult moment the best guarantee both for the safeguard of public liberties and for the progressive evolution of the democratic system, juridical order and social progress, leaving to its own disinterested adherents full freedom of propaganda and voting." The Congress then confirmed Senator Croce as President of the Party and Signor de Caro and Count Gerardini were elected Vice-Presidents. The President of the Congress read the names of the 30 members of the National Council designated by the regional representatives while the nomination of the other 70 members of the national council was referred to a special committee.

May 1st was celebrated throughout Italy as Labour Day by orderly demonstrations in the principal centres.

The Christian Democratic newspaper Il Popolo published on May 1st a

based upon data

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The Christian Democratic newspaper Il Popolo published on May 1st a table showing the final results of the administrative elections based upon data supplied by the Ministry of the Interior. I give this table below since it seems to me to be more readily comprehensible than the tables which have appeared in other publications.

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PARTIES	NORTH		CENTRAL		SOUTH		ISLANDS		TOTAL	
	Seats		Seats		Seats		Seats		Seats	Comments
Christian Democrats with other parties in Centro Concentration	22,714	4,234	6,647	3,124	36,779	2,034				
TOTAL	1,143	2,184	2,422	1,062	6,603	249				
	23,862	5,278	10,069	4,186	43,383	2,283				
Socialists Communists Social-Communists with other parties	2,640	467	466	174	3,747	146				
TOTAL	1,833	566	578	283	3,310	143				
	21,903	7,262	4,969	2,192	36,331	2,000				
	26,431	8,295	6,013	2,649	43,389	2,283				
Independent Local Parties	4,491	950	2,569	807	8,817	479				
Liberals	1,094	12	154	1,231	2,491	149				
Labour Democrats Ex-Surrender and Refugee	403	166	1,208	220	1,997	100				
	14	97	931	289	1,330	69				
Radical Ruralists Actionists Coalitionist	201	126	669	144	1,140	56				
Italian Democrats Right Concentration Other groupings	124	599	150	66	939	38				
	70	31	145	40	286	9				
	8	27	393	105	533	23				
	5	12	56	-	73	5				
	73	106	983	232	1,399	65				
	68	16	176	27	287	18				
Comments in which no group prevails										
GRAND TOTAL	56,344	15,915	23,511	9,995	106,265	5,722				

That, Gentlemen, concludes my report.

with other parties	21,908	7,262	4,959	2,192	36,331	2,000
TOTAL	26,431	8,295	5,013	2,649	43,388	2,289
Independents	4,491	950	2,569	807	8,817	479
Local Parties	1,094	12	154	1,231	2,491	149
Liberals	403	166	1,208	220	1,997	100
Labour Democrats	14	97	931	288	1,330	69
Ex-Servicemen and Reservists	201	126	669	144	1,140	56
Republicans	124	599	150	66	939	38
Actionists	70	31	145	40	286	9
Communists	8	27	393	105	533	23
Indian Democrats	5	12	56	-	73	5
Right Concentration	73	106	988	232	1,399	65
Other groupings	68	16	176	27	287	13
Communes in which no group prevails	-	-	-	-	-	39
GRAND TOTAL	56,844	15,915	21,511	9,995	106,265	5,722

That, Gentlemen, concludes my report.

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PORTRAITLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE

for circulation to the
 ADVISORY COUNCIL FOR ITALY

(Period April 12th -- April 26th, 1946)

MAY 2 1946

The period under review has been notable mainly for the holding of the Socialist Party and Christian Democratic Party National Congresses and for a serious crisis in the food situation.

The 24th National Congress of the Socialist Party was opened in Florence on April 11th and lasted until April 17th. The principal topic of discussion was to be the question of fusion with the Communist Party, linked with which to a certain degree was the future position of Signor Menni, the Secretary-General of the Party, himself. The proceedings were opened by Signor Togliatti, the Communist leader, who ridiculed the idea that his Party wished to absorb the Socialists. He pleaded for a permanent union in domestic and foreign affairs of the two left-wing parties. There followed speeches by representatives from Switzerland, Poland, Austria, Bulgaria and San Marino. Prof. Lenki, the Chairman of the British Labour Party spoke next and acclaimed the Labour Party victory in Great Britain last summer as a sign of the times - the world wanted Socialism and was moving towards it. He declared that British Labour stood shoulder to shoulder with Italian Socialism in this movement and went on to predict that, in May, Italians would be sitting side by side on equal terms with their British comrades at the Peace Conference table.

Signor Menni next rose to make his political report. He claimed that the Socialist Party had been, if not the only one, at least the most intrepid and

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Signor Norini next rose to make his political report. He claimed that the Socialist Party had been, if not the only one, at least the most intrepid and consistent champion of the Constituent Assembly. The political elections lay ahead and there was now no need to fear the outcome. He then outlined the Party's programme -- a democratic Republic; a united State with local autonomies; a single legislative Chamber supported by a Chamber of Economic Councils; a President elected by the Chamber; a government responsible to the Chamber; a Constitution guaranteeing freedom of conscience, thought, speech, press and organization; definition of the right to work, to a home, to existence and to education; limitation of the right of ownership with socialization of the public services

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and monopolies; repudiation of war. In foreign policy, the Party believed that Italy could not afford to side with any big, whether Russian or Anglo-American. She needed to make regional entering with France, Spain, Yugoslavia and Greece. The just frontier with Yugoslavia was that of 1919. Other claims to Italian territory were inadmissible. The Socialists wanted trusteeship for the Colonies, access to raw materials and freedom of emigration. As regards the Church, the Party accepted the Lateran Treaty as a fact, but it was necessary to define powers more clearly. Signor Nenni then broached the topic of greatest interest - the position of the Party. The Constituent Assembly and the Republic were in the cycle of the bourgeois revolution but they could only survive by exceeding this limitation. For this the unity of the working classes was essential. The Socialists could tackle the political struggle on the basis of unity brought about either by the "pact of united action" or by "fusion". Polemics on the subject of "fusion" with the Communists were artificial. The important point was unity of action and that the Socialists and Communists should gain the majority in the Constituent Assembly. Signor Nenni concluded his report by quoting the results of the administrative elections as proof of the overwhelming strength of the combined left-wing parties.

Signor Nenni's report was the subject of lively debate on successive days. Delegates spoke on the four motions submitted for discussion which advocated more or less close co-operation with the Communists. The most important attack on Signor Nenni and the "fusionist" elements came from Signor Saragat, recently Italian Ambassador at Paris. The latter claimed that Signor Nenni's report contained no single word which expressed the true aspirations of Socialists. He formulated his criticism of Signor Nenni's policy as follows:

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Signor Kenni counterattacked in the concluding phases of the congress and claimed that the criticisms levelled against the Executive lacked concreteness

and were purely ideological -- no answer had been given to the problem put by himself as to which political forces could be counted on for the production of the new ruling class and for the purposes of which he had asked for collaboration with the Communists.

The results of the voting on the four motions submitted for discussion were as follows: -- the "mozioni di base" (inspired by Signor Nenni) gained 332,345 votes (represented by 273 delegates); the "unified" motion (Pertini - Silone - Giustiziale Sociale - Fonderio Fiat) - 300,062 votes (represented by 252 delegates); the "crisis sociale" motion (Saragat) - 83,761 votes (represented by 79 delegates) and the General Federation motion - 14,252 votes (represented by 13 delegates). The text of the winning motion reads as follows:--

"The 24th Congress of the Italian Socialist Party of Proletarian Unity, the first held since the Fascist dictatorship, salutes the memory of all who, from Giacomo Matteotti to Bruno Buozzi, from the Freedom Volunteers in Spain to the partisans of the war of liberation have helped to destroy Fascist tyranny with the shedding of their blood and their sacrifices; observes that various gaps in the work of the Party Executive have occurred but admits that, generally speaking, it has made a consistent effort to solve the problem of the restoration of democracy, to bring the country to the Constituent Assembly and the Republic and consequently approves the line of policy pursued by the majority of the Executive and the report of the Secretary General; the Congress reaffirms that the Socialist Party is, and remains, a class Party inspired by the economic and social principles of Marxism, having as its ultimate aim the destruction of capitalism, and as its immediate objectives the creation of the Republican and

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between the Socialists and Communists, that there is no question of fusion between the two Parties, but only a question of unity of the working class. Unity of action must assume a concrete political substance; it will, therefore, be the task of the new Party Executive to organize, on the plane of the conquest and defense of the Republican democratic State, the joint activities of the two Parties of the working classes and of democratic forces. In the international sphere, condemning any kind of policy of hegemony and spheres of influence, the Congress entrusts the Party with the task of helping with all its strength in the reorganization of the Workers' International, appealing to the proletarian Parties to bring into being the most efficacious method of avoiding fresh wars. The Congress sees in the results of the administrative elections, culminating with the Socialist victory in Milan, a sign of the country's growing confidence in the Socialist Party; in view of the imminence of the institutional referendum and the elections for the Constituent Assembly, it calls upon and rallies men and women voters to vote for the democratic Republic and the programme which the Party today ismen to the whole of the Italian people."

The final day of the proceedings of the Congress was taken up with the allocation of the new Party Executive. In view of the very small majority secured by the Norini group, it was essential to effect a compromise and form an Executive representative of the three principal motions. The new Executive was eventually elected with Signor Norini as Chairman (a new post) and Signor Ivan Matteo Lombardi (at present in the U.S.A.) as Secretary-General. The members of the Executive are Signori VALCARENZINI (Initiativa Socialista), SIMONINI (Critica Sociale), SARAGAT (Critica Sociale), PERTINI (Unified motion), SILONE (Unified

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The Christian Democratic Party Congress opened in Rome on April 24th and is due to close on April 27th. Signor de Gasperi, the President of the Council and Secretary-General of the Party, spoke on the opening day. He said that the programme of the Christian Democrats, having been carefully studied and drafted by the technical committees working under the Party Executive, had been drawn up and developed in full detail as shown by the resolutions of the Party's National

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Council. It was therefore absurd and inaccurate to maintain that the Christian Democrats had no programme for the solution of the main problems of political and social life. How could one think of reforms when one was continually tormented by worry over the ruin of Italy? About 9 million Italians were homeless; more than a third of Italy's road network was destroyed; 80% of the railway system was in a disastrous state and therefore absolutely idle; the electrical industry was reduced to 20% of what it was before the war; the mercantile marine had almost disappeared. To all this must be added the "moral ruin that all the measures of expropriation bring in their train". He then reviewed the vast and complete record of Christian Democracy and the activities of its Youth and Women's organizations and revealed that the latest census of the Party had given an aggregate total of registered members of 1,054,000, but he thought it ought to be in the neighborhood of 1,500,000. Loyalty to Trade Union unity must be maintained but subject to the condition that unity within the C.G.I.L. was not subordinated to Party programmes and directives. He declared that he had no intention of arousing resentment, but wanted to give a warning that the Christian Democrats were not prepared to yield to brow-beating and intimidation. They hoped that it would not be necessary to resort against acts of violence because the Government would have the means necessary for preventing them; in any case they had no intention of tolerating them. In this connection he added: "If there is still something that disturbs our hope of a serene and free decision by the Italian people in the elections, it is the rumours of arms and armed men and of intimidation from the Left and the Right." Signor de Gasperi then recalled how he had upheld in the C.L.S. the principle of the Constituent Assembly against the

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the rehabilitation of the country, and through the system in which work has
ensured pre-eminence over everything. In our Party there are also landowners
and industrialists: I do not think there are many, but I am convinced that their
presence in our ranks is an advantage. The collaboration of these same landowners
of today under legal forms must be founded on equity and on the democratic
principle of the majority, without acts of violence and clashes, in freedom for
all. We must pay particular attention to ways and means of taking a decisive step
in the extension of agricultural small-holdings, giving land to the agricultural
day labourers who have none. One principle must be very clear; reforms must be
applied regionally inasmuch as centralized land legislation is not possible.⁸
As regards industrial reform it was not possible to think that in Italy two or
three million organized workers should presume to decide, unaided, the fate of the
working classes when there were still many workers who were not centrally organized.
We are afraid that Marxism, as a tendency, may transform the economic sphere
into a political one leading, at a certain point, to intervention with coercion
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On April 25th, delegate PICCIONI spoke on the institutional question. The reception of this speech revealed that its topic was the one which interested the delegates most. Signor Piccioni disclosed that in an internal Party Referendum in 86 provincial committees, 836,812 members had voted out of 1,500,000. Of these, 503,085 had voted ~~for~~ the Republic; 146,061 for the Monarchy and 187,666 had taken up a non-committal attitude. More than 250 delegates had put down their names to speak on this subject at the Congress, but Signor de Gasperi was able to reduce this number to a score. The debates during the afternoon of "April 25th and during April 26th were extremely lively and it was often difficult to

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maintain order. A motion was finally submitted by Silvio PIGNONI, PELLIZZARI, GRANDI, ALBISIO and SUTTORO-PASSARELLI, which affirmed (1) that to begin new taking steps was the battle for freedom and social justice; (2) that the defence and guarantee of freedom in the new Constitution and structure of the State, as well as social justice, must be the first and absolute obligation for all registered members of, and adherents to, the Party; (3) that Christian Democracy, safeguarding the Christian Democratic conception of public life; and (4) "that, in view of the present situation of the country, the imminence of the referendum and its character of direct democracy, necessarily bound up with the individual citizen's freedom of conscience, the Congress vindicates for the Party, as an organized political force, the duty to state its policy on the institutional question and, having also taken note of the result of the voting on it among the registered members of the Party, declares itself in favour of the Republican solution."

The first three points of the above motion were carried unanimously by acclamation. Voting by secret ballot was held on the fourth point and resulted in 740,000 in favour of the Republic, 254,000 in favour of the Monarchy and 68,500 abstentions.

The Council of Ministers has not transacted much business during the period under review. Its attention has been chiefly occupied by the food problem. In meetings over Easter week-end, it became clear that, unless further Allied support were forthcoming, the bread ration would have to be cut from 200 to 150 grammes on April 24th if the total stocks of wheat held in the country were not to be reduced to 10,000 tons by May 15th. The Council approved a measure on April 17th for the supplementary amassing of 6% of the legal retain-

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learned that two ships with a cargo of 2,000 tons of wheat each had been diverted from Great Britain to Italy. There was a possibility of a third. In view of this information, Signor de Gasperi has decided not to reduce the bread ration for the present, but to concentrate on the supplementary feeding program. The immediate crisis has ended, therefore, but the situation is still extremely grave. It is, however, rather optimistically hoped that the May and June arrivals (which will also include shipments of grain wheat from the Argentine) will suffice to see the country through the next few critical months.

Preparations for the political elections continue. The Giannino del

Matteo of April 29th reported that the Ministry of the Interior had announced that 342 lists of candidates had been submitted in the individual constituencies, numbering 31 in all, as follows: Ancona 8, Asti 2, Aquila 12, Bari 12, Benevento 9, Bologna 7, Brescia 3, Cagliari 5, Catania 12, Catanzaro 13, Como 3, Cuneo 10, Florence 3, Genoa 10, Leco 11, Mantua 3, Milan 10, Naples 23, Palermo 13, Parma 2, Perugia 10, Pisa 10, Potenza 9, Rome 27, Salerno 13, Siena 9, Trento 5, Turin 10, Udine 7, Venice 3, Verona 7. Count Sforza has been put up as an independent Republican candidate and Gen. Nobile, the Arctic explorer, has joined the Communist Party and will stand in the elections accordingly.

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Preparations for the political elections continue. The Giornale del

Mattino of April 20th reported that the Ministry of the Interior had announced that 322 lists of candidates had been submitted in the individual constituencies, numbering 31 in all, as follows: Ancona 2, Asolo 2, Aquila 12, Bari 12, Bergamo 2, Bologna 7, Brescia 2, Cagliari 2, Catania 12, Catanzaro 13, Como 2, Cuneo 10, Florence 3, Genova 10, Lecce 11, Mantua 2, Milan 10, Naples 23, Palermo 15, Parma 2, Perugia 10, Pisa 10, Potenza 9, Roma 27, Salerno 13, Siena 9, Trento 2, Turin 10, Udine 7, Venice 2, Verona 7. Count Sforza has been put up as an Independent Republican candidate and Gen. Nobile, the Arctic explorer, has joined the Communist Party and will stand in the elections accordingly.

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NIGHTLY POLITICAL REPORT BY REAR ADMIRAL HILARY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period of March 13th to March 29th 1945)

It is still too early to get a complete over-all picture of the progress of the administrative elections in the country. On the third Sunday in March (24th) voting continued in 1344 communes including 12 provincial capitals and the results were more favourable to the Leftwing Parties than on previous Sundays. On March 29th, the Christian Democrat paper "Il Popolo" published a table of the "Official Results for 2855 communes" during the first three Sundays of the month. This table showed majorities for the Christian Democrat Party or the parties of the Centre Concentration in 1144, and majorities for the Leftwing Concentration in 1,125, communes. According to the official "Giornale del Mattino", however, voting took place on the first three Sundays in March in 2988 communes. It will obviously be some time before the final correct statistics can be compiled.

Leaving aside the manoeuvrings of the political parties on the eve of the campaign for the political elections, the Government have during the period under review taken various steps in preparation for the elections. At its meeting on March 12th, the Council of Ministers fixed the date on which the referendum and the elections for the Constituent Assembly would be held. It was decided that the referendum would not be held in Venezia

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elections. It was also decided that the voting forms for the referendum and the political elections should be different from each other in colour. On March 28th, the Council finally decided on the symbols to be used in the referendum - a crown without the cross for the Monarchy and an oak and a laurel branch entwined round the traditional female head representing Italy, for the Republic. The Council also agreed on the hours of voting and the precise functions of the Court of Cassation. As at present arranged, it should be possible to announce the results of the voting five days after the elections, i.e. on June 8th.

On March 16th the Lieut. of the Realm signed the two decrees on the referendum and the holding of the Constituent Assembly elections. In returning them to the President of the Council, M.P.H. addressed to him a letter in which he observed that his present action was in the tradition of the House of Savoy, a tradition which had been typified by his father's decision to retire irrevocably from public life in 1944 and by his own signature of the decree of June 24 1944. If the pact between the Monarchy and the people were to be confirmed, it would constitute the foundation of a reformed Monarchy which would make self-government and social justice fully operative. After expressing the hope that the elections would be held in the utmost freedom of persons and conscience and after releasing from their oaths all those so bound to the Head of the State, the Lieut. of the Realm solemnly undertook to respect the free decisions of the people.

Political commentators were not slow to hail the above-mentioned letter as the start of the electoral campaign and the Leftwing papers rather bit-

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Political commentators were not slow to hail the above-mentioned letter as the start of the electoral campaign and the Leftwing papers rather bitterly observed that the Monarchy was trying to capitalise on a situation forced on it by the march of events. Some observers also noted that H.R.H.'s reference to the irrevocable nature of King Victor Emmanuel's retirement from public life was an advance from the position taken by H.M. in 1944 when his decision was deemed to be only a temporary one. It has generally been agreed that this development somewhat improves Prince Umberto's chances in the forthcoming elections. In any case the Republicans are already preparing their counterblasts. In an interview given to the "Momento" on March 23rd, Count Sforza stated his view that only the Republic could give concord, order and

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peace to Italy... It was the most formidable question that had been put to Italy for centuries. "Woe to the veterans if they remain silent in difficult situations of an decisive nature". "The Leftwing Parties have all along made no secret of their Republican leanings and the centre of interest is therefore at present focussed on the Centro parties, particularly the Christian Democrats. Speaking at Turin on March 24th, Signor De Gasperi claimed that there was nothing wrong about the Christian Democrats' present attitude of indecision. In history there had been "hesitations and qualms of the noblest kind". It is reported, however, that, at an internal referendum of the Rome Section of the Party on March 27th 9,000 votes were in favour of the Republic, 2,100 votes in favour of the Monarchy and there were 2,500 votes in favour of a motion recommending political "agnosticism" or a refusal to decide on the issue at this present stage.

Owing to the absence of many Ministers from Rome during the period under review, not much governmental business apart from that connected with the elections has been transacted.

However, the Council has examined various projects for the relief of unemployment, the promotion of public works, the restoration of ports and harbours and the employment of "reduci". It has also studied the food situation and approved the decree granting an amnesty for various military offences. On March 28th, the Council, amongst other business, approved the draft of a law regarding the regulations supplementary to decree-law No. 702 of Nov 9th, 1945, on amputation. The new regulations provide for the prolong-

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Of the many political speeches made during the fortnight, the only noteworthy one was that of Signor De Gasperi at Turin on March 24th. The President of the Council defended himself on the question of the referendum which, the Christian Democrats had originally proposed, should be held four months after the labours of the Constituent Assembly had begun. The anticipatory referendum was a necessary compromise for which he accepted the responsibility

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only in the eyes of history. Replying to Signor Togliatti's Torni speech, Signor De Gasperi declared that Christian Democracy wanted the new political regime to function by means of a responsible majority and a minority free of control. The Party was for this reason opposed to Signor Togliatti's "theory of unity" which was most useful in exceptional times, such as the clandestine period, but nonsense at the moment of the elections. Turning to foreign policy, the President again declared that Italy must not enter into the polemics between the two blocs, above all before she knew what treatment was in reserve for her. On the subject of Art. 66 of the Law on the Constituent Assembly, he claimed that the Christian Democrats had fought hard for its removal and had, in fact, succeeded in modifying it appreciably. As regards the rumoured rebirth of Fascism, the President stated that Fascism would not be revived but it was necessary to be inflexible against attitudes and ways of living that recalled its existence. Signor De Gasperi then had a hard word for the Liberals. The new Italian period, he said, would belong to the people and the old plutocratic constellation would not be restored. The President of the Council concluded his speech by declaring that the only hope for the new world was for it to be based on Christian civilization.

A distinguished visitor to Rome during the week-end March 23rd/25th, was Mr. Herbert Hoover, the former President of the United States of America, who is visiting Europe to study the food situation. Mr. Hoover was received by His Holiness the Pope on March 23rd and by Sig. De Gasperi on the same day. He called on the High Commissioner for Food in the afternoon and presided over a meeting at which he was informed of Italy's most pressing needs.

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The island of Sicily has again been in the news. On March 12th, the Council of Ministers examined and approved the project submitted by the Sicilian Consultative Assembly as regards the grant of regional autonomy to the island. The project was then sent to the Consultative Assembly for study by a special commission. At the same meeting, the Council also accepted the resignation of Signor Aldisio, the High Commissioner for Sicily, who is entering politics. It is anticipated that a Government official, rather than a politician, will be appointed to succeed Signor Aldisio. On March 14th Signor Finocchiaro-Aprile, Varvaro and Restuccia, the Separatist leaders, were set free as a result of their successful appeal to the Council of State. An official communique was released on March 25th, announcing these events, maintaining that the release of the Separatist leaders and of their followers detained in Sicily was a necessary premise for the pacification of men's spirits and expressing the hope that the period of unrest which has lasted for the last three years was now ended. The belief is widely held that separatism as a movement is dead, but Signor Finocchiaro-Aprile has exploited to the full his present moment of news value to air his views and declare his party's readiness to compete in the elections.

The Allied Boundary Commission has continued its labours in Venezia Giulia and has recently paid a visit to Zone "B". There have been large-scale demonstrations in Trieste and some serious instances of public disorder, but the Commission has let it be known that it is indifferent to these manifestations. . On March 28th, the Italian press, with the exception of "Unita", published prominently and in full the Supreme Allied Commander's statement

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The "Giornale del Mattino" on March 14th, carried a Washington report to the effect that the United States and British Governments were agreed on the grant of a provisional status for Italy, Great Britain having withdrawn her former objections. This report naturally caused a stir in Italian political circles. Signor De Gasperi, when interviewed, declared his satisfaction at this

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development and particularly at the reported (but completely unsubstantiated) British Foreign Office declaration that a modus vivendi need not interfere with the work of concluding an early Peace Treaty. The President of the Council observed that, if a modus vivendi were agreed, particularly if it included some financial and economic clauses, Italy's situation would at once become much easier and she would be able to settle down seriously to the work of reconstruction and the provision of relief.

Turning to the international field, Spain had been claiming some attention in Italian thoughts. At the meeting of the Council of Ministers on March 15th, Sig. Nenni, supported by Signori Togliatti and Cianca, asked that, in view of present developments, the Italian Ambassador at Madrid should be recalled. Sig. De Gasperi replied that, in view of the armistice conditions prevailing in Italy, the Italian Government were bound to conform to the attitudes of the United Nations and to subscribe to whatever decisions they might reach. At the Council meeting on March 28th, Signor De Gasperi reported on Italy's relations with Spain and repeated the view that Italy should follow the lead of the Allies in this matter. Signor Nenni again spoke in opposition, claiming that the Italian Government had made two mistakes, firstly in sending an Ambassador to Spain at all and secondly in concluding a commercial treaty with that country. He urged the need of recalling the Italian Ambassador as soon as possible as a gesture of solidarity with the Spanish people in their struggle against the Falangist regime and of establishing contact with the Spanish Republican Government.

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APO 394

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POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
50th MEETING OF THE ADVISORY COUNCIL FOR ITALY ON 15 MARCH 46

Gentlemen:

After the developments reported in the last political review circulated to the Council, the Italian Government have had a relatively quiet fortnight. The chief item of political interest, namely the debates in the Consultative Assembly on the draft decree setting forth the powers of the Constituent Assembly, will be dealt with later in this report. But, first, I should like to mention a few items of business which the Council of Ministers has transacted. At its meeting on March 5th, it listened to and approved the Ministry of the Interior's report on the disturbances which took place recently at Badolato (Cosenza). The Council also approved the measures taken by the Minister to prevent disorder during the forthcoming electoral campaign. The Council then examined in detail and approved a draft legislative decree on Fascist "profits". This decree makes the regulations for the confiscation of Fascist profits part and parcel of the State taxation system.

Signor De Gasperi, the President of the Council, held a press conference of Italian and foreign journalists in Rome on March 4th. On the subject of Russia, whose relations with Great Britain and the United States have become a widely discussed topic in the Italian press, he urged his hearers to abstain from such references as might convey the false impression that Italy intended to join

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reference had ever been made in competent quarters. On Venezia Giulia, the President of the Council stated that he had asked the Allied Boundary Commission to examine the case of the Italians who had been deported by Marshal Tito's Government and added that the Italian Government hoped that "the Commission would direct its attention to the whole of Venezia Giulia, not excluding the islands, Fiume, and Zara". The frontier with Yugoslavia must be fixed not on paper only but must be based on an understanding between the Italian and Yugoslav peoples. Signor De Gasperi went on to say that renewed appeals had been addressed to the Allied Governments for the early repatriation of Italian prisoners of war so that they could cast their votes in the forthcoming elections. He then praised the Minister of the Interior for the energy displayed in organizing the administrative elections in 5,600 communes.

Signor Gasparotto, the Minister for Post War Relief, also made an important statement before the Consultative Assembly, on March 4th, on the war damage suffered by Italy. Damage to property was calculated as follows: in agriculture at 192,274,000,000 lire; in buildings at 121 milliards in central and southern Italy and from 1,000 to 1,200 milliards in northern Italy. Human casualties were: in the Army 220,000 killed or missing and 125,000 wounded; in the Navy 25,720 killed or missing and 2,875 wounded; in the Air Force 6,530 killed or missing and 2,875 wounded. 1,478,000 Italian prisoners of war had been taken. 27,000 partisans had been killed and 17,000 wounded. During the whole war there were 297,000 killed of whom about 90,000 were killed after September 8th, 1943. Bombed out people whose homes were destroyed numbered two and a half million. Estimated damage in Italy amounted to 169,000 of whom 56,550 were

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As already stated, during the period under review, the centre of political gravity has moved to the sessions of the Consultative Assembly. On March 5th, this body discussed measures for the relief of repatriates and returning

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prisoners of war and also examined the industrial situation, but on March 7th and successive days it settled down to a detailed study of the draft decree law governing the Constituent Assembly's powers and duration. Signor Nenni, the Minister for the Constituent Assembly, opened the debate with a statement of the Government's position. He said that it seemed paradoxical to define in advance the duties of a sovereign assembly, but the fact of having left the normal legislative activity to the Government would not conflict with such sovereignty if it were remembered that the Assembly would be charged with the solution of the fundamental problems of the nation's life and would need to be relieved of much of the burden of normal legislative activity. The next speaker was Signor Nitti who had several complaints to make. He criticized the procedure for holding the elections and claimed that the country would be made to undergo a period of permanent elections in which it was questionable whether the Government would be able to maintain order. He then called on Signor De Gasperi to adopt a prouder and more audacious attitude in his foreign policy. After a digression on his attitude, past and present, towards the Monarchy, the veteran statesman branded the law on the Constituent Assembly as dictatorial and asked his hearers to meditate seriously on the obligations of that body. Signor Arancio Ruiz, of the Liberal Party, spoke next and expressed satisfaction that it had been decided to hold a referendum on the institutional question. The Liberal Party would not be averse to a referendum on the powers of the Assembly. Signor La Malfa, of the Action Party, followed and voiced approval of the Government's action. He paid a tribute to Signor Togliatti's breadth of view and political genius as displayed at the recent Communist Party Congress and expressed the hope that the Communist

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amidst prolonged applause, summed up the debate. He admitted that there were gaps in the law. He regretted the absence of representatives from Trieste and Venezia Giulia in the future Constituent Assembly. He urged a policy of pacification towards Sicily on the Government. He next praised the decision to hold a referendum on the institutional question but pronounced himself as opposed to a second referendum on the Assembly's powers. He believed that the classic radicalism of Italian politicians would suffice to set any necessary limits on the Assembly's activities. He concluded by extolling the Government's spirit of compromise and Signor De Gasperi's political genius. When voting was over, it was revealed that 222 "consultori" had voted, 172 in favour of the law and 50 against it. The only serious opposition to the measure came from the Italian Democratic (Monarchist) Party, whose leader, Signor Lucifero, made a statement denying the qualifications of the present party Government to preside over the political elections.

On Sunday last, March 10th, the administrative elections began in 436 communes. They will continue on the three successive Sundays in March and on the first Sunday in April. As from April 7th, both to avoid their clashing with the Easter holidays and to prevent interference with propaganda for the convocation of the Constituent Assembly, they will be suspended and postponed until after the political elections. By April 7th voting will have taken place in 5,612 centres out of the approximately 7,300 Italian communes. At a meeting on March 4th, Signori De Gasperi, Romita, and Spataro decided to put off the reconstitution of the local administrations of the big towns such as Milan until after the political elections. This decision has caused much dissatisfaction in Milan

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On March 8th it was announced that the Allied Boundary Commission had arrived in Trieste and would shortly settle down to its labours. The Commission's findings will be kept secret and no press conferences will be held or

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public statements made. The Commission will probably be in Venezia Giulia for about three weeks.

In the field of foreign affairs, the Foreign Ministry Press Office issued a communique on March 2nd announcing that Signor Saragat, the Italian Ambassador at Paris, had asked the President of the Council that he might be allowed to resign from his post with a view to devoting himself entirely to internal politics pending the elections to the Constituent Assembly. Signor Saragat's resignation has been accepted and it is rumored that he may be succeeded at Paris by another Socialist leader, Signor Silone.

It was announced on March 3rd that a commercial treaty between Italy and Denmark had been signed on the previous day. The agreement provides for trade exchanges to the total value of 564 million lire.

The political parties are girding themselves for the forthcoming electoral campaign. The groupings, it seems will be roughly five in number: The Christians, Democrats will stand alone; the Communists may join forces with the Socialists, if the forthcoming Socialist Party Congress decides in favour of fusion with the Communists; the third blocc is the qualunquisto-Monarchist group; a fourth will be the Liberal-Lay democratic alliance headed by Signori Orlando, Nitti, Bonomi, Croce, de Nicola, and Perrino; the last is the Democratic Republican blocc grouped round Signori Parri, Pacciardi, and Lussu.

There appears to be a serious split in the Socialist Party. Speaking at Venice early in the month, Signor Pertini admitted the existence of an internal crisis which he claimed to be nothing more than "growing pains", a proof of democratic vitality. He expressed himself strongly against any fusion with the Communists because the Socialist Party, by virtue of being independent of foreign Italian politics that could

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That, Gentlemen, concludes my report.

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APO 394

MONTHLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period of Feb 16th to Mar 1st 1946)

The political news during the period under review has been dominated by the decisions taken by the Council of Ministers in regard to the convocation of the Constituent Assembly and the powers which that body will wield once it has been convened. Discussions on this subject began at a meeting of the Cabinet Council on February 12th, attended by Signor Brivio, Fogliatti, Mariti, Molo and Cianca and presided over by Signor de Gasperi. The latter made a detailed survey of both former and recent discussions and put forward various suggested solutions. He said that the Decree Law of June 25th, 1944, No. 151, which had been promulgated by the former Government at Salerno, was not detailed enough on the question of the powers of the Constituent Assembly and it must therefore be supplemented by further legislative action. The steps to be taken seem to be agreement between the parties, the issue of complementary legislative orders, a referendum prior to the Constituent Assembly and a referendum after the convocation of the Constituent Assembly with the object of ratifying the decisions of, and the new statutory framework decided on by, the Assembly. At this stage, Signor de Gasperi did not discuss the possibility of submitting to the nation the choice of the institutional form of the State. As regards the appointment of the members of the Cabinet at the moment of convoking the Assembly, he declared that there were two solutions; either to empower the

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sovereignty of the Assembly which should not be restricted by any form of intervention. This view was shared by Signor Cianca of the Action Party. Signor Miele stated that the Labour Democrats had not yet defined their view-point but his personal opinion was that execution should be had to a new law or to agreement between the parties. Signor Brodin declared that a referendum was desirable both to decide the institutional form of the State and to define the powers of the Constituent Assembly. As it was necessary for the party leaders to consult their party executives in the light of these discussions, the meeting was suspended.

Meeting on the 20th February, the Cabinet continued its discussions with particular reference to the views expressed by the legal experts of the U.S. State Department in a document which the U.S. Ambassador had left with the Prime Minister. Signor de Gasperi held the view that this document was only of value insofar as it gave some indication of what international opinion was in this matter. The Cabinet did, however, make some progress in examining a plan which entailed the submission of a draft law defining the powers of the Constituent Assembly to the electors in order that they might express their opinion by a simple "yes" or "no". It was thought that if such a law were to include a provision for the institution of a civil regency during the period of activity of the Constituent Assembly, the referendum would in practice become a referendum on the institutional problem and would make it unnecessary to hold a specific referendum for that purpose. This would of course have satisfied the left-wing parties, while at the same time meeting the liberal demand for some form of popular consultation. At this stage, therefore, the attitude of the six parties seemed to be as follows: the liberals insisted that the definition of the

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the parties was sufficient for defining the Assembly's powers. They also considered the Assembly to be competent to resolve the institutional question. The Socialists were not, in principle, opposed to the holding of a referendum on the Assembly's powers but were against a referendum on the institutional question. They accepted the limitation of powers but maintained that the duration of the Constituent Assembly mandate could not be less than one year. They were in favour of a civil regency but apparently were not opposed to a referendum on the setting up of a three-member civil regency. The Communists took the same position as the Socialists but assumed more prepared to negotiate. The Christian Democrats were apparently in favour of a law on the powers of the Assembly to be approved by a referendum and of a referendum on the institutional question to be held after the work of the Assembly had begun.

The Cabinet Council resumed its discussions on February 22nd. The Liberals remained firm on their demand for a double referendum prior to the convocation of the Assembly, while the Communists and Socialists were opposed to this plan although they were apparently prepared to accept a referendum after the conclusion of the Assembly's labours. The Council also discussed the possibility of setting up a three-member civil regency which gave hope of early agreement between the parties. The Left-Wing parties, however, ultimately indicated that they were not in favour of such a solution. The Council again examined the views of the U.S. State Department and reaffirmed Italy's right to give herself, by legal and democratic means, the constitution she considered best for herself, particularly in view of the many official statements made by the Allies recognising this right. At the conclusion of this meeting, Signor de Gasperi made a statement to the press declaring that the Cabinet had reached a satisfactory stage in its discussions and asking for patience

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the Government had no intention of adjourning the labours of the Consultative Assembly but intended, after a few more sittings, to invite that Assembly to examine the decisions reached. Signor de Gasperi ended by assuring his interviewers of the Government's absolute determination to hold the elections and come to an agreement.

The next day was mainly occupied with consultations within the various parties. The press busied with speculative suggestions and, according to its party colouration, each paper put forward the ideal solution. The negotiations between the parties continued during February 24th and 25th but the Cabinet Council met again on February 26th and considerable progress was made towards a decision. The Left-Wing parties were known to have waived their objections to a referendum on the institutional question and the discussion now centered on precisely what form the referendum should take. However the question of the compulsory vote caused fresh difficulties. You will recall that the Consultative Assembly had expressed itself in favour of compulsory voting, only the Left-Wing representatives being opposed to it. The Liberals maintained their view that compulsory voting was essential for a true expression of the popular will and stated that in view of the decision of the Consultative Assembly the Government were bound to come out in favour of it. Signor Roccaletti produced the familiar arguments that the compulsory vote was undemocratic as an expedient of dictators. He pointed out that three parties of the Government were in favour of it and three were opposed to it, while unanimity was essential for approval of it.

The full Council of Ministers met on February 27th and Signor de Gasperi reported at length on the debates which had taken place during the last few days in the Cabinet Council. He then went on to give full details of the draft decree deal-

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- (a) a referendum on the institutional question to be held at the same time as the elections for the Constituent Assembly;
- (b) the definition of the powers of the Assembly and of the Government's responsibility to it;
- (c) the ways and means of ensuring, in the event of a Republic being chosen, the exercise of the powers of the Head of the State until the new constitution should enter into force;

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"(d) the obligation on the part of the military and civilian officials of the State to respect the result of the referendum and their exhortation, for the purpose of exercising their freedom to vote, from any undertakings previously assumed by them.

The general pattern of the elections and the constitution of the Assembly has now become much clearer. The Constituent Assembly will meet in Room two weeks after the end of the elections. It will presumably be housed in the Montecitorio Building. It will have to vote its own Standing Rules in the same manner as the Consultative Assembly has done. These rules will be based on those of the Chamber of Deputies. The President of the Constituent Assembly will be elected at its first meeting. At the same time as the elections for the Constituent Assembly, the people will be called upon to decide by means of a referendum on the institutional form of the State. The question to be put will probably be "do you want a Republic - yes or no?" but final decision has not been taken as to the exact form. If 51% of the voters are in favour of a republic, the Assembly, after having elected its President, will designate the provisional Head of the State who will remain in office until the appointment of the Head of the State in accordance with the rules of the constitution decided on by the Assembly. Before the provisional Head is appointed, his powers will be exercised by the President of the Council in office at the moment of the elections. The Constituent Assembly will delegate legislative functions to the Government, except in the matter of approving international treaties and any colonial laws that may have to be drafted. The Government will be able to submit to examination by the Assembly any other legislation on which it considers a decision by the latter desirable. The Government will be responsible to the Constituent Assembly. Guarantees will, however, be given to prevent frequent Cabinet crises. The

At the same time as the elections for the Constituent Assembly, the people will be called upon to decide by means of a referendum on the institutional form of the State. The question to be put will probably be "do you want a Republic - yes or no" but final decision has not been taken as to the exact form. If 51% of the voters are in favour of a republic, the Assembly, after having elected its President, will designate the provisional Head of the State who will remain in office until the appointment of the Head of the State in accordance with the rules of the constitution decided on by the Assembly. Before the provisional Head is appointed, his powers will be exercised by the President of the Council in office at the moment of the elections. The Constituent Assembly will delegate legislative functions to the Government, except in the matter of approving international treaties and any total laws that may have to be drafted. The Government will be able to submit to examination to the Assembly any other legislation on which it considers a decision by the latter desirable. The Government will be responsible to the Constituent Assembly. Quarters will, however, be given to prevent frequent Cabinet crises. The Government will not be bound to resign if any of its proposals are rejected by the Assembly but resignations will be obligatory only as the result of a categorical motion of no confidence being passed, not earlier than 48 hours after the submission of a proposal, and adopted by an absolute majority of the members of the Assembly. If the majority of the voters on the referendum give a reply in favour of the Monarchy, the present system of law-making by the Lieutenant of the Realm and the Council of Ministers will continue to operate. The Constituent Assembly will cease to exist on the day of the entry into force of the new constitution and, whatever happens, not later than the 10th month, counting from its first session. Until the new constitution

enters into force, the powers of the Head of the State are to be regulated by the laws so far in force insofar as they are applicable. The new parliament which will follow the Constituent Assembly must, within a year, ratify all the laws decided on by the Government and the Assembly, except the Constituent laws. Such laws are not ratified until they have effect. Before the convocation of the Assembly all State officials, both civilian and military must pledge themselves to respect the result of the referendum and the decisions of the Constituent Assembly. This pledge will not prejudice the oath previously taken by them.

On February 28th the Council continued and completed its discussions on the law on the powers of the Constituent Assembly and on the law for the political elections. The first of these two laws would be sent immediately to the Consultative Assembly which would begin discussion of it on March 4th or 5th, while the second law would enter into force immediately so that the electoral campaign could be opened. There was much discussion on the desirability of holding a referendum on the powers of the Constituent Assembly, the party leaders maintaining the points of view previously expressed. It was eventually decided, however, that only the referendum on the institutional question should be held. As regards compulsory voting, the decision was solved by the proposal of Sr. de Caspari himself who put forward a formula suggesting that the exercise of the vote was an obligation which no citizen could evade without falling short of a definite duty towards the country in a decisive moment in the life of the nation. He proposed that the list of those who abstained without justification, from voting in the elections for the Constituent Assembly should be exposed for a month in the communal registers and that for a period of 5 years the observation "did not vote in the elections for the Constituent Assembly"

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At its meeting on March 1st, the Council definitely approved without substantial alteration the draft law submitted by SG. de Gasperi. In the first article of the law, the formula of the referendum was altered and it was definitely decided that the question to be asked should be "Ripubblicismo o Monarchia?". The law was immediately sent to the Consultative Assembly for examination by that body.

Apart from the discussion leading up to the decision on the law governing the powers of the Constituent Assembly, the Council of Ministers has transacted a considerable amount of other business. In the earlier part of the period under review, the Council's activities were somewhat hampered by the absence of the Action Party Ministers, but on February 15th it examined the question of the Italian Army and decided to call up the class born in the 2nd and 3rd quarters of 1924 which amounts to some 40 thousand men. The Council unanimously recognized that the army effectiveness during the transition period should not be reduced below a minimum of efficiency. It also recognized the need for the proposed call-up in order to facilitate the early release of the older classes, particularly of the men of the 1924 class. Meeting on the 16th of February, the Council decided on the issue of a new reconstruction loan to be launched shortly. The Council was unable to fix the exact date for the issue of the loan but it was agreed in principle that it should coincide with the end of the winter which has become increasingly difficult for all classes in the country. It was reported that the loan would bear 5% interest. At the same meeting, the Council finally approved the decree granting an amnesty for military offences.

On February 17th SG. Corbino, the Minister of the Treasury delivered a

speech in Naples on the present economic situation. He stressed the fact that with certain

the Council's activities were somewhat hampered by the absence of the Action Party Ministers, but on February 15th it examined the question of the Italian Army and decided to call up the class born in the 2nd and 3rd quarters of 1924 which amounts to some 40 thousand men. The Council unanimously recognized that the army effectively during the transition period should not be reduced below a minimum of efficiency. It also recognized the need for the program call-up in order to facilitate the early release of the older classes, particularly of the men of the 1921 class. Meeting on the 16th of February, the Council decided on the issue of a new reconstruction loan to be launched shortly. The Council was unable to fix the exact date for the issue of the loan but it was agreed in principle that it should coincide with the end of the winter which has become increasingly difficult for all classes in the country. It was reported that the loan would bear 5% interest. At the same meeting, the Council finally approved the decree granting an amnesty for military offences.

On February 17th Sr. Corbino, the Minister of the Treasury delivered a speech in Naples on the present economic situation. He began by dealing with certain problems of a political nature affecting the Liberal Party. He remarked first of all that Italy expected a Peace of Justice and said that it must be made clear that the peace which did not respect the indisputable requirements of a country like Italy would never be signed by any responsible Government. He then turned to the various aspects of Italy's relations with the Allies, dwelling in particular on the issue by them of A.M. lire. After recalling that, in accordance with an agreement which was entered into force on March 15th, this issue and the financial means needed for the Allied forces would be supplied by the Italian Government, he remarked that while the portion of A.M. lire representing the expenditure of U.S. troops in Italy 84

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equivalent credit in dollars, the other portion representing the expenditures of British troops and so far as equivalent in sterling. While realising that the conditions of Great Britain was different from that of the U.S. of America, he expressed the hope that the British Government would accede to the repeated requests of the Italian Government to grant the sterling equivalent. On the question of the budget he declared that financial recovery must be achieved by restricting State expenditure, increasing industrial output and restoring confidence in the lire. He noted the considerable fall in prices at the present time; although the fall in the price of food had been impeded by circumstances outside the control of the Italian Government, in all other commodities the decrease had been satisfactory and was encouraging. He was anxious that it should be realised that he was determined not to resume the printing of fresh currency at a time so delicate in the national economy. He then spoke of Italian industries and said that the Government was prepared to try then to overcome the first phase of a technical nature, but the Government's possibilities were much more limited than was popularly supposed and the prospects leveled at the Government were absolutely unfounded; the recovery of Italian industry was not and could never be, solely the responsibility of the Government.

On February 20th it was announced that Professor Mario Erucci, the Rector of Siena University, had been appointed Minister of Foreign Trade in succession to Sr. La Malfa and that Sr. Alberto Clauca had been appointed Minister of the Consultative Assembly in succession to Sr. Luana.

The Council of Ministers on February 27th approved a draft decree empowering the Prime Minister to adopt summer time. A Regional Commissioner was also appointed by the Council to supervise the control of electric power in central and southern Italy. The Council next approved a decree authorizing the expenditure of

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On February 20th it was announced that Professor Mario Bracci, the Rector of Milan University, had been appointed Minister of Foreign Trade in succession to Sr. La Malfa and that Sr. Alberto Diakon has been appointed Minister of the Constituent Assembly in succession to Sr. Luzzati.

The Council of Ministers on February 27th approved a draft decree authorizing the Prime Minister to adopt summer time. A Regional Commissioner was also appointed by the Council to supervise the control of electric power in central and southern Italy. The Council next approved a decree authorizing the expenditure of 2 milliard lire in addition to the 3/4 milliard lire already sanctioned for carrying out urgent public works. Another decree authorized the expenditure of two milliard lire for the repairing and reconstruction of buildings belonging to the Ministry of Education.

At its meeting on March 1st, the Council discussed the question of postponing the date of the administrative elections until April 7th, and the possibility or otherwise of holding them in the big cities before the Constituent Assembly was convened. No decision was reached at this meeting. The Council next discussed

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approved Signor Gasparotto's scheme authorizing professors to order private firms, in case of need, to increase to 10% the proportion of their staffs compulsorily allotted to "research". The Council also decided on the informed retirement of government officials of the first five grades and also of three university professors.

The Consultative Assembly has been chiefly occupied during the period under review by its examination of the electoral law. as already mentioned, it approved an amendment introducing compulsory voting by 179 votes to 150, but the Government in the event did not feel bound to follow the Assembly's lead. On February 17th, the Assembly discussed articles 3 to 14 of the law and a Communist proposal to lower the age limit of the electors from 21 to 18 was defeated. Signor Romita warned the Assembly that the electoral law must be promulgated by March 12th. On the following day, the Assembly discussed articles 14 to 54. The most notable feature of the debate on February 21st was the defeat of an amendment of Article 66 which threatened penalties for priests who, by their action, influence the votes of electors. The amendment was proposed by Signor Lucifery of the Italian Democratic Party and was supported by the Christian Democrats. It was defeated by 213 votes to 85. The debate aroused a lively interest in the press and a lot of acid remarks were exchanged by the Left-wing parties and the Christian Democrats. The Assembly's sitting on February 22nd was described by some sections of the press as "tumultuous". The Communist proposal that the national flag should not be used as a symbol for the electoral laws was defeated by 147 to 134 votes. A proposal made by Signor Secchi of the Christian Democratic Party that electors who failed to cast their votes should

the law were

in the event did not feel bound to follow the Assembly's lead. On February 19th, the Assembly discussed Articles 3 to 14 of the law and a Communist proposal to lower the age limit of the electors from 21 to 18 was defeated. Signor Benito warned the Assembly that the electoral law must be promulgated by March 12th. On the following day, the Assembly discussed Articles 14 to 24. The most notable feature of the debate on February 21st was the defeat of an amendment of Article 66 which threatened penalties for priests who, by their action, influence the votes of electors. The amendment was proposed by Signor Barile of the Italian Democratic Party and was supported by the Christian Democrats. It was defeated by 213 votes to 35. The debate aroused a lively interest in the press and a lot of acid remarks were exchanged by the left-wing parties and the Christian Democrats. The Assembly's sitting on February 22nd was described by some sections of the press as "tumultuous". The Communist proposal that the national flag should not be used as an emblem for the electoral laws was defeated by 147 to 234 votes. A proposal made by Signor Gozza of the Christian Democratic Party that electors who failed to cast their votes should be punished with a fine of 500 lire was approved. Other details of the law were discussed. After a final statement by Signor Benito the electoral law was approved by 178 votes to 24.

In the field of foreign relations, it is reported that a commercial agreement between Italy and Belgium was initiated in Rome on February 16th and that negotiations will be completed with the conclusion of a financial agreement. It has also been reported that the Italian Government is in negotiations with the Norwegian Government and the Czechoslovak Government for the conclusion of commercial agreements. On February 24th it was announced that the Chinese Government had officially communicated to the Italian Government their agreement for the appointment of Doctor Sergio Panatieri as Italian Ambassador to the Chinese Republic. The Ambassador will be leaving very shortly for his post.

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There has, of course, been the usual amount of press speculation on the conclusion of a Peace Front and the familiar topics of Y and G. The 15th, 16th, the Colonies, reparations and so on, have been well ventilated. It would serve no purpose to enter into the details here, but it is perhaps noteworthy that in the last days of February much prominence was given to a report that the U.S. Government was proposing to the British and Soviet Governments that a modus vivendi should be agreed for the revision of the Italian Armistice terms pending the conclusion of the Peace. The slow rate of progress made by the deputies of the Foreign Ministry in framing the Italian Peace is, of course, responsible for this recurrent recourse of speculation about a modus vivendi.

There are a few details of importance in the field of party politics which should be mentioned in this report. The Socialist Party Executive held meetings in Rome from February 11th to the 14th. It approved the political report that Signor Mauri, Secretary General, will submit to the National Congress on its behalf. It decided that the 24th National Congress would be held in Florence from April 11th to 17th. It seems that a certain section of the Social Party will press at the National Congress for united action by all the working-class parties.

The "Front Quilisque" movement has been much in prominence during the period under review. On February 16th it was announced that the "Front Quilisque" and the Italian Democratic Party would act together in concert during the coming elections. On the same day the Front opened a Congress in Rome which lasted until February 19th. The Congress served the purpose of converting the so-called Front into a regular political party. Signor Giannini was appointed President and Signor Marini and Ingravino were made Vice-Presidents. In his final speech, Signor Giannini did not formulate any clear programme but spoke in somewhat vague terms

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The "Giovane Quinquagena" movement has been much in prominence during the period under review. On February 16th it was announced that the "Giovane Quinquagena Front" and the Italian Democratic Party would act together in concert during the coming elections. On the same day the Front opened a Congress in Rome which lasted until February 19th. The Congress served the purpose of converting the so-called Front into a regular political party. Signor Giannini was appointed President and Signor Martini and Lagravinese were made Vice-Presidents. In his final speech, Signor Giannini did not formulate any clear program but spoke in somewhat vague terms of the solution of Italian problems within the framework of European reconstruction. He finally asked the Congress to pass the following order of the day: "The Young Quinquagena Front, having transformed itself into a political party in the third sitting of the First National Congress on February 18th 1946, calls upon the provisional authorities, who provisionally govern the country, pending the free elections which will indicate the man who will lead it, to take note of the creation of the Party." It was reported on February 21st that the Action Party leaders who had not agreed with the line of policy adopted by the Party in the recent Congress met at

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Signor Parri's house of the previous day. The meeting was attended by more than 100 persons. Signor La Malfa made a speech in which he enumerated the fundamental reasons for their disagreement with their old comrades in the struggle and the principles giving rise to the need to bring into being a new movement in which the democratic and republican forces of the country would be grouped together. The meeting decided to form a new party which would take the name of the "Democratic Republican Movement". The press of February 28th published the programme of this new party. The movement intends to achieve two objects: firstly, to erect under the new political banner all Italians who aspire, with the new democratic republic, to found a new state of law, order and justice in Italy, and secondly, with this nucleus of forces to contribute to a more extensive concentration of a democratic and republican nature. On the eve of the Constituent Assembly, the manifesto states, innumerable Italians caught between reactionary, monarchist and neo-fascist propaganda and the fear of ruinous revolutionary experiments, are without guidance and undecided. After more than 30 years of wars, agitation, adventures and tyrannies, Italians have need of peace, work, social justice and well-being. The democratic republic is the institutional structure which meets these needs; it must reorganize the system of the national economy in such a way as to increase productivity; it must promote enterprise and public intervention and help private enterprise according to whichever of these two methods gives the best results for the advantage of the community; it must fight the poverty in which a great part of the Italian people lives, guarantee work and a minimum of spiritual and material well-being to all citizens, reduce by means of a policy, inspired by a sense of responsibility and justice, the social inequalities between class and class and give the country the character of a serious, efficient and modern democracy. The manifesto bears the

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FOURTHLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISING COUNCIL FOR ITALY
(Period of Feb 1st to Feb 15th, 1946)

The chief event during the last fortnight was the resignation of the Action Party Ministers in the Government, a move which at this date has not been solved between the Party and the Government.

The Action Party met in Congress at Rome February 4 and closed February 10. It immediately became clear that various trends of opinion within the Party were going to make a showdown. Lussu in a five hour speech outlined a program which can be characterized as extreme left wing saying that the Action Party must be Socialist. He was opposed in general by Pardi and La Malfa who headed what might be called a center and moderate right wing. Salvatorelli was the exponent of an extreme right wing attitude. At the meeting of February 7 Lussu declared that in view of the confusion of ideas and tendencies shown by the Congress he did not intend to remain in the Government as an exponent of such confusion and therefore he was going to place his Government and Party votes at the "disposal" of the Executive Committee of the Party. At the same time, however, he urged the Party to remain in the Government for it would be "committing a great folly" to leave it. Thereupon both La Malfa, Minister of Foreign Trade, and Lombardi, Minister of Transportation, followed suit, also declaring that they were placing their Cabinet

solved between the Party and the Government.

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On February 8 the various motions that had been proposed came to a vote. At the last moment Parri withdrew his motion which reflected authoritatively the center and right wing views and which it was generally believed would have won out. The reason Parri gave for the withdrawal of his motion was that he did not

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wish to "renew" the Party. This move, however, left the group headed by La Malfa completely unprepared and unrepresented since this group intended to support Parri's motion. As a result the Codignola motion reflecting a moderate leftist tendency won by a plurality of votes, receiving 120,000 votes against 70,000 for the Lombardi motion supported by the Center. The extreme Right Wing motion of Salvatorelli brought only 3,000 votes. However, about 72,000 votes abstained.

The Codignola motion contains the following points:

- 1) The CLN will dissolve with the Costituente.
- 2) The Costituente must be called before the peace treaty.
- 3) The Costituente must be sovereign.
- 4) An efficient social policy must be adopted.
- 5) A clear trade union policy must be followed.
- 6) Immediate and far-reaching changes must be made in high ranks of armed forces, internal administration and diplomatic corps.
- 7) Problem of Italian South must have first place.
- 8) International solidarity.

With the passage of the Codignola motion Parri, La Malfa, Salvatorelli, De Puggere, and other Center and Right Wing leaders resigned from the Action Party. The problem of replacing Lussu and La Malfa has been under discussion ever since. Lombardi was reaffirmed in his post by the Party and Cianca was finally designated to replace Lussu. However, Poggioli who has been put forward by the Action Party to replace La Malfa does not appear to be acceptable to the other Parties in the Government, owing to his close connections with Fiat, one of Italy's largest industries. De Gasperi is reported as having suggested Siglienti, who was Finance Minister in the First Bonomi Cabinet but he is reluctant to

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In February 19 the Italian Republican Party held its 18th National Congress in Rome and confirmed Facciardini as head of Party. Speculation is rife whether Parri will serve his disaffected Action Party bloc with the Republican Party. Most of press consider Parri's presence at the Republican Party Congress as significant although Parri himself denied that it had any connection with such a move. In an interview with *Giornale del Mattino* Parri has declared that ⁹⁰⁷

does not wish to form a new Party but to organize a movement which would have a position between the Socialists-Communists on one side and the Christian Democrats on the other but which would eschew all confessional ties and Marxist or class preoccupations.

During the same period the Labor Democrat party has met in Congress and Botoni gave the chief talk. It is his aim he declared to form a Democratic Concentration which would embrace all middle class currents. This concentration would seek to group present parties for purposes of achieving election aims but would leave full autonomy to each Party.

Perri, queried whether his movement had any connection with Bonomi's plans, replied that he could not go along with any Party that had not declared itself on the institutional question. He emphatically made it clear that a "Republican line" is an indispensable premise for Italian reconstruction.

On February 11, the Consulta re-opened to discuss the election law for the Constituent Assembly. De Gasperi read a brief statement regarding the powers of the Constituent Assembly and asked the delegates to concentrate their discussion principally on the political elections law since "for reasons of external and internal policy it is necessary that the political elections be held as soon as the technical and moral preparations of the country permit." Regarding the powers of the Constituent Assembly, the President of the Council referred to earlier Government pronouncements and to the decree law 152 of July, 1944 and said that it was realized that amendments and amplifications of this earlier legislation were necessary. He also remarked that "when the electoral commis-

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As was to be foreseen, the discussions of the Consulta touched principally on the problem of compulsory vote, proportional representation and on the necessity for a referendum on the institutional question. The question of a compulsory vote was warmly defended by the Liberal and Christian Democrats and as strongly attacked by the Communists and Action Party consultants. An exceptionally stormy session took place on February 12 when Professor Marchesi

(Communist) accused the Liberals and Christian Democrats of being "neo-fascists" and invective between the Christian Democrats and Liberals on the one hand and Communists and Action Party on the other lasted for some fifteen minutes before the President could curb it. A speech by Merlin (Christian Democrat) favoring proportional representation was also stopped temporarily when Left Wing took exception to his warm praise of the role played by Catholic clergy during the underground period. Merlin had declared that clergy had protected underground fighters of all political colors, including Communists. Communists took occasion to rebut with statement that clergy also protects Fascists.

According to the press, also the Cabinet Council has sharply divided on the election law but a rumor is about that a compromise may be reached if the Liberals, Christian Democrats and Labor Democrats will not insist on a compulsory vote and the Communists, Socialists and Action Party will agree to limiting the powers of the Constituent Assembly, that is, renounce the position that the Constituents must be sovereign.

In the earlier part of the period which I am reporting the Council of Ministers met and discussed the provisions for "reduci" (war veterans and returned deportees). Two billion lire was approved for construction of housing for "reduci," to be built by cooperatives. Regarding the problem of the employment of "reduci" in the Government, provision is now under study. The Council of Ministers also discussed the proposal submitted by the Minister of Interior regarding the re-assignment of Prefects. A number of Prefects were nominated

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In order to facilitate the dissemination of information on practical problems, as the voting procedure and the significance and importance of the Constituent Assembly, the Council of Ministers approved a draft decree which will make compulsory the showing of documentary films in all cinemas.

The proposed law on Freedom of the press was also under discussion and all the ministers were in agreement that pornography should include drawings and other representations which depicted political ideas and politicians in a low manner. However, no agreement could be reached as to the limits and applications of this law and the provision was remanded for further study and a more complete definition of "political pornography."

At the meeting of February 6, De Gasperi obtained approval of a decree regarding the cessation of state of war and the passage from war-time legislation to state of peace by April 15, 1946. The Council also approved the expenditure of 4 1/2 billion lire for reconstruction in Naples area and 200 million lire for immediate reconstruction at Porto Sanunziata. Going to the resignations of the Action Party ministers the Council of Ministers has been unable to meet further to discuss and approve the election law.

The question of freedom of the press came up again at the beginning of this period when an issue of Uomo Qualunque was sequestered on grounds of instigation to commission of crimes and specifically for following phrase "If you can, without compromising yourself, hit over the head no person who accuses you falsely of Fascism, do it." The daily organ of the Uomo Qualunque movement, UOMO QUALUNQUE accused the Council of Ministers and especially Minister of Justice, Togliatti, for having sought any flimsy pretext for months to sequester issue of this paper and for having already attempted unsuccessfully on seven previous occasions to seize an issue. The editorial continues bitterly to attack UMLA and LAVOC for campaigns against Giannini, as well as the three Left Wing parties in the Government for their allegedly unlimited and unfair campaign to smear the

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Disorders continued to be reported from Sicily and are still attributed to Separatist movement.

Lucreo Tessa, former mayor of Palermo during 1953 period was reported formerly named head of Sicilian Separatists. According to the press, the Separatists have denounced ENIS (so-called Separatist army) which is blamed for terrorist activities attributed to Separatists. Tessa in a statement, declared

he had no intention of supporting EVIS which had never been connected with the "movement for the independence of Sicily". He also asked that former Separatist leader, Finocchiaro-Arillo now interned on Island of Ponze be released along with other Separatist leaders who were arrested at the same time. Press attributed Finocchiaro's removal as leader of the Separatists to the fact that he is no longer in a position to assist actively their activities.

SNM, neo-Fascist organization, was reported active in Venice area.

During this period the Council of Ministers took in consideration changes in Italian diplomatic assignments. Ambassadors to Belgium and China are expected to be nominated soon. Marchese Diana, present Chief of Cabinet at Ministry of Foreign Affairs, was appointed Italian Ambassador to the Holy See. Reports from Tokyo informed that staff of the former Italian Embassy and Consulates in Japan will sail on February 16 from Yokohama on first lap of voyage of repatriation.

The Alto Adige question came under discussion again with the publication of a letter which Prince Archbishop of Bressanone addressed to the daily newspapers of the Upper Adige and which stated that in order to arrive at a just peace it is necessary for the area to rejoin Austria. Local press comments that the Prince Archbishop opted in 1939 for German nationality under the Hitler-Mussolini agreement. His views in this respect are well known, the despatches add, and it is generally believed that he is in fact the principal inspiration of the Sud Tyroler Volkspartei which favors annexation of Upper Adige to Austria. The press blames Austrian propaganda for reopening this question which was finally regularized with the passage of this territory from AMG to Italian administration.

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It is reported that the position of Italians in Albania has seriously deteriorated because of the nationalist Albanian policy; many Italians are reported to have been robbed and expelled, or both, and the condition of Italians in Durazzo awaiting repatriation is alleged to be especially bad for they are without food supplies.

As was to be expected, Italian press has followed the drafting of the Italian peace treaty in London with close interest. There is considerable pessimism due to the slow progress of the Committee and the fear has been expressed that the draft peace treaty will not be ready by May one, for the Paris peace conference. Secretary Byrnes' press statement outlining a plan for UNO administration of Italian colonies has been received with mixed feeling.

The press has reportedly expressed the opinion that a definite Italian peace treaty will be postponed for the time being and that a revision of the armistice terms will regulate Italy's international position. This impression was re-enforced by the fact that Moscow has replied favorably to the United States and British note proposing a modus vivendi for Italy.

De Gasperi in a New York Times interview declared that Italy would never recognize Yugoslavia's claim to Trieste or Austrian pretensions on the Upper Adige. De Gasperi said that the Italian Government was opposed to resolution of frontier problems by plebiscite and favored the adoption of the Wilson line as a basis for the settlement of Venezia Giulia question. On February 12 Giornale del Mattino carried an interpretative story of this interview which De Gasperi gave to the New York Times and explained that it did not mean that Italy voluntarily gave up her claims to Fiume and Zara but that it laid down the principle that the loss of Fiume and Zara represented the maximum sacrifice acceptable to the Italian Government. According to this paper, the President of the Council in no way retreated from his earlier position, which seems it necessary that guarantees be established for the Italians living in those areas. As proof of De Gasperi's solicitude for the inhabitants of the cities in question, Giornale del Mattino quoted from an earlier letter of the President of the Council to Secretary Byrnes stating that while Italy was disposed to accept the adoption of the Wilson line as basis for discussion in the settlement of the Venezia Giulia question, this step would signify "the sorrowful loss" for Italy of these two Italian cities.

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On February 12 Unita published a despatch from Moscow to the effect that Radio Moscow announced that the Italian Embassy in Moscow had been informed by the Soviet Government that Italian Government should not have any preoccupation with regard to the Moscow communiqué since the decisions announced therein are merely extension of earlier decision taken at Potsdam. Unita took this opportunity to attack editorially conservative papers which had interpreted the Moscow communiqué as indicating a deterioration of the Italian position from earlier assurances, asserting that the Soviet Union has always supported Italian thesis and that USSR has again indicated its determination to obtain the best possible peace terms for Italy.

This despatch brought out the Foreign Ministry's communique explaining why Russia's reply had not been made public. It stated that representations were made to British, American and Soviet Governments in this connection asking especially for guarantees that Italian press news in peace treaty discussions had not been abandoned. According to communique, De Gasperi when he referred to this subject in his address to the Consulta had not then received Soviet reply although he, at that time affirmed explicitly that he was sure that Soviet Government, which had been first to recognize democratic Italian Government and which had always demonstrated "the greatest interest in our economic and social development", would agree with the British and American position which had assured Italy that Moscow decisions in no way altered those taken at Potsdam.

Foreign Ministry further stated that since Soviet reply had been received after the termination of discussions on foreign affairs at the Consulta it was not thought necessary to bring the subject up again. Satisfaction was expressed that the Soviet reply was in fact favorable to the Italian viewpoint, as had been foreseen, and the Italian Government expressed its thanks to the Soviet Government. The communique finally stated that the sinister reasons which have been rumored for non-publication of the Soviet reply are completely unfounded and that in fact the Italian Government "is carrying out with regard to the Soviet Union a policy of sincere and close friendship and cordial collaboration."

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On February 10, the press published the communication from Governor Lehmann to Sig. De Gasperi declaring that while former will do his best to continue to maintain UNRRA Italian program he feels it his duty to warn the Italian Government that within the next few months there will be a large reduction in the program compared to what it had been hoped might be sent to Italy this winter; that the Italian Government must take all possible measures to control such foodstuffs as will be available for the country and reduce to a minimum national consumption in order to assure that the population of Italy can be kept alive until the next harvest.

De Gasperi is quoted as replying that the Italian Government, in view of this situation intends to establish a rigid food rationing system. He pointed out, however, that the latest reductions have brought the daily rations to an

extremely low level which did not even amount to 700 calories a day. The Prime Minister continued that the scarcity of non-rationed edibles during the winter season on the open market made it impossible for the urban populations to buy sufficient quantities to complement their rations in order to reach the 1500 calorie mark, which he depicted as the absolute minimum to avoid grave consequences, particularly in view of the heavy increase in tuberculosis discovered among the returning prisoners of war and deportees returning to Italy.

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