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(VOL. I)

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10000/104/313
(VOL. I)

FUTURE OF ITALY & THE COMMISSION
AUG. 1944 - OCT. 1945

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Executive Committee -

(15)

Subject: Surrender of Japan Sub Commission

1- It is proposed under the new directive to organize completely the Japan S/C and to replace it by the Office of Japan Affairs to CINCAFPAC.

2. The proposal must be based on what appears to be a complete new conception of the work which is entrusted to the Japan S/C

3. Just like we owe 1100 cases of Army Courts for review it would take one officer of the rank of Lt Colonel to deal with this problem which will take some time. As many sentences above Army given not only under proclamation law but also under Italian law, there will be 3426 - final expenses of Army Courts

4. Secondly, even Italian legislation which has to be examined not only to see whether the decree conform with the terms of the armistice but also how they affect allied nationals and what interests which AC is supposed to protect until the Peace Treaty is signed. However a Legal division deal with this problem from AFHQ

5. Thirdly, how about legal advice to the various Courts Commissioners in their relations, responsibilities, intimate etc with their respective Italian Ministries? Is it proposed to entrust this function to Italian Lawyers only.

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[illegible] not to refuse it by the Office of Legal Adviser
to [illegible].

2. This purpose must be based on what appears to be a complete misconception of the words which is entrusted to the Legal Adv.

3. Second there are over 1100 cases of Army Courts for review and it would take one officer of the rank of Lt Colonel to look with this problem which will take some time. As many sentences have been given not only under proclamation law but also under Italian law, this officer must have had experience of Army Courts

5426

4. Secondly, I need Italian legislation which has to be examined not only to see whether the decrees conform with the terms of the armistice but also how they affect allied nationals and allied interests which Adv is suppose to protect until the Peace Treaty is signed. However a legal adviser deal with this problem from AFHQ.

5. Thirdly, how I want legal advice to the various Local Commissioners on their elections, correspondence, contracts etc with their respective Italian Ministries? & it proposed to entrust this function to Italian Lawyers only.

6. Fourthly there is the question of the legal advice to the Ambassador and the political advisers on elections, Constituent Assembly, Constitution, Venezia Giulia, Allied Nationals, Republic

of other senior Army officers, Generals, Pro Peronistas etc and other matters of international interest which take place that Civil Commissioners discuss every day of the week. It is intended that the Army Liaison officer to SAC should undertake these functions also.

7. It appears to this S/C, that it would be logical otherwise one Brigade & one Patrol, plus a reserve, will should remain with the CC & Deputy Resident in Pcia until such time as SAC is completely wound up.

8. Furthermore, the suspension of such Communications between independent units and other Divisions to Corps. The only S/C that could be reasonably transferred to AFHQ are the Army, Navy & Air Force S/C.

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(118 G)

(5)

Sir Clive

I think this might be discussed at your next meeting.

[illegible] 21/9

CSO

Tagrea. (6)

PA. Ref in Monthly review.

[illegible] 21/9

(7)

Polad [illegible] Oct 21
Polad [illegible] Oct. 21 30th Please pass quickly [illegible]
VP Ci Section
VP Econ Section

3417

1. I have purposely placed Brigadier Dunlop's letter of 20th August into cold storage because I wanted to see developments in Italy as a whole and secondly in AC.

2. It is difficult to define the heavy civil responsibilities of military commanders: perhaps it would have been better to write "heavy responsibilities in their relations with the civil authorities". For I have no doubt on that score, as I have no doubt that quite a few of the junior commanders do not fully understand that relationship. It is in this respect that Brigadier Dunlop recommends attachment of Civil Affairs officers in the field. In fact what he is, I think suggesting is that our liaison groups should take the form of civil affairs officers attached to the Area and District Commanders rather than independent groups answering to AC. In the event of liquidation of AC there is a lot to be said for this. For if a military commander has no civil affairs expert to turn to he will use his G-2 who is always wrongly regarded as a civil affairs expert.

3. I think this should be explored. I shall speak of it at Br.Com's meeting [illegible]

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CSO

Taylor (6)

PA B/f — Monday events

SW 245

(7)

Polad
Polad
VP CA Section
VP Econ Section

Please pass quickly ~~TODAY~~.

3417

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3. I think this should be explored. I shall speak of it at Ex.Com's meeting, ~~Tuesday, 30th Oct.~~

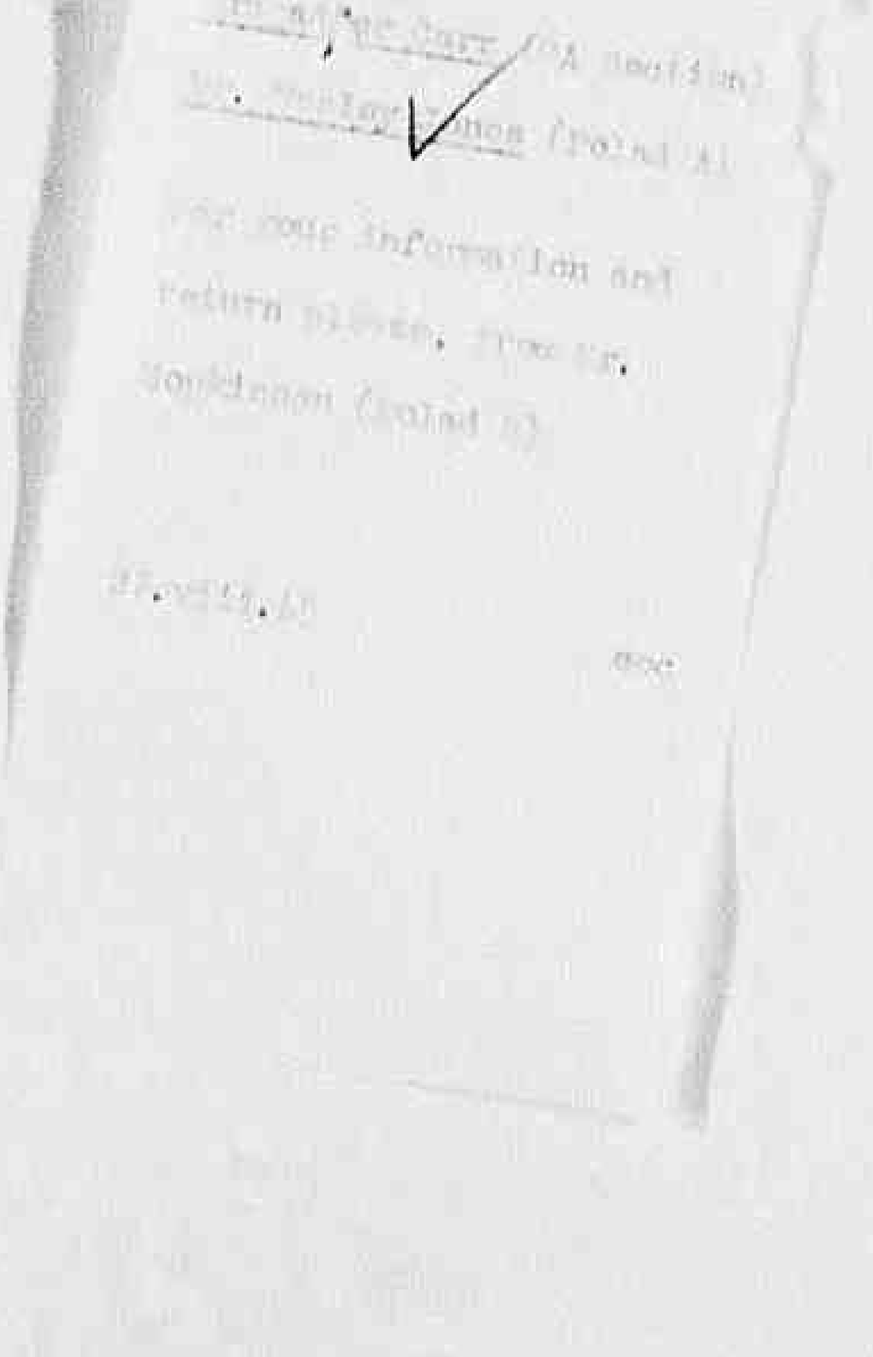
29.Oct.45

Brigadier,
Executive Commissioner.

Assume nothing will be decided on this without prior discussion with Cleveland & M/R, Econ Sec

[redacted]

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TOP SECRET

Confidential

HEADQUARTERS ALLIED COMMISSION

Office of the Political Adviser (A)

Subject: Future Planning for Italy

To : Brigadier Carr, C.A. Section
Mr. Hopkinson, POLAD (B)

I have read Brigadier Dunlop's suggestions on future planning for Italy with interest. In general I do not concur with them. My conception of the maintenance of Allied troops in Italy, after the withdrawal of AMG and ~~even~~ after the liquidation of AC, is to support the legitimate Italian forces of law and order during the crisis caused by the election of the permanent Government and not to interfere in local or national administration. I do not understand what "heavy civil responsibilities" the Allied military commander will have during the period Allied forces are maintained in Italy after the termination of the armistice regime and AC.

Thank you for letting me see Brigadier Dunlop's memorandum.

J. Wesley Jones

Rome, September 6, 1945

Polad (B)
Ex. Comm

Brigadier Dunlop was no doubt away when this minute would have to discussed

Delay is due to my having been away on leave. I agree that Polad (B)'s views in general. The matter of a G.S. Sec of HQ Allied Troops will be one for decision by that HQ. As regards subordinate formation HQs. I consider that a liaison officer at District level may be necessary to liaison with P.C. liaison groups as long as they exist and after that stage possibly to liaison with local Italian authorities on such purely military matters as requisitions and the like of

MC. V.P.S.A.S

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118 E 3

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

20th August 1945.

Dear Henry,

I am sending an advance copy of a memorandum by J.M.Dunlop who, with his usualforesight, looks further ahead than we did at the Regional Commissioner's meeting, but very much on the same lines as you and I discussed on the next day.

There is a lot in para 5 of the memoradum. I was very disappointed to find how little people realise at HQ the enormous value done by Provincial Commissioners and officers in simply making personal contact.

I shall be talking about Dunlop's recommendations to other Regional Commissioners and particularly to General Nares, and I should be glad if we could have a discussion when I get back in preparation for which perhaps you would show this memorandum to Carr and Jones.

Yours sincerely,

James Hutt.

H. Hopkinson; Esq.,
c/o Political Adviser (B),
Headquarters;
Allied Commission, APO 394.

MSL/JG.

I agree that this would be useful.

Brigadier Carr
Pol. Adv. (A)

3413 -
August 25.

JKD/day

TOP SECRET

Confidential

HEADQUARTERS
VENEZIA REGION
Allied Military Government
APO 394

TO : Executive Commissioner. 17 August 1945

SUBJECT: Future Planning.

FILE No: REGI/RC/TOPSEC

1. I have been considering the various aspects of the matters discussed at the two conferences on Tuesday 14th and Wednesday 15th and wish to submit some thoughts for your consideration.

2. I realize that such suggestions must be, at best, somewhat academic, because we do not know what will be the reply of our Governments to the telegram which you have sent forward. Their reply may well alter quite considerably our conception of our future task.

3. Taking the conclusions as they emerged in our recent conferences the outstanding decision was that Allied Military Government ought to come to an end but that allied troops ought to stay. Expressed in these terms it seems a rather strange commentary on the argument so powerfully used at the conference of 27 June that A.M.G. should end because it had not got the backing of allied troops.

4. Nevertheless, I think that there is, in fact, no contradictory policy. The end of A.M.G., as we have known it, was bound to come; it could not have continued without such modification as would have made it a new thing. It will always be an arguable point whether the release on June 26th of the transfer date of September 1st was premature. The position in Bolzano is also arguable. But on the economic side we were bound to hand the reins over to the Italians. Moreover - especially on the British side - our losses in officers in the early autumn were to be so heavy that continuance of full A.M.G. control could only have been made effective by dint of large scale importation of partially trained officers.

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FILE No: RXII/RC/TOPSEC

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5. Yet we all feel that on the side of Public Safety, and in connection with what one may call "Political Education", there is a lot that we still have to do. I sometimes think that our Headquarters does not appreciate the immense amount of constructive work done by our Provincial Commissioners and officers by just talking to Italians, telling them about the American and British way of Government.

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c. Previous we had thought of officer observer groups left behind, and that is our present suggestion. The present plan does, however, suffer very severely from impermanence. As the Admiral very wisely pointed out, in its present form the plan is linked with the Allied Commission, and the Allied Commission may well come to an end with the signature of a Peace Treaty. That might give our liaison groups a life of only a month or so. Moreover, part of this make-up - Transportation and Displaced Persons - might well have a term of life quite different from the political part. Even A.M.G. Udine is only allowed a short life of two or three months after the date of transfer of north Italy.

7. There were two remarks made in the course of our discussion which seemed to me to be very pertinent. The first was made by the Admiral when he said that action in aid of the Civil Power in respect of the port of Venice "might be the responsibility of the 13 Corps". The second was made by Henry Hopkinson when, speaking of such liaison officers in the field, he said that even after the end of the Allied Commission, "we (i.e. the Embassy) might need them".

8. It looks as if it might be our duty to think of a future, not only after the end of A.M.G. but also after the end of the Allied Commission. As you already said, one of the most important points to decide will be the responsibility of the Commander of the Allied Troops, but it does seem to me that he will want trained Civil Affairs officers on his staff and with his subordinate formations. To give heavy civil responsibilities to a military commander without letting him have an expert staff appears to be very undesirable.

9. Therefore, without prejudice to your present plans for liaison groups within the Allied Commission I do suggest to you the desirability of planning the attachment of a civil affairs section to form part of Allied Troops Italy. In my view, this should not be confined to a G-5 Section at H.Q. but should also include Civil Affairs officers on District or formation level. Even on this basis the establishment involved would not be large and would only form a small portion of the total number of troops involved in Italy.

10. The other alternative would be the maintenance of outlying "political Officers" depending from the Embassies.

[illegible] seem to me to be a pity to lose,

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of North Italy.

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8. It looks as if it might be our duty to think of a future, not only after the end of A.F.H.Q. but also after the end of the Allied Commission. As you already said, one of the most important points to decide will be the responsibility of the Commander of the Allied Troops, but it does seem to me that he will want trained Civil Affairs officers on his staff and with his subordinate formations. To give heavy civil responsibilities to a military commander without letting him have an expert staff appears to be very undesirable.

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10. The other alternative would be the maintenance of outlying "Political Officers" descending from the Embassies.

11. In any case it would seem to me to be a pity to lose, for lack of planning, the very considerable amount of civil affairs experience which is now available within the Provincial teams. Once these officers are dispersed to other theatres it may be very difficult to gather them to Italy again.

Regional Commissioner

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1183-49

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

31 October 1945

Admiral Ellery W. Stone, USNR,
Chief Commissioner,
Allied Commission,
APO 394.

Dear Admiral:

You will recall that recently I raised the question with you as to the possibility of fusing the G-5 Section, AFHQ, into the framework of the Allied Commission. Since then the matter has been given superficial consideration by several of the senior officers here whose first reactions have been favorable. I realize that there may be many minor difficulties but if we can agree the basic desirability of the consolidation I feel sure the minor matters can be overcome.

The situation as I see it can be summarized as follows. The Allied Commission is set up under the armistice terms with Italy. It is charged under the general direction of SACMED with regulating and executing those terms. Any alteration of its functions in connection with its responsibilities in connection with the armistice terms would require the approval of the CCS. Its internal organization is the responsibility of SACMED. Provided it can perform its basic functions there is no bar to giving it additional functions.

The G-5 Section, AFHQ, is set up under the provisions of AFHQ Staff Memorandum #8, 14 May 1944. It is an executive section having both General and Special staff functions. These functions can be altered at the discretion of SACMED.

Due to the separation of the Allied Commission and AFHQ it is necessary to have a staff section at AFHQ which can directly advise SACMED, secure his policies, coordinate the execution of those policies with the various interested staff sections, assure that the views of the Allied Commission are made known and considered, and to transmit the instructions of AFHQ on civil affairs matters. When the move to Rome is completed it would seem desirable that the Chief Civil Affairs Officer instead of dealing thru G-5 with SACMED and the staff sections at AFHQ, could deal with them direct. Some individuals now in G-5 might pass to the establishment of the Allied Commission because of an increased volume of business.

Probably one of the difficulties which might be foreseen is the fact that, while AC deals only with Italy, G-5 covers the entire Theater. The volume of other business is comparatively small and the problems raised would not preclude the integration.

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Probably the only personalities involved would be yourself and Brigadier Lush. As I see it you could be made G-5 in addition to your other duties and Lush could be a deputy G-5 without any outside approval. However I could not become Chief Commissioner nor could Parsons become a deputy without the approval of the CCS. Neither of these facts is in my opinion of major importance to the scheme I propose.

I am taking this up unofficially with you to get your view on the broad principle. If you agree those, the details can then be studied. If you do not agree I will then ask whether it is worthwhile pursuing the matter further.

Of course I realise that the move of AFHQ to Rome is not yet firm by any means. If that does not take place I shall drop the whole business. In any case there is no harm in planning and if the move is made and the plan agreed much time in implementing the plan will be saved.

Sincerely,

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

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Confidential

10 October 1945.

OCT 19 1945

MEMORANDUM TO: Major General L. L. Lemnitzer, G.S.C.,
Chief of Staff, Allied Force Headquarters.

In your memorandum of 6 October which enclosed a draft sent to you by General Hildring you instruct me to take no action except to make a formal preliminary study. I enclose the results of such study.

I would recommend that the Macmillan memorandum, or at any rate that part of it relating to demilitarization, be studied.

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

NOTE
THE CHIEF COMMISSIONER DIRECTS
THAT NO DISTRIBUTION SHOULD BE
MADE OF THIS DOCUMENT.

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CC: EXEC. COMMR. (PERSONAL)

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1. Before taking the drastic step of complete civilianization of the Allied Commission envisaged for the future in Mr. Macmillan's memorandum of 5 January on the New Deal of Italy, laid down as a general principle of FAN 487, and currently implemented as far as has been physically possible by the Allied Commission itself, it would appear reasonable to ask for a declaration of Allied policy towards Italy.

2. With the exception of public declarations of broad principles by Allied statesmen we remain in ignorance of Allied policy. In the Chief Commissioner's memorandum of 23 June and in the Deputy SACMED's covering letter of 27 July to that memorandum, definition of Allied policy in many of its aspects was recommended and requested. So far no reply to t ese papers has been received.

3. In his memorandum of 5 January, Mr. Macmillan pointed out some of the difficulties and indeed the dangers of civilianization in his paragraph on demilitarization (Part III). These difficulties have not decreased. It has been, naturally, the objective of the War Departments in Washington and London to be relieved of military responsibility, but few steps have been taken by the Governments on either side of the Atlantic to assist in civilianization by producing either in quality or in quantity the officials necessary to fulfill even the residual functions of the Commission contained in various directives from the CCS. Mr. Macmillan's memorandum was dated 5 January. He pointed out then the absence of a Vice President of the Economic Section and the danger of absenteeism among civilians. After nine months no Vice President has been appointed by

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return to the U.S. rapidly. On the British side practically no civilian personnel have been provided. It is generally accepted in London that it is impossible to secure their services, and such posts as Deputy Vice President to Economic Section, and Deputy Director to Transportation Sub-Commission, have of necessity been filled by Officers. In spite of repeated inquiries, no conditions of service for British civilians have emanated from London, and Officers naturally are unwilling to transfer from Officer status to civilian status without knowledge of conditions.

4. However desirable, therefore, it may be to demilitarize the Commission, the realities of the several functions of the Commission must be faced, together with the necessity of, and the present Governmental failure in, providing the men with the essential qualifications.

5. The result of the detachment of all military personnel from the Commission would leave the Commission to function with 40 American and 13 British civilians (distribution attached). The Allied Commission has many responsibilities — some residual, some laid down in CCS directives such as FAN 457 and subsequent telegrams, and some on which policy has been requested.

(a) Displaced Persons. Many thousands of such persons are in process of movement and will remain moving for many months to come. In August 180,000 Italians alone came through the Brenner Pass. Some 20 camps and 20 collection centers are in operation. Over 100 Officers are employed. UNRRA, the ultimate organiza-

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(a) Displaced Persons. Many thousands of such persons are in process of movement and will remain moving for many months to come. In August 180,000 Italians alone came through the Brenner Pass. Some 20 camps and 20 collection centers are in operation. Over 100 Officers are employed. UNRRA, the ultimate organization to handle these people, is quite unprepared to take over fully and will be unready for months to come. So far as displaced persons are concerned, the implementation of the directive would create chaos, suffering, and political repercussion.

(b) I.P.O.W. Many hundred thousands IPOW remain to be repatriated. Withdrawal of Allied Officers from this work would create the same conditions as those described in the preceding paragraph.

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(c) Civil Supplies. UNRRA is not ready to take over. Present CCS directives place the responsibility in A.C. The Commission is working on the principle that UNRRA must take over in time (probably 1 January) and a scheme of coordination to this effect is in operation. The removal of Allied military personnel before UNRRA takes over would undoubtedly lead to the total breakdown of civil supplies and their distribution.

(d) Coal. Civil requirements for Italy is a responsibility of the Allied Commission. This section is staffed by Allied Officers. Their removal would involve a similar breakdown.

(e) Rehabilitation of Industry and the guidance of the Industrial Councils is in the hands of Allied Officers. If assistance to Italy in this respect is to remain, the present personnel must remain.

(f) War Material Disposal. Much remains to be done. Military personnel are employed.

6. Above are a few of the responsibilities which exist. Policy on others has been requested. Are we to assist Italy in the elections in the field of Public Security, in her education towards a democratic way of life, in the preparation of a Bill of Rights for her people?

7. The Directive removes from Italy the service of Officers who for over two years have labored to assist Italy; who have gained a wealth of experience and knowledge in so doing both in the field of Italian economics and political administration. This surely cannot be considered sound policy. The quality of the civilians so far intro-

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8. The result would be threefold: Firstly, a great deal of the machinery of administration would break down. Secondly, in an effort to avoid this and to carry out the directives of CCS, the President of the Commission would be bound to take action through his

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military staff. With great respect it is submitted that that staff has not the particular technical qualifications nor the personal experience in dealing with the Italian Government successfully to take the appropriate action until some time at least has elapsed, and little gain would appear to be made by substituting one group of military officers at A.F.H.Q. for those now on duty with A.C. Thirdly, the impression gained by the Italians would undoubtedly be that the Allied Commission had been replaced by a system of greater military control exercised by AFHQ.

9. The desire of the War Departments is well understood. The policy of FAN 487 has been loyally implemented by the Allied Commission insofar as has been humanly possible. Progressive civilianisation has taken place, but the Allied Governments have failed to provide the quality and quantity of personnel wholly to effect demilitarisation and has (on the British side) failed to encourage transfer of officers from military to civilian status. The Release schemes have seen to it that the quantity of military personnel left will not be great.

10. If the directive were to read that "military personnel in the Allied Commission would continue progressively to be reduced and replaced by civilians" then the Allied Commission under its Deputy President could continue to carry out SACMED responsibilities as President, a duty which it has been our endeavor to fulfill since FAN 487 was issued.

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CIVILIANS OF OFFICER STATUS (Within H/E)

	A	B
ECONOMIC SECTION	5	
AGRICULTURE S/C	3	1
COMMERCE S/C	2	3
INDUSTRY S/C	8	
LABOR S/C	2	6
PUBLIC WORKS S/C	7	
TRANSPORTATION S/C	10	2
LEGAL S/C	1	1
TOTALS	40	13

	A	B
ECONOMIC SECTION	5	
AGRICULTURE S/C	5	1
COMMERCE S/C	2	3
INDUSTRY S/C	8	
LABOR S/C	2	6
PUBLIC WORKS S/C	7	
TRANSPORTATION S/C	10	2
LEGAL S/C	1	1
TOTALS	40	13

5403 -

"ENCLOSURE"

SECRET

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

[redacted]

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

Copy/

SECRET

Confidential

6 October 1945

MEMORANDUM FOR: Deputy Chief of Staff
CAO
G-1(A)
G-1(B)
G-3
G-5
Polad
Br Res Min
Admiral Stone

Subject: Draft Message to SACMED.

1. Attached for your information and such preliminary study as you may care to give the possible implications thereof, is a copy of the draft of a proposed message in the course of preparation in the War Department. It was given to me by General Hilldring during my recent visit to Washington. General Hilldring indicated that the message was only in the earliest stages of preparation but that the views expressed in the draft represented what the thought was in the War Department on the subjects covered in the message. The message was still to be processed through the War Department, the State Department and the Combined Chiefs of Staff.

2. General Hilldring stated that the message as finally approved might not have the remotest resemblance to the attached draft and therefore its contents should be treated with caution. You will, therefore, take no action on the message except to make such informal preliminary study on its implications as you deem advisable.

(sgd) L.L. LEMNITZER
Major General G.S.C.
Chief to Staff

5404

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Copy/

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Confidential

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APPENDIX "A"

DRAFT

MESSAGE TO SUPREME ALLIED COMMANDER, MEDITERRANEAN

A. Time arrived for completion civilianization set forth in PAN 487. With exception of that portion of Venezia Giulia west of the Morgan Line and Udine, all areas in Italy, including Fortress Islands, Bolzano, and communes of Naples, Livorno, Pisa and Colle Salvetti, will be returned to Italian administration within twenty-one days after receipt of this directive, and, in any event, not later than 1 November 1945 (reurad NAP 1069, NAP 1071 and MAT 905). NAP 1051 and NAP 1059 are being considered separately. By 1 November, all command functions of ALCOM over AMG will be terminated. Thereafter AMG functions will be performed by XIII Corps, reporting directly to AFHQ and all military personnel in ALCOM, except SACMED, as president, and personnel in independent service subcommissions, will be detached from duty with ALCOM and will not be utilized as AFHQliaison to ALCOM.

B. Italian public should be advised that the Province of Udine is retained solely for military reasons and not because it is considered a disputed area.

C. As part of the civilianization of ALCOM directed herein, the Allied Financial Agency will be transferred from ALCOM Finance Subcommission and attached directly to AFHQ, but you may retain

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for completion civilianization set forth in PAN 487. With exception of that portion of Venezia Giulia west of the Morgan Line and Udine, all areas in Italy, including Fortress Islands, Bolzano, and communes of Naples, Livorno, Pisa and Colle Salvetti, will be returned to Italian administration within twenty-one days after receipt of this directive, and, in any event, not later than 1 November 1945 (reurad NAF 1069, NAF 1071 and MAT 905). NAF 1051 and NAF 1059 are being considered separately. By 1 November, all command functions of ALCOM over AMG will be terminated. Thereafter AMG functions will be performed by XIII Corps, reporting directly to AFHQ and all military personnel in ALCOM, except SACMED, as president, and personnel in independent service subcommissions, will be detached from duty with ALCOM and will not be utilized as AFHQ liaison to ALCOM.

B. Italian public should be advised that the Province of Udine is retained solely for military reasons and not because it is considered a disputed area.

C. As part of the civilianization of ALCOM directed herein, the Allied Financial Agency will be transferred from ALCOM Finance Subcommission and attached directly to AFHQ, but you may retain AFA Headquarters in Rome, if you so desire, in connection with its activities pertaining to ALCOM. Responsibility for accounting and billing for civilian supplies furnished under combined military responsibility will remain with ALCOM. 540

D. Reference MAT 881. You are completely relieved of Italian supply responsibilities except for Venezia Giulia and the Provinces of Udine. As President of ALCOM, however, you may continue to give supply advice to Italian Government through civilianized ALCOM and to communicate with the U.S. and British Governments with respect to

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supply and economic matters. You will have no other relief responsibilities with respect to areas for which supplies will be provided under the Italian Government program.

Your channel of communication to U.S. and U.K. Governments, both with respect to AFHQ and ALCOM matters will continue through CCS and CCAC in appropriate cable series. It is contemplaced that necessary Italian civil supply arrangements will be handled between ALCOM and CLAC and use of COM-MOC cable series has been authorised for this purpose. However, you may submit any matters you deem appropriate to the CCS or CCAC through existing channels. CCS or CCAC will, where appropriate, contact the responsible civilian agencies of the U.S. and U.K. Governments.

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Decl

(107)

8th October, 1945

In your minute of October 6th which enclosed a draft sent to you by General Hilldring. You instruct me to take no action except to make a formal preliminary study. I enclose the results of such study.

I would recommend that the Macmillan memorandum, or at any rate that part of it relating to demilitarisation, be studied.

Major General L.L. LEMNITZER OBE,
Chief of Staff
AFHQ

5400 -

Dec 3

105417

(104)

8th October, 1945

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Major General L.L. LEMNITZER OBE,
Chief of Staff
APHQ

5401

DRAFT/

(102)

Before taking the drastic step of complete civilianisation of the Allied Commission envisaged in Mr. Macmillan's memorandum in the New Deal of Italy, laid down as a general principle of Pan 487, and implemented as far as has been physically possible by the Allied Commission itself, it would appear reasonable to ask for a declaration of Allied policy towards Italy.

2. With the exception of public declarations of broad principles by Allied statesmen we remain in ignorance of Allied policy. In the Chief Commissioner's memorandum of June 23rd and in the Deputy Samuel's covering letter of July 27th to that memorandum, definition of Allied policy in many of its aspects was recommended and requested. So far no reply to these papers has been received.

3. Mr. Macmillan pointed out some of the difficulties and indeed the dangers of civilianisation in his paragraph on demilitarisation (Part III). These difficulties have not decreased. It has been, naturally, the objective of the War Departments in Washington and London to be quit of military responsibility but few steps have been taken by the Governments on either side of the Atlantic to assist in civilianisation by producing either in quality or in quantity the officials necessary to fulfill even the residual functions of the Commission contained in various directives from the CCS. Mr. Macmillan's memorandum was dated January 5th. We pointed out therein the absence of a Vice President of the Economic Section and the

Declassified E.O. 12356 Section 3.3/NND No. 785013

a declaration of Allied policy towards Italy.

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

(101)

accepted in London that it is impossible to secure their services and such posts as Deputy Vice President to Economic Section, Deputy Director to Transportation Sub Commission have of necessity been filled by Officers. In spite of repeated enquiries no conditions of service for British civilians have emanated from London, and Officers naturally are unwilling to transfer from Officer status to civilian status without knowledge of conditions.

4. However desirable, therefore, it may be to demilitarise the Commission the realities of the several functions of the Commission must be faced together with the necessity of, and the present failure in, providing the men with the essential qualifications.

5. The result of the detachment of all military personnel from the Commission would leave the Commission to function with 38 FRA and 13 British civilians (distribution attached). The Allied Commission has many responsibilities some residual, some laid down in COS directive such as FAN 457 and subsequent telegrams, and some on which policy has been requested.

(a) Displaced Persons. Many thousands of such persons are in process of movement and will remain moving for many months to come. In August 180,000 Italian alone came through the Brenner Pass. Some 20 camps and 20 collection centres are in operation. Over 100 Officers are employed. UNRRA, the ultimate organisation to handle these people is quite unprepared to take over and will be unready for months to come. The implementation of the directive would create total chaos, indescribable suffering, and world wide political repercussion.

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(b) I.P.O.W. Many hundred thousands IPOW remain to be repatriated. Withdrawal of Allied Officers from this word would create the same conditions as those described in the preceeding paragraph. 5392

(c) Civil Supplies. UNRRA is not ready to take over. COS directive place the responsibility in A.C. The Commission is working on the principle that UNRRA must take over in time and a scheme of coordination to this

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effect is in operation. The removal of Allied military personnel before Unrra takes over would undoubtedly lead to the total breakdown of civil supplies and their distribution

(d) Coal. Civil requirements for Italy is a responsibility of the Allied Commission. This section is staffed by Allied Officers. Their removal would involve a similar breakdown.

(e) Rehabilitation of Industry and the guidance of the Industrial Councils is in the hands of Allied Officers. If assistance to Italy in this respect is to remain, the military personnel must remain.

(f) War Material Disposal. Much remains to be done. Military Personnel are employed.

6. Above are a few of the responsibilities which exist. Policy on others has been requested. Are we to assist Italy in the elections in the field of Public Security, in her education towards a democratic way of life, in the preparation of a Bill of Rights for her people.

7. The Directive removes from Italy the service of Officers who for over two years have laboured to assist Italy: who have gained a wealth of experience and knowledge in so doing both in the field of economics and political administration. The quality of the civilians so far introduced, with a few exceptions, has been inferior, their experience necessarily smaller and their contacts fewer.

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3397 -

8. The result would be twofold. Firstly a great deal of the machinery of administration would break down. Secondly in an effort to avoid this and to carry out the directives of COS the President of the Commission would be bound to take action through his military staff. With great respect it is submitted that that staff has not the technical qualifications nor the experience successfully to take the appropriate action. Secondly the impression gained by the Italian would undoubtedly be that the Allied Commission

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had been replaced by a system of military control exercised by AFHQ.

9. The desire of the War Departments is well understood. The policy of FAN 457 has been loyally implemented by the Allied Commission in so far as has been humanly possible. Progressive civilianisation has taken place but the Allied Governments have failed to provide the quality and quantity of personnel wholly to effect demilitarisation and has (on the British side) failed to encourage transfer of Officers from military to civilian status. The Release schemes have seen to it that the quantity of military personnel will not be high.

10. If the directive were to read that "military personnel in the Allied Commission would continue progressively to be reduced and replaced by civilians" then the Allied Commission could continue to carry out Sacmed responsibilities as President, a duty which it has been our endeavour to fulfill since FAN 457 was issued.

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Draft

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A. The time has arrived for the full implementation of Pan 487 including rapid and progressive civilianisation of Alcom in so far as the civilians can be found to fill assignments particularly those at high level. With the exception of that portion of Venezie Giulia west of Morgan Line and Udine all areas in Italy will be returned to Italian administration with 21 days after receipt of this directive and in any event not later than 1 November. Thereafter AMG functions of Venezie Giulia will continue to be performed by XIII Corps who will report directly to AFHQ but continue to seek technical advice from Alcom. For political reasons AMG Udine will continue to operate through Alcom. With the exception of independent service sub commissions, Displaced Persons sub commission and War Material subcommission, military personnel in Alcom will be -

(a) Reduced to minimum and

(b) replaced by civilian personnel.

It is realised that certain key appointments must, for purposes of continuity and because of the qualifications of the holders, continue to be held by military personnel.

B. The Italian public should be advised that the Province of Udine is retained solely for military reasons and not because it is considered a disputed area.

C. In order to carry out the financial responsibilities of Alcom the Allied Financial Agency must remain attached to Alcom.

D. Reference MAT 881. You are completely relieved of Italian supply responsibilities except for Venezie Giulia and the Province of Udine. As President of Alcom, however, you may continue to give supply advice to Italian Government through civilianised Alcom and to communicate with the

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

after receipt of this directive and in any event not later than 1 November. Thereafter AMG functions of Venezie Giulia will continue to be performed by XIII Corps who will report directly to AFHQ but continue to seek technical advice from Alcom. For political reasons AMG Udine will continue to operate through Alcom. With the exception of independent service sub commissions, Displaced Persons sub commission and War Material subcommission, military personnel in Alcom will be -

(a) Reduced to minimum and

(b) replaced by civilian personnel.

It is realised that certain key appointments must, for purposes of continuity and because of the qualifications of the holders, continue to be held by military personnel.

B. The Italian public should be advised that the Province of Udine is retained solely for military reasons and not because it is considered a disputed area.

C. In order to carry out the financial responsibilities of Alcom the Allied Financial Agency must remain attached to Alcom.

D. Reference MAT 861. You are completely relieved of Italian supply responsibilities except for Venezie Giulia and the Province of Udine. As President of Alcom, however, you may continue to give supply advice to Italian Government through ~~civilianized~~ Alcom and to communicate with the U.S. and British Governments with respect to supply and economic matters. You will have no other relief responsibilities with respect to areas for which supplies will be provided under the Italian Government program. Your channel of communication to U.S. and U.K. Governments, both with respect to AFHQ and ALCOM matters will continue through CCS and CCAC in appropriate cable series. It is contemplated that necessary Italian civil supply arrangements will be handled between Alcom and CLAC and use of COM-MOC cable series has been authorized for this purpose. However,

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(91)

you may submit any matters you deem appropriate to the CCS or CCAC through existing channels. CCS or CCAC will, where appropriate, contact the responsible civilian agencies of the US and UK Governments.

Brigadier
Executive Commissioner

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

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

Brigadier
Executive Commissioner

The civilian action of the Allied Commission
engaged in Mr Macmillan's memorandum
on the New deal for Italy & laid down as
a general principle of Jan 487 must be
implemented not merely to suit the
requirements of the War Department in Washington
and London but as a consequence of declared
Allied policy towards Italy.

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

Subject: Civili isation of Allied Commission

5th October, 1945

The civilianisation of the Commission envisaged in Mr. Macmillan's memorandum on the New Deal for Italy and laid down as a general principal of Fan 487 must be implemented not as a matter of expediency of Departments in Washington or London but as a result of allied policy towards Italy.

In the Chief Commissioners memorandum of June 23rd and in the deputy Sacmed covering letter of July 27th to that memorandum the definition of allied policy was recommended and requested.

So far we have had no reply to this request except in so far as Allied Statesmen have reiterated their desire to help and sustain Italy.

Civilianisation has always been the goal of the War Departments who wish to be quit of the military responsibility, but few steps have been taken on either side of the Atlantic to assist in civilianisation by producing either in quality or quantity the staff necessary to fulfil even the residual functions of the Commission. The Macmillan memorandum emphasised the importance of the provision of a highly qualified head of the Economic Section and the menace of absenteeism particularly among civilians. No Vice President has been forthcoming. Absenteeism is still a danger and the existing FSA personnel cannot be considered except on a very temporary basis. On the British side practically no civilian personnel have been provided except in the Labour and Commerce Sub-commissions.

The result of the detachment of all military personnel from Alcom would leave Alcom to function with 38 FSA and 13 British civilians (distribution attached).

As UNRRA is not ready to take over Supplies, the feeding of Italians would suffer severely. The rehabilitation programme would come to an abrupt stop.

The movement, maintenance and welfare of many thousand refugees and displaced persons and PPOW would cease.

The disposal of war material would cease.

The inevitable result would be that the President of the Commission, finding the Commission practically non-existent, would be compelled to use his military staff to carry out the residual functions of the Allied Commission. The War Departments would have [illegible] responsibilities on paper, but the Officers of Sacmed staff (who with respect are not quite so expert in these affairs as those of the Allied Commission) would be bound to assume and military responsibility would continue.

We have tried to civilianise and have failed to find the men. [illegible] directive were to contain the phrase "military personnel [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785013

covering letter of July 27th to that memorandum the definition of allied policy was recommended and requested.

So far we have had no reply to this request except in so far as Allied Statesmen have reiterated their desire to help and sustain Italy.

Civilianisation has always been the goal of the War Departments who wish to be quit of the military responsibility, but few steps have been taken on either side of the Atlantic to assist in civilianisation by producing either in quality or quantity the staff necessary to fulfil even the residual functions of the Commission. The Macmillan memorandum emphasised the importance of the provision of a highly qualified head of the Economic Section and the menace of absenteeism particularly among civilians. No Vice President has been forthcoming. Absenteeism is still a danger and the existing FRA personnel cannot be considered except on a very temporary basis. On the British side practically no civilian personnel have been provided except in the Labour and Commerce Sub-commissions.

The result of the detachment of all military personnel from Alcom would leave Alcom to function with 38 FRA and 13 British civilians (distribution attached).

As UNRRA is not ready to take over Supplies, the feeding of Italians would suffer severely. The rehabilitation programme would come to an abrupt stop.

The movement, maintenance and welfare of many thousand refugees and displaced persons and IPCW would cease.

The disposal of war material would cease.

The inevitable result would be that the President of the Commission, finding the Commission practically non-existent, would be compelled to use his military staff to carry out the residual functions of the Allied Commission. The War Departments would have shed their responsibilities on paper, but the Officers of Sacmed staff (who with respect are not quite so expert in these affairs as those of the Allied Commission) would be bound to assume and military responsibility would continue.

We have tried to civilianise and have failed to find the men. If the draft directive were to contain the phrase "military personnel in Alcom would be progressively reduced and detached from duty" then Sacmed responsibilities as President could be properly carried out and this indeed has been our plan ever since Pan 487 was received.

We have never exercised any command over AMG in V.G. Any change in the channels of communication over Udine is considered by Polads most inadvisable and incompatible with the reasons to be given to the Italians under B.

The last sentence of C. This responsibility has already been removed from Alcom.

Brigadier
Executive Commissioner

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

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

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TRI-PARTITE ECONOMIC ADVISORY COUNCIL
FOR ITALY

Representatives from the United States, United Kingdom, and the Italian Government to head up the Council, the U. K. and U. S. representatives reporting to their respective Ambassadors.

Heads of the Council to act in advisory capacity only and to be policy making body.

Each of the three heads to deal directly with his staff, and activities of the Council personnel to cover Commerce, Industry, Agriculture (including food), Finance, Shipping and Transportation, and Labor, and all to be housed in one building.

On Allied side personnel should be sufficiently numerous in initial stages to enable U. S. and U. K. representatives to check data furnished by Italian Government, prepare documents on which to base opinions, make physical examinations of projects as proposed by the Italian Government.

So that U. K. and U. S. will be able to present cases to respective governments through their Ambassadors, the Italian Government should present its problems to the Council in a sufficiently complete state.

All members of the United States staff to be Department of State employees and all personnel of the Council to be civilian.

RETURN To Chief Commissioner It is proposed as an interim measure that only a skeleton advisory council staff be located at Rome, which headquarters staff to contain initially three heads, their deputies and a

strictly

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strictly limited staff. The remaining personnel to operate regionally and the regions to be consolidated gradually.

The three heads should each have a deputy, and either the deputy or head to spend his entire time contacting regional heads in the field.

In certain regions it may be necessary from time to time to attach specialists. The regional heads will be revolved, depending upon general conditions.

American Embassy (Rome), A. C. and A. M. G. to supply personnel of United States staff. Other specialized personnel will be required from the United States. Experts will be drawn from the United States on a temporary basis from time to time.

As the Italian Government gradually strengthens, the Council personnel will gradually be decreased. There will be a gradual shift of personnel from the regions to the Rome Headquarters. After due course it is hoped that the Council can be disbanded and that the residual Allied personnel be attached to their respective Embassies where, as Embassy Attaches, they would take over normal duties and responsibilities.

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[redacted]

[TOP SECRET] Doc 3

(93)

11 August 1945

Confidential

My dear Mr. Ambassador: (92)

I am enclosing herewith copy of a letter received today from General Truscott, together with a copy of the attachment which accompanied it. (91)

Very truly yours,

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

Sir Noel Charles, Bt., K.C.M.G.,
British Ambassador,
84, Via Venti Settembre,
Rome.

F-h

[TOP SECRET]

5390

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TOP SECRET

(92)

TOP SECRET

HEADQUARTERS FIFTH ARMY
Office of the Commanding General
APO 464, U.S. Army

COPY

7 August 1945

Rear Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
A.P.O. 394, U. S. Army

(65)

Dear Admiral:

I am returning herewith Copy No. 73 of your secret paper of 23 June 1945 on the future policy toward Italy. I have read it with great interest, and I can assure you that I heartily indorse every statement that you make. (91)

I have taken the liberty of addressing a letter to the Supreme Allied Commander, Mediterranean Theater, in which I have stated to him that I do indorse your recommendation and believe that immediate steps should be taken to settle the question of our future policy. Attached hereto is a copy of that letter.

As you probably know, I am leaving Italy tomorrow for China. I regret very much that I shall not have the opportunity of seeing you again.

Wishing you the best of luck, and with all good wishes, I am

Sincerely yours,

/S/ L. K. TRUSCOTT, JR.
Lieutenant General, U. S. Army
Commanding

1 Incl:
Copy of ltr to SACMED

See 93

TOP SECRET

5389

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

(91)

TOP SECRET

HEADQUARTERS FIFTH ARMY
Office of the Commanding General
APO 464, U.S. Army

Confidential

COPY

7 August 1945

SUBJECT: Future Policy on the War in Italy

TO : Supreme Allied Commander
Mediterranean Theater of Operations

THROUGH: Commanding General, MTOUSA
A.P.O. 512, United States Army

1. I have read a copy of a paper submitted to you by Admiral Stone on this subject. Based on my experience in Italy, I desire to add my hearty indorsement to the recommendations submitted by Admiral Stone.

2. Reports from all sources since the cessation of hostilities indicate an intensification of communist activities all through northern Italy in particular. There can be no doubt that these activities are inspired and, in some measure at least, financed from outside sources. All of the Italian people with whom I have talked personally, as well as reports from all the members of my staff, indicate a strong belief on their part that the withdrawal of Allied troops from Italy prematurely will result in a communist effort to seize power and establish a communist state. Personally I believe that there is grave danger that this may happen, if Allied troops are withdrawn before a completely stable form of government is established in Italy. It is obvious, of course, that any representative form of government must utilize former Fascists, because without doubt a vast majority of the Italian people were Fascists at one time or another.

3. I am hardly competent to express an opinion on the length of time which will be required to establish a stable government in which we can repose confidence, but I should think as much as two years might be required. Certainly we have an educational responsibility for winning these people away from dictatorships of any kind and assisting them in the establishment of a government in accord with the principles for which we have fought.

4. I believe that Admiral Stone has analyzed the problem very thoroughly. I concur in his recommendations and believe a decision with regard to the policy on the war in Italy is not only desirable but essential.

/S/ L. K. TRUSCOTT, JR.
Lieutenant General, U. S. Army
Commanding

5388

TOP SECRET

COPY.

SECRET.

Confidential

(90)

ALLIED FORCE HEADQUARTERS
Supreme Allied Commander's Secretariat.

SAC (45) 7
27th July 1945

SUPREME ALLIED COMMANDER'S CONFERENCE

FUTURE POLICY TOWARD ITALY.

Note by Secretary.

(88) (84)

1. With reference to the decision at SAC (45) 1st Meeting, Minute 7, the Memorandum by Chief Commissioner, Allied Commission, (which was circulated as Paper No. SAC (45) 3), was dispatched to the Combined and British Chiefs of Staff under cover of the letter at Appendix "A".

2. This letter is therefore circulated for information.

(90)

(Signed) J. C. SWEETMAN,
LIEUTENANT COLONEL,
SECRETARY.

Ex.Commissioner's Distribution:

Copy No.31 - Chief Commissioner
Copy No.32 - Ex.Commissioner.
Copy No.33 - Political Advisers.

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

27th July 1945

SUPREME ALLIED COMMANDER'S CONFERENCE

FUTURE POLICY TOWARD ITALY.

Note by Secretary.

1. With reference to the decision at SAC (45) 1st Meeting, Minute 7, the Memorandum by Chief Commissioner, Allied Commission, (which was circulated as Paper No. SAC (45) 31, was dispatched to the Combined and British Chiefs of Staff under cover of the letter at Appendix "A".

2. This letter is therefore circulated for information.

(Signed) J. G. SWEETMAN,
LIEUTENANT COLONEL,
SECRETARY.

Ex.Commissioner's Distribution:

Copy No.31 - Chief Commissioner
Copy No.32 - Ex.Commissioner.
Copy No.33 - Political Advisers.

3387

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APPENDIX "A".

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SECRET.

ALLIED FORCE HEADQUARTERS
Office of the Supreme Allied Commander

Confidential

SECRET
27 July 1945

SUBJECT: Memorandum Entitled "Future Policy Toward ITALY"

TO : The Secretaries,
Combined Chiefs of Staff Committee,
1901 Constitution Avenue,
Washington, D.C.

13 6c

1. I forward herewith 6 copies of a memorandum written by the Chief Commissioner, Allied Commission on "Future Policy Toward ITALY".

2. The main purpose of this memorandum is to seek a more definite expression of Allied policy toward ITALY. This is a purpose which I unreservedly support. In PAN 487 I am instructed that the policy of the Allied Governments is to "relax control.....thus developing in the Italian Authorities a greater sense of responsibility". While this definition of policy gives guidance on certain practical matters, such as the functioning of the Allied Commission, it does not make clear the fundamental principle behind our intentions. Briefly, is it the Allied intention to "assist ITALY towards recovery as a healthy nation politically and economically", accepting the cost of doing this; or, is it held that Allied interest in ITALY is small and that the amount of assistance to be given to her should be restricted accordingly?

3. This is a matter of high policy. Admiral Stone argues strongly in favour of the policy of active interest. While personally I favour the same policy, I feel that it is a question which is beyond my province. I do not propose, therefore, to comment on it, except to say that a clear statement, in one sense or the other would remove many of the inconsistencies which I feel exist at present in our actions towards ITALY.

4. Finally, I wish to say that I consider this memorandum to be a most valuable contribution towards the solution of the Italian problem. While I do not wish, in this letter, to be taken as endorsing every proposal made in it, I do urge that it should be studied with great care, and I will send my detailed comments on the naval, military and air aspects raised by the Chief Commissioner at a later date.

(Sgd) JOSEPH T. McNARNEY
General, U.S.A.
Deputy Supreme Allied Commander
Mediterranean Theater

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

1904 Constitution Avenue,
Washington, D.C.

(13) (64)

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(Sgd) JOSEPH T. McNARNEY
General, U.S.A.
Deputy Supreme Allied Commander
Mediterranean Theater

Copies to: Secretary to the British Chiefs of Staff,
Cabinet Offices,
Great George Street,
LONDON, S.W.1.

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(86)

EXTRACT FROM THE MINUTES OF THE SUPREME ALLIED COMMANDER'S CONFERENCE (1st Meeting) held at A.F.H.Q. on 26 Jul

Confidential

MINUTE No.7.

7. FUTURE POLICY TOWARDS ITALY.

(Paper No. SAC (45) 3. (86)
JPS Study No. P/108 (Final))

THE CONFERENCE had before them a letter from the Chief Commissioner, Allied Commission, advocating the adoption by the Allies of a policy of active interest in regard to the future of ITALY, together with a draft letter for signature by the Supreme Allied Commander, forwarding the Chief Commissioner's letter to the Combined Chiefs of Staff and making certain comments.

MAJOR GENERAL [illegible] said that the Chief Commissioner's letter had already been given a wide distribution both in LONDON and in WASHINGTON. It was, therefore, extremely desirable that copies should be forwarded officially to the Chiefs of Staff. However, referring to paragraph 4 of the JPS Study, he questioned whether it was desirable to raise the issue of the ability of UNRRA to assume responsibility for civil supplies in ITALY.

MAJOR GENERAL MACBRIDER, referring to the Deputy Chief of Staff's last point, said that an enquiry in regard to the arrangements required on the termination of military responsibility for civil supplies, had been received from the Supreme Allied Commander in BERLIN. The question arose because, on the US side, the decision had been taken to terminate the military responsibility for civil supplies in ITALY at an early date. At that time the Foreign Economics Administration would take over the United States financial responsibilities which were involved. No parallel decision had been taken on the British side to cover the interim period until UNRRA would assume responsibility in October. It had been suggested that during this interim period UNRRA should take over financial responsibility while the physical handling of the supplies should continue to be a matter for the military authorities in conjunction with the Allied Commission. This proposal that UNRRA should assume financial responsibility had been agreed by AFHQ. There remained, however, the greatest objection to UNRRA assuming physical responsibility for handling the supplies as it was not considered that this organisation was yet capable of doing so. There was, therefore, no conflict between the signal which had been sent to the Supreme Allied Commander and the view put forward in the JPS paper, that the physical responsibility should not be handed over to UNRRA.

THE DEPUTY SUPREME ALLIED COMMANDER considered that as the Chief Commissioner's letter had already been circulated both in LONDON and in WASHINGTON, the purpose of the Supreme Allied Commander's letter was merely to forward copies so as to regularise the existing position. It was not, therefore, desirable to use that forwarding letter to raise this separate and complicated question.

MR. KING suggested that the Chief Commissioner's letter might be forwarded without comment.

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

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MR. KIRK suggested that the Chief Commissioner's letter might be forwarded without comment.

ADMIRAL CUNNINGHAM, disagreeing with the United States Political Adviser, thought that the Supreme Allied Commander must comment on the military matters raised in the basic letter. He thought, therefore, that it should be made clear that the Supreme Allied Commander did not necessarily support these views. This was particularly applicable to the naval recommendations with certain of which he (Admiral Cunningham) was in complete disagreement. He wished, therefore, to see the final paragraph of the Supreme Allied Commander's draft letter strengthened so as to state this disagreement.

THE DEPUTY SUPREME ALLIED COMMANDER considered that it would be wise in forwarding the paper to the Combined Chiefs of Staff, to notify them that the Supreme Allied Commander's comments on the military aspects of the paper would follow.

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Confidential (47)

LIEUTENANT GENERAL MORGAN thought that it would be unwise to express any strong views in the present letter. The time for doing this would be when the Supreme Allied Commander forwarded his detailed military comments.

THE DEPUTY SUPREME ALLIED COMMANDER:

(86)

Instructed the Secretary to prepare for his signature the letter circulated under JPS Paper No. P/308(Final), deleting the paragraph referring to UNRRA responsibilities, and subsequently to despatch it to the Combined and British Chiefs of Staff, together with copies of the letter from the Chief Commissioner, Allied Commission.

See 89-90

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

deleting the paragraph referring to UNRRA responsibilities, and subsequently to despatch it to the Combined and British Chiefs of Staff, together with copies of the letter from the Chief Commissioner, Allied Commission.

See 89-90

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P/308 (Final).

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ALLIED FORCE HEADQUARTERS

Mediterranean Joint Planning Staff.

23 July 1945.

(45) FUTURE POLICY TOWARDS ITALY.

In accordance with terms of reference received from the Chief of Staff we have examined the paper prepared by the Chief Commissioner, Allied Commission, and the covering letter to the Combined Chiefs of Staff drafted by the CAC. We have redrafted the suggested covering letter and have deleted from it any comments on particular points raised in the paper. We considered that there are so many contentious points raised in the naval, military and air clauses which are already under detailed examination by us that it would be unwise to commit ourselves at such short notice on any of these points. Comment in the covering letter on any one particular point might be construed as tacit agreement on other points not commented on.

It is our view that it would be better to forward any detailed comments after the various MJPS papers at present in course of preparation have been considered and agreement reached on the issues raised in them.

(Sgd) James ? Torrence, Jr.,
Colonel, for,
D. PERL YATES,
Brigadier, G.S.,
G-3 Operations.

(Sgd) R. B. PARKINSON,
Group Captain,
MAAF Plans.

(Sgd) W. A. ADAIR,
Commander,
Staff Officer, Plans.

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} Copy of paper by Chief Commissioner already circulated under ref SAC(P)(45)5 or MJPS/66 of 22 July. (65)

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(64) FUTURE POLICY TOWARDS ITALY. (65)

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" No.31 - Executive Commissioner
" No.40 - Political Advisers.

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

DRAFT. SECRET.

(95)

TO : The Secretaries,
Combined Chiefs of Staff Committee,
1901 Constitution Avenue,
Washington D.C.

Confidential

COPY TO: Secretary to the British Chiefs of Staff,
Cabinet Offices,
Great George Street,
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3. This is a matter of high policy. Admiral Stone argues strongly in favour of the policy of active interest. While personally I may favour the same policy, I feel that it is a question which is beyond my province. I do not propose, therefore, to comment on it, except to say that a clear statement, in one sense or the other would remove many of the inconsistencies which I feel exist at present in our actions towards ITALY.

4. I wish, however, to mention one matter to which specific reference is not made by Admiral Stone. There is, I believe, a proposal under consideration, that the responsibility for civil supply in ITALY, now vested in the Allied Commission, and this Headquarters, should be taken over by UNRRA. I feel very strongly that such a step would not be compatible with the policy of active interest. I am sure, and Governor Lehman with whom the matter has been discussed agrees, that UNRRA are incapable of shouldering this responsibility. This, however, concerns questions of supply and economic rehabilitation with which I will deal in a later communication.

5. Finally, I wish to say that I consider this memorandum to be a most valuable contribution towards the solution of the Italian problem. While I do not wish, in this letter, to be taken as endorsing every proposal made in it, I do urge that it should be studied with great care, and I will send my detailed comments on the naval, military and air aspects raised by the Chief Commissioner at a later date.

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ALLIED FORCE HEADQUARTERS
Supreme Allied Commander's Secretariat.

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SAC (45) 3.
22 July 1945.

SECRET
COPY No.32.

SUPREME ALLIED COMMANDER'S CONFERENCE

FUTURE POLICY TOWARD ITALY.

Note by Secretary.

(65)

1. The attached letter from the Chief Commissioner, Allied Commission, is circulated for information.

2. It is proposed that copies of this letter, together with the Supreme Allied Commander's comments, should be forwarded officially to the Combined Chiefs of Staff and to the British Chiefs of Staff.

3. A draft covering letter is, therefore, in preparation and will be circulated shortly for the approval of the Supreme Allied Commander.

(Signed) J. C. SHEEHAN,
LIEUTENANT COLONEL,
SECRETARY.

Executive Commissioner's Distribution:

Copy No.31 - Chief Commissioner
Copy No.32 - Executive Commissioner
Copy No.43 - Political Advisers.

SEE FOLIO 86 88

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

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Executive Commissioner's Distribution:

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Copy No.43 - Political Advisers.

SEE FOLIO 86 88

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Brigad i Lush
B2 Fast th (81)

A meeting was held in Sir Orme Sargent's room at the Foreign Office on the morning of Monday, July 9th, to consider the situation in Italy. In addition to Sir Orme Sargent, who was in the Chair, the following were present:-

Sir P. Bovenschen	War Office
Major-General Anderson	War Office
Senior Commander Stones	War Office
Sir Noel Charles	H.M. Ambassador, Rome.
Brigadier Lush	Allied Commission, Italy.
Mr. Harvey	
Mr. Hoyer Millar	

The meeting considered the situation in Italy in the light of the report from Admiral Stone to SACMED dated June 25rd and of other recent communications from H.M. Ambassador in Rome. The meeting assumed that H.M.G's policy towards Italy should be one of helping Italy to re-establish herself as a useful member of the European comity, of encouraging Italy to look to the West rather than to the East, and of building Italy up to a "bastion of democracy" in the Mediterranean. The meeting also assumed that it was agreed that this objective was as much an American as a British interest and that the United States authorities should be encouraged to take their full share in the undertaking. It was appreciated that this policy might mean the acceptance by ourselves of additional obligations. On these assumptions the meeting came to the following conclusions:-

(1) Elections. It was very desirable that the Italian elections to the Constituent Assembly should be held before the end of the year, while Allied troops were still in Italy in considerable numbers and before the hardships of the winter had had time to exercise a disturbing influence on the voters. Although the Italian authorities were at present believed only to be contemplating holding elections in the Spring, enquiries of the Allied Commission had shown that given efficiency and energy on the part of the Italians it might be possible to hold elections before the end of the year. The Foreign Office were therefore telegraphing to Washington suggesting that the State Department should instruct the United States Ambassador in Rome to join with his British colleague in pressing the Italian Government to do everything possible to hold elections before the end of November. It was, however, problematical to say the least whether the elections would in fact be held before next Spring.

(2) Allied Forces in Italy. This question was now under consideration by the Chiefs of Staff and would no doubt come under discussion at TERMINAL. From the purely political point of view the Foreign Office representatives felt that there would be great advantage if Anglo-American troops could remain on in Italy (other than Venezia Giulia) until the Italian elections had been held. (The retention of the troops might of course also be desirable from the "bastion" point of view). The presence of the troops would exercise a stabilising influence and encourage the Italians to exercise their votes freely and without fear. Both the War Office and the Foreign Office representatives agreed, however, that if such arrangements were made it was most important that the troops should be Anglo-American and not British alone. It would be essential

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(3) The Italian Army. It was important that the Italian Government should be enabled to build up their armed forces quickly to a level sufficiently strong to enable them to maintain internal security and resist local aggression. An Italian army was, too, necessary if Italy was to prove an effective "bastion". For the Italian Government to be able to maintain such armed forces they would require appreciable assistance from the Allied Governments as regards equipment and training. The question of how this assistance should be provided and the extent to which the United States authorities should share in the undertaking is now under consideration by the Chiefs of Staff. From the political point of view, however, it seems highly desirable that if possible arrangements

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should be made for the Americans to undertake a part of the task.

(4) The Military Mission. As part of the assistance to be given in this way to the Italian army, a military mission would have to be set up on the dissolution of the Allied Commission. Whether this mission was an Anglo-American mission or purely British would depend to some extent on the decisions reached as to whether or not the United States took a part in the equipping of the Italian forces. It was, however, felt important that the mission should in any case be only advisory and not executive.

(5) Police Mission. Admiral Stone has pressed for the appointment of a police mission and a telegram received during the last few days from H.M. Embassy in Rome supported this proposal, which was warmly endorsed by Sir Neol Charles and Brigadier Lush. It was felt, however, that if a British mission were to be appointed considerable difficulties would be experienced in the way of finding suitable personnel, more especially as the War Office would be in the market for similar personnel for work in Germany, and such suitable persons as were available have already been selected for the Greek mission.
In these circumstances it might be better to press for the mission to be either American or provided by one of the Dominions. There were considerable political advantages in the mission being American or at all events in it not being British. It will be necessary to give the matter further thought before reaching any conclusion.

(6) Future of the Allied Commission. The Allied Commission would inevitably disappear on the conclusion of the Peace Treaty. This might not, however, happen for several months to come, and in the meantime it seemed desirable that the Allied Commission, after the handing back to the Italian Government of the rest of Italy (other than Venezia Giulia and Bolzano), should gradually shed as many of its functions as possible without waiting for the conclusion of the Peace Treaty. The Allied Commission would of necessity have to retain its responsibility for the implementation of the military clauses of the armistice until the latter was replaced by the Peace Treaty. It would seem desirable, however, that the Allied Commission's present responsibilities in the economic sphere - i.e. in respect of the import of supplies and of the general control of the economy of Italy - should be got rid of as soon as practicable. It was hoped that U.N.R.R.A. would take over the responsibility for the import of supplies in a few months' time and plans were already under consideration for the early establishment of some kind of Anglo-American economic advisory machinery to take over from the Allied Commission the latter's work regarding the control of the Italian economy. The form which this new machinery should take was about to be discussed by the A.C.A.O. - S.I.A.O. Committee. It was felt, however, that the hand-over from the Allied Commission should take place as soon as practicable.

(7) Publicity. Admiral Stone had suggested that a useful part could be played in the political education of the Italian public during the period before the elections by the maintenance throughout the country of a certain number of liaison officers from the Allied Commission. It was agreed that it would be desirable for both the British and

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[redacted] mission. Admiral Stone has pressed for the appointment of a police mission and a telegram received during the last few days from U.K. Embassy in Rome supported this proposal, which was warmly endorsed by Sir Noel Charles and Brigadier Lush. It was felt, however, that if a British mission were to be appointed considerable difficulties would be experienced in the way of finding suitable personnel, more especially as the War Office would be in the market for similar personnel for work in Germany, and such suitable persons as were available have already been selected for the Greek mission. In these circumstances it might be better to press for the mission to be either American or provided by one of the Dominions. There were considerable political advantages in the mission being American or at all events in it not being British. It will be necessary to give the matter further thought before reaching any conclusion.

(6) Future of the Allied Commission. The Allied Commission would inevitably disappear on the conclusion of the Peace Treaty. This might not, however, happen for several months to come, and in the meantime it seemed desirable that the Allied Commission, after the handing back to the Italian Government of the rest of Italy (other than Venezia Giulia and Bolzano), should gradually shed as many of its functions as possible without waiting for the conclusion of the Peace Treaty. The Allied Commission would of necessity have to retain its responsibility for the implementation of the military clauses of the armistice until the latter was replaced by the Peace Treaty. It would seem desirable, however, that the Allied Commission's present responsibilities in the economic sphere - i.e. in respect of the import of supplies and of the general control of the economy of Italy - should be got rid of as soon as practicable. It was hoped that U.N.R.R.A. would take over the responsibility for the import of supplies in a few months' time and plans were already under consideration for the early establishment of some kind of Anglo-American economic advisory machinery to take over from the Allied Commission the latter's work regarding the control of the Italian economy. The form which this new machinery should take was about to be discussed by the A.C.A.C. - S.L.A.C. Committee. It was felt, however, that the hand-over from the Allied Commission should take place as soon as practicable.

(7) Publicity. Admiral Stone had suggested that a useful part could be played in the political education of the Italian public during the period before the elections by the maintenance throughout the country of a certain number of liaison officers from the Allied Commission. It was agreed that it would be desirable for both the British and American authorities to do what they could in the publicity and propaganda direction to spread an appreciation among the Italians of "the democratic way of life", but it was thought that on the face of it this was more properly a job for the British and United States Embassies. Since, however, the Allied Commission was not likely to be brought to an end all of a sudden and since some of its duties would continue until the conclusion of the Peace Treaty, no doubt some of their officers would have in any case to remain in various parts of Italy and would be able by their presence to exert a useful influence from the publicity point of view.

(8) The Peace Treaty. It was agreed that it was very desirable to press on with the early conclusion of a peace treaty. Both Sir Noel Charles and Brigadier Lush emphasised the importance which the Italian people

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attached from the psychological point of view to the Italian fleet. To have to surrender a very large part of the fleet in the Peace Treaty would therefore be very unwelcome to the Italian people. Brigadier Lush also suggested the desirability of including in the Treaty some definite statement promising Italy Allied support in the matter of supplies and more particularly of coal. It was felt, however, that to include any commitment on so definite lines would be both inappropriate and inadvisable.

(8) Coal. The necessity of helping Italy to obtain as large supplies of coal as possible during the coming winter was emphasised by Sir Noel Charles and Brigadier Lush. They were assured that the authorities in London were fully alive to the point and that the question of how best to provide for the presentation of Italian claims before the European Coal Organisation was now under consideration.

FOREIGN OFFICE.

9th July, 1945.

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FOREIGN OFFICE.

9th July, 1945.

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CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

Ref: A/1 S/CA. 17 Jul 45

JUL 14 1945

SUBJECT: Future of Civil Affairs Section.

TO: Executive Commissioner.

1 This seems an appropriate moment to consider the future of the Civil Affairs Section and its dependant Sub-Commissions after the termination of Allied Military Government in the North.

2 For the purpose of making this appreciation it is obviously necessary to make certain assumptions although it is fully realised that many of them are matters still of lively discussion.

It is assumed:

(a) That AMG will terminate in all Italy including BOLZANO, and UDINE, NAPLES, ANCONA and LIVORNO on the 1 Sep 45 but always excepting VENEZIA GIULIA.

(b) That on the termination of AMG all Regional and Provincial Commissioners and their staffs will be withdrawn from the field, leaving only a few Liaison Officers with Military Headquarters.

(c) That AMG VENEZIA GIULIA will be re-inforced by the best available team of experts and that it will be virtually independent, except for matters of top policy, of this Commission.

(d) That the functions of Displaced Persons Sub-Commission will be taken over by UNRRA, the target date being 1 Oct 45.

(e) That the Commission will ultimately split into U.S. and U.K. Missions, responsible direct to their own Governments, the target date being 1 Oct 45, but in fact this final phase is unlikely to be reached until much later in the year.

3 The object to be attained, therefore, is so to plan the future of the Commission that when the final phase is reached, all non-essential functions have been eliminated and surviving functions are in a position to be split easily and painlessly into a U.S. and U.K. Mission.

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At this stage, too, other arrangements must be made for any enclave remaining under A.M.G. for the administration of such areas cannot be the responsibility of Missions such as are contemplated in 2(e).

4 I should make it clear that I am not considering in this appreciation any detailed points concerning the period of turnover to the Italian Government. When I recommend the abolition of a Sub-Commission on the termination of A.M.G. it is recognised that it may be desirable to keep this Sub-Commission in being for a period up to one month thereafter. This applies especially to Public Health, Mine Clearance and Public Safety.

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5 It is proposed to deal with the Sub-Commissions one by one:

(a) DISPLACED PERSONS & REPATRIATION SUB-COMMISSION

This Sub-Commission is in a special category. It alone will continue operations of an executive character in the field until it is absorbed by UNRRA. It is extremely improbable that such absorbtion can take place as early as the target date, and in my opinion, the Sub-Commission must remain in being until all refugee movement has ceased and the functions of the Sub-Commission are confined to the running of Displaced Persons Camps. Furthermore it must be bourne in mind that UNRRA is reluctant to take over camps for dissident nationals who present a semi-permanent problem. It is hoped that the movement of refugees will be completed well before the end of October but it is not possible at the moment to make any close estimate. In my opinion, therefore, we must envisage the continuance of this Sub-Commission in operation for some months to come.

The operations of this Sub-Commission are, however, quite independent of the remaining Sub-Commissions of this Section and I see no useful purpose in its continuance in this Section. I recommend that on the termination of AMG, the Sub-Commission be taken out of the Section and placed directly under the Executive Commissioner and that the I.P.W. Branch of the I.P.W. & D.M.D. Sub-Commission be amalgamated therewith.

(b) EDUCATION SUB-COMMISSION

This Sub-Commission should be abolished, in accordance with FAW 407 on the termination of AMG. Nor does it seem to me necessary to maintain any Education Advisers.

(c) LEGAL SUB-COMMISSION

On the termination of AMG the Judicial Branch of the S/C can be closed provided all powers in connection with review of cases be delegated, as I recommend they should, to Legal Officers on the staff of the SCAO, XIII Corps. It will also be necessary for the Corps Commander XIII Corps to be given the power to confirm death sentences.

Apart from the foregoing, it will be necessary to retain a small staff to advise the Economic Section on Italian decrees and generally to advise the Chief Commissioner on Legal points which arise from time to time. This may be particularly important with regard to the Constituente and similar matters. The personnel of such staff must be arranged so as to split easily into U.K. and U.S. Missions.

(d) LOCAL GOVERNMENT SUB-COMMISSION

If the letter of FAW 407 is to be followed, of course this Sub-Commission should be abolished at the termination of AMG, but the

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functions of the Sub-Commission are confined to the running of Displaced Persons Camps. Furthermore it must be bourne in mind that UNRRA is reluctant to take over camps for dissident nationals who present a semi-permanent problem. It is hoped that the movement of refugees will be completed well before the end of October but it is not possible at the moment to make any close estimate. In my opinion, therefore, we must envisage the continuance of this Sub-Commission in operation for some months to come.

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(d) LOCAL GOVERNMENT SUB-COMMISSION

If the letter of PAO 467 is to be followed, of course this Sub-Commission should be abolished at the termination of AMG, but the attitude of the Allied Governments has recently changed and I believe they and the Chief Commissioner will want frequent advice on such matters as local and national elections, the proposals of the Government with regard to the Costituente, and so on and it will be necessary to retain this Sub-Commission in being unless it be decided that the Embassies should handle these matters. However, the Sub-Commission should confine its activities to matters at Governmental level and should not attempt to supervise the appointment of prefects or the preparation of electoral lists after the termination of AMG - first because this must be entirely an Italian responsibility, and secondly, because the small staff (5) of this S/C would make such supervision over the wide areas of the North quite impossible after P.Os. have

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been withdrawn. When the final phase is reached this Sub-Commission can be split into US and UK elements without difficulty, if it should be desired to retain advisers on Local Government.

(e) MONUMENTS, FINE ARTS & ARCHIVES, SUB-COMMISSION

This Sub-Commission may be wound up on or before the termination of AMG and I am advised that all its activities in the field will be completed before that date. It may be desirable while there is likelihood of Italian treasures being found in Germany and Austria, to retain at Headquarters one U.K. and U.S. Monuments & Fine Arts Adviser.

(f) PATRIOTS BRANCH

There is ev ery indication that this Branch can be wound up before the end of AMG. Certainly it will be unnecessary to continue it for any time thereafter.

(g) PUBLIC HEALTH SUB-COMMISSION

With the termination of AMG, I am of opinion that the true functions of this Sub-Commission at Headquarters come to an end. Arrangements are being made with the Italian Government for handling medical supplies from ships' side. If the continued presence of Allied troops in any areas leads to a demand for the existence of a flying squad of public health personnel to deal with civilian epidemics, such a squad could be formed from A.C. personnel but should come directly under A.F.H.Q.

(h) PUBLIC SAFETY SUB-COMMISSION

The continued existence of this Sub-Commission will, I think, be necessary for some time, although its personnel will have been withdrawn from the field. It has been our experience in the South that the Liaison Officers remaining in the field are principally concerned with questions of Public Safety and it will be necessary for this Commission to retain a staff at this Headquarters to deal with these matters by way of advice. Furthermore, there is a very important field of activities which I think ought not, for the time being, to be surrendered namely the provision of better clothing and equipment for the Carabinieri and police forces generally. While the Italian Army remains under the control of M.M.I.A. it would be disastrous if the Public Safety Sub-Commission were abolished. I think, therefore, the continued existence of this Sub-Commission until the final phase or the arrival of an Allied Police Mission is essential.

(i) EVACUATION

The Civil Affairs Section handles Evacuation but

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removal of Italian treasures being found in Germany and Austria, to retain at Headquarters one U.K. and U.S. Monuments & Fine Arts Adviser.

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There is every indication that this Branch can be wound up before the end of A.M.G. Certainly it will be unnecessary to continue it for any time thereafter.

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(i) EPURATION

The Civil Affairs Section handles Epuration but I recommend this function should come to an end on the termination of A.M.G. and that the matter should be left entirely to the Italian Government.

(j) MINE CLEARANCE

C.A. Section is also concerned with Mine Clearance but this also is an activity which should be left entirely to the Italian Government on the termination of A.M.G.

It must be bourne in mind, however, that if 10,000 German surrendered personnel are made available for mine clearance work, this Commission has proposed that AFHQ should supply some 400 Allied Officers and [illegible] to supervise the guarding of this personnel. It must be made quite clear that the administration such Allied personnel is an AFHQ responsibility.

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(c) CIVIL AFFAIRS SECTION

In my opinion, until at least the end of September, there is a continued need for a Senior Officer to act as Head of the Section as a whole. Many difficult points will arise in connection with the winding up of affairs on the termination of AMG which, as I have pointed out above, must be conducted slowly and carefully and I think this requires a Head of a Section to make decisions rather than an additional Staff Officer.

After that time it may be desireble to abolish the Section as such and to put the Sub-Commissions then remaining (Legal, Local Government (if policy demands its continued existence) and Public Safety) directly under the Executive Commissioner with an increase in his staff to co-ordinate their activities.

6 I think a much more difficult problem will arise if it is decided to keep VENEZIA GIULIA, UDINE, BOLZANO and possibly even NAPLES, under AMG and direct control from this Headquarters. It will then be essential to maintain a skeleton organisation of most Sub-Commissions in being to deal withthe day to day problems that arise.

I do not, however, propose to consider how the Section could then be re-organised but I draw it to your attention as the maintenance of these areas under AMG must make a fundamental difference to the re-organisation not only of this Section but of the Commission as a whole.

G.R. Lyon

G.R. LYON, Brig.,
VP CA Section.

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G.R. UPJOHN, Brig.,
VP CA Section.

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HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

15th July 1945.

MEMORANDUM

To: C.A.C.
A.F.H.Q.

THE FUTURE OF ITALY.

What has happened to the Chief Commissioner's paper of June 23rd? It is known that Field-Marshal Alexander took a copy to London and sent it with his concurrence to the Foreign Office. D.C.A. and F.H.Q. were handed copies by the Executive Commissioner, Allied Commission, and it is hoped that Brigadier-General Spofford has taken copies back to Washington. But it was hoped and might reasonably have been expected that A.F.H.Q. would forward it, with comment, to C.C.S. at once.

2. Whatever may be the reception of the paper it is necessary to make decisions, if only provisional, for the future of the Allied Commission and its 1,300 officers after the turn over to the Italian Government which will take place on September 1st.

3. It is estimated that the winding up of the Regions will take approximately one month. Provincial Commissioners with their civil affairs and police staffs will be withdrawn to Regional ~~Commissioners~~ Headquarters on September 1st. But the Allied Commission will have to continue until October 1st in nearly full operation and, if to be liquidated, will take until November 1st or even later to dissolve. This fits in pretty well with the life of A.F.H.Q. predicted by Seamed at four months. The Chief Commissioner must be brought fully into the picture in redeployment plans.

4. Plans will be made for the retention of certain Liaison officers in the north similar to those in Bari, Catania and Palermo and for economic advisory staff which will probably be concentrated in Milan. Transportation officers will presumably be needed.

The remainder of the Allied officers will be at the disposal of the War Office and War Department for service in other theatres unless it is decided to retain a number to assist with elections. This depends to a certain extent on the number of troops retained.

5. Although London was averse to the Police Mission it is essential that we should press for this. Public order is at a low ebb and unless the Police Forces are reorganised will deteriorate. Admiral Stone agrees with the undesirability of an American Police Mission (recommended by London). We should try

TAKEN BY HAND OF EX. COM TO AFHQ ON 16 JUL 45

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the Dominions and could, I am sure, obtain the right type from Canada or South Africa.

6. It is essential that the recommendations made in the Chief Commissioner's paper 8251/180/EC of 7th June for the interim Italian Army be approved this month and that the whole of the 140,000 be handed over to the Italian Government on September 1st. Thenceforth the Italian Government should have complete control of the Italian Army for Italy (excluding service units now working for the United States and British authorities). Without an army the Italian Government cannot govern. New directions should be issued as to relations between District and Area Commanders and the Italian Army. We must avoid repetition of the Bari incident and the move of the Garibaldi Division against the wishes of the Italian Government.

7. Pressure must be brought on Political Advisers and Embassies to expedite the organisation of M.O.I., British Council and U.S.I.S., in order that there may be no hiatus between removal of A.M.G., and continuation of British and U.S. organisations for spreading democratic ideas. At present none of these organisations is prepared to function fully - the British are far behind the Americans.

8. The Economic Section of the Allied Commission has been asked to prepare a plan showing its future organisation and functions after October 1st, assuming (a) that U.N.R.R.A. will thereafter be responsible for procurement and distribution of disease and unrest supplies; (b) that the Allied Commission continues or is superseded by an Allied Mission.

Personally I foresee the possibility of a large reduction in staff and I hope that the necessity for this will be borne in mind in future discussions on Advisory Boards, etc.

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HEADQUARTERS ALLIED COMMISSION

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Office of the Executive Commissioner

Confidential

MEMORANDUM

TO : Chief Commissioner. 12 July 1946.

1. The following points have emerged as a result of my visit to London and meeting there with SACMED, the War Office, Sir Noel Charles, the Foreign Office, Ministry of Production, SLAO, British Council and Sir Desmond Morton.

2. Your paper CC 1001 of 23 June is generally accepted as defining the problems of Italy clearly and accurately. It is the policy of H.M.G. to preserve Italy as a bastion of democracy in the Mediterranean area, but the recommendations made in paras 7 - 13 are not accepted in toto.

3. The recommendation for an interim agreement is unacceptable because it is H.M.G's policy to press for a Treaty of Peace with Italy at a very early date. The draft treaty is already before the Cabinet and if approved will be submitted to the U.S. Government and the Governments of the Allied Nations. Although Foreign Office are optimistic on an early termination of these negotiations, the general feeling is that they cannot be signed until the end of the year. The Foreign Office draft of the treaty does not follow your recommendation that terms should be non punitive. Italy, for instance, will be obliged "to renounce her Colonies to the United Nations" and there is no mention of any subsequent mandatory powers being given to her over any one of them, although that may be the intention. The military terms follow your recommendation with regard to the Army, but permit a far smaller Navy, including probably only two battleships. One of the reasons for this is that Russia, Greece and Yugoslavia claim and will probably be allowed to take over part of the existing fleet. These military terms are for a period of five years, after which Italy presumably will be allowed to expand her armed forces if she finds it possible to do so.

4. I found universal and strong opposition against the establishment of a Police Mission, firstly, because of unwillingness to accept responsibility for law and order, and, secondly, because of lack of manpower. I pressed the point that this Mission would be advisory only, and recommended that if manpower is unavailable from U.K. that it should be found from the Dominions. I feel that this should be followed up.

5. The Allied deployment plans will not allow retention of five divisions in Italy and it is probable that by the early part of 1946 there will be no Allied troops in Italy except two divisions in Venezia Giulia unless it is decided to keep part of the strategic force for Europe in Italy. Sir Desmond Morton has also recommended that Italy should be used as a training ground for U.S. troops en route for the Pacific.

6. The importance of Free Elections in Italy is fully recognised. The difficulty or perhaps impossibility of arranging for the National Elections to take place before the Spring is not fully realised in spite of your telegram 1266 of 5 July. Instructions will be given to H.M. Ambassador [redacted] bring the strongest pressure on the Italian Government to arrange for the National Elections

/to be held ...

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to be held this year. The U.S. Government will be asked to give similar instructions to the U.S. Ambassador in Rome. If the Italian Government find it impossible to do this, the responsibility will then be Italian and not Allied.

7. It was stated by the Foreign Office that it would be impossible to include in the treaty any assurances of economic help although such might be given by other means. It was considered quite impossible to promise any quota of coal.

8. I was told that the recommendation on the educative side would have to be met by British Council, U.S.I.S. and the Press Attaches to the Embassies. I pointed out that the British Council at any rate was not at present in a fit state to undertake these responsibilities and asked that urgent steps should be taken to correct this.

9. On the economic side the policy would be to hand over to UNRRA all procurement and distribution of food and raw materials on 1 October. I pointed out that this would mean an alteration of the charter, which cannot be done until 16 August, when UNRRA Council meets and that even if this is agreed it is most unlikely that UNRRA will be ready on the ground by 1 October. It is assumed in London that a number of the A.C. staff will be taken over by UNRRA in order to make it capable of fulfilling its duties. The economic side is dealt with in the attached note by the Ministry of Production. It is not intended to form a Combined Mission but to wind up the Economic Section and to establish U.S. and U.K. civilian Economic Missions in Italy to be attached to the Embassies and to advise the Italian Government on economic affairs.

10. The general policy involves the winding up of the Allied Commission in every respect as soon as Military Government ceases and UNRRA takes over. It is accepted that the Military Missions must remain but the establishment of an Allied Mission for Coordination was not regarded with favour.

11. I do not think that we need regard the conclusions which I have come to above too tragically at the moment until we hear the policy adopted at the meeting of the President, the Prime Minister and Stalin in Berlin, particularly as we know that SACMED agrees with the bulk of the recommendations made in your paper.

Brigadier,
Executive Commissioner.

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OUTWARD TELEGRAM

Confidential

VR 2020
(CIPHER)

SPECIAL (ECONOMIC SUPPLY AND RELIEF)

FROM FOREIGN OFFICE TO WASHINGTON.

No. 6968. D. 7.45 p.m. 30th June, 1945.

30th June, 1945.

IMMEDIATE

CONFIDENTIAL

Your telegrams 3806 and related telegrams on the finance of relief.

The Chancellor of the Exchequer has now been able to review this question in the light of your telegrams and of the additional information which Harris brought and has decided that we should go forward on the basis which was discussed with Harris when he was here. You should therefore make the following points to the United States Government.

(1) We think that steps should be taken to get UNRRA to assume responsibility for the import of civil supplies to Italy at the earliest possible date. We should also like UNRRA to take a similar responsibility in Austria although we agree that it is premature to proceed with this at present.

(2) We agree that a further general contribution to UNRRA will be needed and that if the Council is to authorise UNRRA's taking on full responsibility in Italy a statement about the availability of further money will have to be made at the next Council meeting.

(3) We consider that, in view of the difficulty of estimating now the rate at which supplies can be absorbed by the non-paying countries and the needs of such countries in 1946, it would be best to limit our horizon now to a general contribution of 1,000 million dollars. This would adequately cover the needs of the non-paying countries in Europe. When we can see the needs of the non-European countries more clearly we can judge how much they will need and in what form it should be provided. We do not rule out in principle a further contribution in order to provide more adequately for non-European countries but we should have to judge our capacity with our liabilities for our own liberated territories well in mind.

(4) We think that it should be made clear that the contributing countries cannot be expected to go on subsidising the non-paying countries through UNRRA once the first post-liberation emergency is over. Moreover several of the non-paying countries will not make any real effort towards self-reliance while they believe that the widow's cruse of UNRRA is regularly filled.

We believe therefore that the Director General should be requested to state at the next Council that he is taking certain dates as target dates for the closing down of his activities in the various European countries in which he is operating. We suggest that these dates should be 30th June 1946 for Czechoslovakia, Yugoslavia and Albania, 31st December for Poland and Greece, and one year after the assumption of responsibility in Italy. For the purposes of a general statement to be made in

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/August ....

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Agreed, however, it might perhaps be better to avoid any acceptation of discrimination by referring to 30th June [illegible] as a target for all countries though it should be made clear that exceptions may be necessary. Harris will remember that we were doubtful whether the programme of shipments during the rest of this year was well distributed among the recipient countries, especially as regards rehabilitation supplies. Yugoslavia is due to receive probably more than she can absorb and Poland less. It would be wise for UNRRA to consider some redistribution of the totals before the figures are made public. Such redistribution would not in our opinion make the supplies inadequate in relation to needs and absorbing capacity of any recipient.

(5) We believe that some stage before the end of this present year the principal contributing countries should meet with UNRRA Representatives to review the financial position of UNRRA once more in order to see how far the existing estimates of the rate of absorption of supplies have been realised and in the light of experience to determine more precisely than is now possible both the duration and scale of the programmes of operations to which UNRRA should work in the various countries.

(6) We are prepared to contribute our share to the new general contribution to UNRRA. As the State Department and United States Treasury know, however, our general exchange position is such that every time we agree to give free supplies or services to another country we are indirectly borrowing the means to do so from someone else. For these reasons we cannot subscribe as large a proportion of the new contribution as we did of the first. In view of our continued expenditure in Italy beyond the £400 million limit and the other rather similar calls such as the cost of maintaining Polish refugees outside UNRRA (which at present falls entirely upon us) we should have liked to restrict our contribution to £100 million but we recognise that this might make it difficult to secure sufficient money from the Americans and Canadians. We think that the furthest we can go to is 15%, i.e. to the equivalent of £150 million and you should therefore inform the Americans and Canadians that this is what we are prepared to do if they agree to go with us for a contribution of £1,000 million.

(7) We realise that there must be some hiatus before UNRRA can take over financial responsibility for supplies to Italy. We consider that during this period the present programming procedure should be continued. As regards procurement responsibility we can accept for this period responsibility for supplies from the United Kingdom, British Colonies and for South African coal. You should accept the American offer to take responsibility in South America.

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THE FUTURE ANGLO-AMERICAN ECONOMIC SET UP IN ITALY.

Note by the Ministry of Production.

1. Now that the war in Europe is over and the military authorities in the United States and the United Kingdom are turning their minds to the demobilisation of Combined Commands and all their attendant organisations in the European and Mediterranean theatres of war it is appropriate to give some thought both to the time and to the scope of the changes in the handling of economic affairs in Italy which will be necessitated by the withdrawal of the combined military control.

2. At present Second reporting to C.C.S. in Washington is the ultimate authority governing all Italian economic affairs in the parts of Italy not already handed back to the Italian Government and in those parts that have been handed back Second still retains an advisory function. These controlling and advisory functions are discharged by Second working through the Allied Military Government and the Allied Commission in Rome and the whole forms a fully integrated Anglo-American organisation directed ultimately by the C.C.S. in Washington.

3. Our ultimate aim must be to hand back complete and full control of Italian economic affairs to the Italian Government by removing all vestige of direct Allied interference. This can only be realised after the conclusion of peace with Italy and it is therefore to be hoped that the preparation of a treaty of peace, both in London and Washington, will be pressed forward as much as possible; it cannot, however, be completed for many months to come.

4. So far, however, as economic affairs are concerned, it is suggested that the present military set up of Second/AMG/AC need not be retained right through the intervening period.

5. For reasons of general policy AMG is likely to be wound up in all parts of Italy, except Venezia Giulia, Bolzano and the small Mediterranean Islands, by September 1st. When AMG control ceases (with the above-mentioned exceptions) the Allied Commission will retain two main functions on the civil side:-

(a) Preparation and supervision of the basic (extended Lisbon and current) programme A of supplies for Italy. (The preparation and supervision of the Italian rehabilitation programme - the so-called programme B - has already passed to the Italian Government under the Canadian New Deal).

(b) Advice to the Italian Government in the field of rehabilitation of industry, public works and agriculture, food control, foreign trades, public health, displaced persons, and so on, as well as on the preparation of programme B.

It is clear that (a) must be carried on by the Economic Section of the Allied Commission until some other authority has assumed responsibility. There is no reason, on the other hand, why the Economic Section of the Allied Commission should be kept in being for the sake of its share of the functions listed under (b).

6. It is understood that the United States Government, the Canadian Government, and U.N.R.R.A. fully intend to propose at the next United Council meeting in London in

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August that responsibility for provinces A should be undertaken by UNRRA. It is hoped that this change will be approved and can take place by [illegible] last date, the authorities of the Allied Commission in this country should cease.

7. An international organisation like UNRRA, however, could hardly assume responsibility for giving the Italian Government the kind of advice on economic matters involving essentially Italian reconstruction indicated under (b) in paragraph 5 above. The need for such advice will, as a matter of fact, be very greatly diminished once the new Italian Government has begun to get into its stride and it will be quite unnecessary for a large combined Anglo-U.S. body to be retained for this purpose alone, whether in the Allied Commission or elsewhere. The functions now performed by the Allied Commission in this respect could well be transferred to small bodies of U.S. and U.K. civilian representatives working through their respective Ambassadors.

8. While either or both the U.S. and U.K. retain a military commander in Italy the two countries' economic representatives would be responsible for keeping him informed of economic developments.

9. It is not considered necessary or desirable for these Anglo-U.S. civilian representatives to be co-ordinated together into a Combined Mission. Any necessary coordination between them could be attained by means of joint working groups on particular problems. Similarly their contact with the Italian Government and/or with the UNRRA mission in Italy could be attained by regular joint meetings.

10. It is understood that the American Government has already laid plans for strengthening the economic side of its Embassy in Rome in the expectation that some arrangement on the above lines will shortly supersede the Economic Section of the Allied Commission in Italy. It is suggested that H.M.G. should lose no time in working out similar plans and that as a start steps should be taken to appoint a high level expert to head the British team. He should be responsible to, and receive his instructions from, S.A.C.M.E.D., and he and his team should be attached to the Embassy and be under the general direction of the Ambassador while in Italy. At first he should be provided with a nucleus staff only. Any increase in strength which should ultimately prove to be necessary could be provided either by extra permanent appointments, if possible from the personnel now with the A.C., or by the temporary attachment of experts in particular subjects. This staff under the Economic Adviser would be parallel to, but independent of, the staff under the Minister Commercial which would deal as heretofore, with questions of import and export trade and other more purely commercial problems including the longer term objective of the full restoration of private trade.

11. It is therefore recommended that Ministers should be invited to consider whether:-

(a) The Economic Section of the Allied Commission can be wound up at the time when UNRRA takes over;

(b) Immediate steps should be taken to discuss with the U.S. Government the appointment of U.S. and U.K. civilian economic missions in Italy to advise the Italian Government on economic and reconstruction problems as in 5 (b) above.

(c) As soon as possible, and without awaiting the results of the conversations in (b), steps should be taken to designate a high level expert to head the British team.

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HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION.

23 June 1945.

TO : The Executive Commissioner.

You may be interested in the following extract from a letter dated 20 June addressed to me by Colonel H. G. Crawshaw who is now in London:-

"The main trouble is that no one is the least interested in Italy, either Speed, Key or Wade. It is with the greatest difficulty they can be persuaded to devote five minutes to it and they adopt the attitude that the whole thing doesn't really matter a damn. Wade seemed quite surprised to hear that the Finance Sub-Commission still had any work to do. I gather that the new directive will be out very soon and that it should go a long way towards putting us out of business. Also the Allied Commission is to pull right out of anything to do with exports and TAM 456 is to be abolished. My lower level contacts in the War Office inform me that they are going to take a strong line over closing down the Allied Commission, which they hope to do with the minimum delay."

A P Gradwell Anderson

Brigadier,
Joint Director,
FINANCE SUB-COMMISSION.

Copy : Brigadier Anderson.

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HEADQUARTERS ALLIED CONTROL
Office of the Chief Commissioner
APO 394

CC 1001

23 June 1945.

SUBJECT: Future Policy Toward Italy.

TO : Supreme Allied Commander, Mediterranean Theater.

1. Italy is at the parting of the ways. Defeated in 1943, she has been fought over and occupied by Allies or Germans for two years; she has suffered civil war in the North where partisans have fought Fascists, and Republican troops have been in battle against the new Italian Army. She is split into eight conflicting political parties with membership of less than 10 per cent of the population and no outstanding leader has come to the fore; she has had five Governments since September 1943; a million of her men have been in exile either as slave labor or as prisoners of war; more than half a million of her people have suffered dislocation of home; her financial position is precarious; her economy has been totally disrupted; she has no merchant fleet and few foreign markets; without coal and raw materials she faces unemployment amounting to several millions; the country is full of arms illegally held. Like other European countries devastated by the war, the ground in Italy is fertile for the rapid growth of the seeds of an anarchical movement fostered by Moscow to bring Italy within the sphere of Russian influence. Already there are signs that, if present conditions long continue, Communism will triumph -- possibly by force.

2. Communistic growth cannot be blocked by restrictive or repressive measures. Since the conditions which engender it are

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4. Communistic growth cannot be blocked by restrictive or repressive measures. Since the conditions which engender it are both material and moral, the only hope of restraining it in Italy is to ameliorate those conditions -- to assist Italy economically, and to lift her morale by admitting her to a position of respectability in the family of nations.

5. It can be argued that the expiation of Italy's crime of 1940 must rightly be prolonged. Indeed, her defeat and the course of events since 1943 have tended to ensure that. Circumstances, if

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not the will of the United Nations, will see to it that she will not revert again to the artificial position of a great power which Mussolini's regime achieved. But already her people have shown, by their profession and acts of co-belligerency with the Allies, not only in the armed forces of the post-Armistice Italian Government, but among the Partisans in the North, that they are willing to abandon totalitarianism and fight for the same freedoms as the Allies who liberated them. The great majority of Italians desire to see a democratic Italy. They will only permit Communism to take hold because of fear -- since that party is the best organized and best armed in the country -- or because of apathy arising from a generation of non-participation in democratic political life, the shock of defeat, and the results of privation. Their efforts to attain democracy may be ineffective compared with others: they may appear self centered, and, like many liberated peoples, show scant gratitude to their liberators. But unless they receive help and guidance from the democracies, particularly the United States and the United Kingdom, they will inevitably turn to the USSR and join the group of "police" states, united by Communism, which is extending westward from Russia.

4. It is in the material interests of the United States and Great Britain to prevent this. Nor can the historical and moral issues be disregarded. American and British influence, military, political and economic, have been predominant in Italy for nearly two years. They have brought freedom from the common enemy; they have assured freedom from hunger; they have not yet provided freedom from fear. Posterity would judge harshly if the endeavors of the great democratic states were to result in the institution of

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5. An expression of positive policy towards Italy by the US and UK Governments is necessary. The policy should be one which,

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by restoring confidence in herself and in the Allies, will enable Italy towards recovery as a healthy nation politically and economically. Moreover, it is in the interests of the Allies to make use of Italy. She is geographically important in any strategic plans for regional security in the Mediterranean. She owned a naval fleet (which still exists) which, if properly employed, would be an important addition to regional security. She has a small army which, reorganized under Allied guidance, has won merit and would improve greatly under further Allied help. The industries in Northern Italy lack only raw materials and coal to be employed immediately for Allied war production and to supplement in the Mediterranean the commodities necessary for the clothing and rehabilitation of Europe.

6. But a change in relationship between the three nations must be effected. Having "worked her passage", Italy must be allowed to emerge from defeat through co-belligerency to the position of an active partner, however lowly, in the maintenance of post-war security. If she is to serve as a bastion of democracy in Southern Europe, such a recovery is essential nor must be discouraged.

7. The implementation of this policy would require certain positive steps, assurances, and conditions. These might be included in the agreement between the Allies and Italy which would formally terminate the state of hostilities and replace the Terms of Surrender as a prelude to her joining the United Nations now or in the very near future. The agreement might include, among others, the following provisions:

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(a) Italy to regain control of her naval fleet for employment under any regional security scheme which might be evolved for the Mediterranean.

The fleet consists of 5 battleships, 9 cruisers, 11 fleet destroyers, 10 small craft and 68 submarines. 5382

Two of the battleships are now in the Bitter Lakes.

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three in Taranto. It is estimated that it would cost five hundred million lire each to make them fit for service. 13 Submarines are in Allied operations overseas. It would require a Navy of 50,000 to maintain the fleet without the battleships, and of 75,000 with them. Even having regard to the comparative ineffectiveness of the fleet, its physical presence would be an assurance towards regional security. But its retention would be a major contribution to Italian morale.

(b) The Italian Army to be maintained at a reasonable strength (say 200,000 or 250,000 men).

In my memorandum 8251/180/EC of 7 June 1945 I have suggested the maintenance of the Italian Army at an interim strength of 140,000 men consisting of five combat groups and one reserve regiment (50,000), three internal security divisions for Sicily and Sardinia, and one internal security brigade for each of ten military regions (40,000), with the remainder to be control and administrative units. In addition, the present strength of 65,000 men of the Royal Carabinieri should be maintained. Such a strength would suffice so long as Allied troops, mentioned in subpara (f) below, remained, but should be increased as these are withdrawn.

(c) The Italian Air Force to be maintained at a token strength, or at present strength.

It is presumed that no military air force will be main-

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(c) The Italian Air Force to be maintained at a token strength, or at present strength.

It is presumed that no military air force will be maintained but it is suggested that sufficient aircraft be allocated to the Navy and Army for reconnaissance and spotting purposes. If, however, it were considered possible to permit an air force, then it is recommended that it be maintained at its present strength. Roster-

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ation of civil air transport domestically and in the Mediterranean should be encouraged.

(d) To enable her to fill her role as a "junior partner" in the maintenance of Mediterranean security, the Allies would agree to furnish a military mission to assist in the training and organization of the Italian land, sea, and air forces, similar to the pre-war military and naval missions provided by the United States for certain South American republics.

(e) Similarly, an Allied Police Mission to assist the Italian Government in the reorganization and training of the Police Forces of Italy could be offered.

The introduction of an Allied Police Mission of high quality is essential. Although in two years of occupation the Allies have been compelled to employ the existing Italian Police Forces, they still lack the confidence of themselves, the public, or the Allies. With the difficulties of military occupation it may not have been possible to achieve this. It is essential, however, that immediate steps be taken to overhaul and possibly reconstitute the whole of the public security agencies in Italy, based on democratic principles.

(f) The retention in Italy of an Allied Military Force of five Divisions (excluding Allied Forces in VENEZIA GIULIA) until such time as revitalized Italian civil and military

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(f) The retention in Italy of an Allied Military Force of five Divisions (excluding Allied Forces in VENEZIA GIULIA) until such time as revitalized Italian civil and military services were in a position to ensure democratic security in Italy.

The role of the Allied troops at all times would be as representatives of the democracies and it would be necessary to arrange for special instruction and even training to this end. Intervention in Italian affairs

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except in the gravest emergency would be avoided and the greatest care would be taken in the handling of such administrative problems as accommodation and requisitioning. The troops would be not so much forces of occupation in a defeated country but forces of assistance provided by the Allies in order to give confidence to the population and the Government: to strengthen merely by their presence the authority of the Italian machinery of law and order (but only in exceptional cases to supplant it) and to be used in a last resort to prevent the imposition of undemocratic methods by force.

(g) The establishment of an Allied economic organization (joint or separate) to assist Italy in correcting the basic defects of her former economy, in the procurement of raw materials and the rehabilitation of her commerce and industry; and

(h) The provision of an annual quota of coal sufficient to enable Italian industry to function.

A prerequisite for a healthy Italy is the immediate provision of sufficient coal and raw materials to maintain a modicum of the industries of Italy at work and to prevent unemployment on such a vast scale that it must lead to disorder. Provision of raw materials and coal must be assured and equally the retention of an Allied economic organization (or separate U.S. and British missions) to ensure procurement and to advise

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of assistance provided by the Allies in order to give confidence to the population and the Government: to strengthen merely by their presence the authority of the Italian machinery of law and order (but only in exceptional cases to supplant it) and to be used in a last resort to prevent the imposition of undemocratic methods by force.

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A prerequisite for a healthy Italy is the immediate provision of sufficient coal and raw materials to maintain a modicum of the industries of Italy at work and to prevent unemployment on such a vast scale that it must lead to disorder. Provision of raw materials and coal must be assured and equally the retention of an Allied economic organization (or separate U.S. and British missions) to ensure procurement and to advise the Italian Government on the proper use and distribution of such imports is essential. It would contain, of course, a financial section. Some such body as NAIKS or MEDC is envisaged with strong Italian representation dependent from the Allied Commission, or

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its successor. Alternatively, separate U.S. and U.K. economic missions deriving from the Embassies or the Governments could be provided. The economic problems of post-war Italy are immense and unless Allied assistance by means of imports and guidance is provided, all other measures to preserve the country may be discounted.

(i) The reassurance of credits in the U.S. and an increase in credits in the U.K. The latter might well take the form of financial assistance with regard to the import of coal.

(j) The replacement of the Allied Commission by a small Allied Mission to coordinate (d) to (h) above and to function as advisers to the Italian Government.

(k) Arrangements with respect to the Italian colonies to be considered with due regard to the interests of the inhabitants and to the assistance given by Italy as a co-belligerent and in no punitive sense.

Little perhaps can be said for the return of any of her colonies to Italy. But if she were to achieve the position of an active partner in regional security in the Mediterranean then it might be possible to allow her, under the same regional agreement, to administer the colony of Tripolitania. She might also be permitted to be represented on any international body set up to administer Eritrea and Italian Somaliland.

9. The first and last of these suggested conditions are of course the assurances that would create most satisfaction in Italy

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9. The first and last of these suggested conditions are of course the assurances that would create most satisfaction in Italy and restore the self respect of her people.

10. A further safeguard to preserve Italy among the free nations of democracy, and indeed a duty of the Allies, is the education of the minds of the Italians towards a democratic way of life. Not enough has been done in this direction. We have established freedom

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of speech and of the press -- but freedom without the self-imposed restraints of a democratically educated nation tends to become license. We have done much in the schools and universities. But the people, the Government, and the local authorities, after 20 years of Fascism, need advice on the interpretation of democracy. We cannot expect, nor should we try, to impose Anglo-American methods on a Latin country; but in the field of national and local government, of justice and police methods, of agriculture and labor, of electoral systems and social welfare, the Allies still have much to teach and the Italians much to learn. If the Italians are to become partners with the Allies they must be prepared to assimilate their national characteristics with the principles of democracy and take advice from the two democratic powers who are willing to help them materially.

11. Much can be done in this way by institutions such as the British Council, the interchange of American cultural representatives, and by sympathetic treatment of Italian problems in the Allied press. The Military Mission and the Police Mission would represent direct forms of advice. The Allied Mission referred to in subpara 7(j) should contain a very small number of highly qualified men who, without semblance of control, would be accepted by the Italian Government and act to them as advisors in their task of setting up a democratic form of administration. Such men might be supplemented by special missions to advise on especial problems.

12. The Allied Commission, therefore, should be succeeded by an Allied Mission for the following purposes: Except in VENEZIA GIULIA, and possibly in the Southern Tyrolean provinces, Allied mil-

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not expect, nor should we try, to impose Anglo-American methods on a Latin country; but in the field of national and local government, of justice and police methods, of agriculture and labor, of electoral systems and social welfare, the Allies still have much to teach and the Italians much to learn. If the Italians are to become partners with the Allies they must be prepared to assimilate their national characteristics with the principles of democracy and take advice from the two democratic powers who are willing to help them materially.

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12. The Allied Commission, therefore, should be succeeded by an Allied mission for the following purposes: Except in VENEZIA GIULIA, and possibly in the Southern Tyrolese provinces, Allied Military Government should have disappeared by September 1943. In order to ensure free elections and a free referendum, it will be recommended that a number of Allied officers, under the direction of the Commission or its successor, remain in the provinces, and a considerable number may be required in connection with the rehabilitation of

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Subject: Future Policy Board Italy

25 June 1945.

industry. But by the end of 1946 both the redeployment of Allied troops, except those recommended in para 7(f) above, and the removal of Allied Commission officers in the field, will probably have been completed. It is recommended that the Head of the mission with access to the United States and British Governments should be charged with the following functions:

(a) As Chief Civil Affairs Officer, the administration of Venezia Giulia and any other areas under AMG.

(b) As Head of the Allied Mission:

(i) To coordinate the work of the military mission or missions.

(ii) To supervise the Allied Police Mission.

(iii) To supervise the Economic Board or to coordinate independent economic missions.

(iv) To coordinate the work of the Displaced Persons and Refugees Sub-Commission with UNRRA, the Inter-Governmental Committee for Refugees, and other organizations until such time as UNRRA took over all such functions.

(v) To supervise the work of the Enemy War Materials Disposal Sub-Commission.

(vi) To intervene on the Italian Government the conditions of any agreement made, vide para 7, and to safeguard Allied interests under such an agreement.

(vii) To provide liaison between Allied Military Commander

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case to the United States and British Governments should be charged with the following functions:

(a) As Chief Civil Affairs Officer, the administration of Venezia Giulia and any other areas under AMG.

(b) As Head of the Allied Mission:

(i) To coordinate the work of the military mission or missions.

(ii) To supervise the Allied Police Mission.

(iii) To supervise the Economic Board or to coordinate the Dependent Economic Missions.

(iv) To coordinate the work of the Displaced Persons and Refugees Sub-Commission with UNRRA, the Intergovernmental Committee for Refugees, and other organizations until such time as UNRRA took over all such functions.

(v) To supervise the work of the Enemy War Materials Disposal Sub-Commission.

(vi) To interpret to the Italian Government the conditions of any agreement made, vide para 7, and to safeguard Allied interests under such an agreement.

(vii) To provide liaison between Allied Military Commander or Commanders and the Italian Government.

13. To sum up, in order to prevent Italy from leaning towards the USSR and succumbing to its influence, an expression of positive, non-vindictive policy by the US and UK Governments is necessary. This policy should make Italy a useful partner of the Allies in the Mediterranean and so create a healthy Italy. Important conditions are: the rebuilding of her morale by restoring to her the control

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of her fleet and a non-punitive policy with regard to her colonies; the retention of 5 divisions of Allied troops and the establishment of Allied Military and Police Missions to enable her to regain internal security under a democracy; and practical economic assistance. More must be done to encourage the education of the Italians towards the democratic way of life: the Allied Commission should be replaced by an Allied Mission.

14. In short, neither a laissez-faire attitude toward Italy by the U.S. and the U.K. nor the imposition of a harsh peace is compatible with a policy of preserving Italy as a bastion of democracy in the Mediterranean area.

Ellery W. Stone

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Rear Admiral, USNR
Chief Commissioner

Copy to:
U.S. Ambassador
British Ambassador
U.S. POLAD, AFHQ
British RESIDIN, AFHQ

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ATUR MEMORIE.

1. In considering the question of the redeployment and distribution of Allied troops in Italy, consideration must be given to external and internal security and the undoubted duty of the Allied Governments to ensure so far as possible that free elections are held so that the population may express its opinion on (a) the institutional question; and (b) the constitutional government of the country, without fear.

2. Consideration must also be given to the size and location of the Italian land forces.

3. If the proposals for the maintenance of an interim Italian Army of 140,000 submitted in HQ AC memorandum 8251/160/30 of 7 June 1945 are approved, then the following distribution of the troops is recommended:

Combat Groups. One each in TURIN, MILAN, BRESCIA, UDINE and BOLOGNA.

Internal Security Divisions (strength 5000 each).
2 Divisions in SICILY.
1 Division in SARDINIA.
1 Division in each of the Military Regions, viz., PALERMO, BARI, NAPLES, ROME, FLORENCE, BOLOGNA, GENOA, TURIN, MILAN, BOLZANO, UDINE.

4. The primary functions of the Combat Groups are for frontier defence and control. The Group at BOLOGNA could be used as a reserve.

5. If the above distribution of the Italian Army is approved, then the maintenance of five Allied Divisions is recommended in addition to the administrative and service units employed in redeployment of personnel and material and exclusive of any Allied forces in VENEZIA GIULIA. Consideration has been given to the fact that Italian troops will not be maintained within

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15 miles of the French frontier.

6. It is recommended that one division be placed in each of the following areas: MILAN, PADUA, FLORENCE-BOLOGNA, NAPLES, BARI.

7. The distribution of troops within these areas is a matter for military consideration. It is obvious, however, that a small force will be needed on the Franco-Italian frontier and possibly in the Southern Tyrol and UDINE. Mobility would be a prerequisite and during the weeks preceding the elections it would be expedient to allow a very wide distribution of troops in order to cover the larger towns and some of the more important rural areas. This would naturally take the form of a special exercise or operation and need not be considered in detail in this memorandum.

8. It is considered that it would be retrogressive to retain Allied troops in SARDINIA or SICILY even during the election period. SARDINIA can very well be left to Italian troops and in SICILY, particularly during election times, the employment of Allied troops would be unwise.

9. The role of the Allied troops at all times and especially during the election period would be as representatives of the democracies, and it would be necessary to arrange for special instruction and even training to this end. Intervention in Italian affairs except in the gravest emergency would have to be avoided and the greatest care would have to be taken in the handling of such administrative problems as accommodation, requisitioning, etc. The troops would be not so much forces of occupation in a defeated country but forces of assistance provided by the Allies in order to give confidence to the population and the Government: to strengthen by their presence the authority of the Italian machinery of law and order (but only in exceptional cases to supplant it) and to be used in a last resort to prevent the imposition of radical methods by force.

10. The Allied troops should be maintained in this country until post-

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time as the Italian Army and the forces of public security in Italy can play a competent role in the preservation of security. It is estimated that at the earliest this cannot take place before September 1st, 1946.

15th June 1945.

MEMORANDUM TOP SECRET

(57)

Subject:- Future of ITALY

Confidential

OBJECT.

1. The object of this memorandum is to examine what should be the Allied policy towards ITALY both in respect of the Peace Treaty and for the future.

FACTORS.

2. General. The policy that the Allies should adopt towards ITALY is conditioned and affected far more by what may happen in the future that what has happened in the past. ITALY no doubt has grievously harmed the Allied cause by her actions in the early years of this War, but by her actions since the Armistice she has at any rate in some measure atoned for past errors and shown her willingness to re-enter the British Camp, where she has been since the days of Garibaldi except for a Lapse engineered by Mussolini with a controlling minority of the Italian population. We must be realistic and look forward, not back. The dangers of living in the past as opposed to looking forward to the future are exemplified by the actions of EIRE and SOUTH AFRICA respectively. There is, however, unfortunately still existing among many British soldiers in ITALY a feeling of antipathy towards the Italians. The feeling in GREAT BRITAIN I gather is even stronger owing to the distance away, and to the lack of realisation of what ITALY has done to atone and even the dangers in the existing situation. This is understandable. People in GREAT BRITAIN feel that the Italians "sold the pass" in 1940, stabbed us in the back, killed our friends in NORTH AFRICA etc. But I submit that from the wider aspect of international politics and the future this view is - parochial

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ITALY represents a population of 40,000,000 with an increasing man power but with an economy that is hard put to it to support the population. The potential of the ordinary Italian is very high. He is intelligent, hard-working, frugal, physically robust, easily swayed and with immense potentialities provided he is properly led. Unfortunately leadership both from the top and from the middle(in the Army officers and N.C.O's) is on the whole lacking. Nevertheless, with close Allied direction, it should be possible to change this weakness. If the Italian Army can have reached its present state out of chaos after one year, what is not possible over a period of several years ?

The strategic position of ITALY needs no emphasis except to mention that it is probably more important now than ever before with Russian influence having extended as far as the ADRIATIC and well into GERMANY.

3. Russia. The U.S.S.R. has become one of the greatest powers of the world. She has expended her sovereignty or influence over the whole of EASTERN and a large part of CENTRAL EUROPE. Her influence is paramount over the whole of the BALKANS down to GREECE, as far as TRIESTE and over a large part of EASTERN GERMANY. Following precedent, RUSSIA appears likely to "seal off" these territories until their Governments are at one with Russian policy though apparently remaining as independant states. The grave danger is that this influence may extend to ITALY unless the Allies adopt the correct policy to combat this. Conditions in EUROPE for some time to come will favour Communism.

4. France. France has made a pact with Russia and is intransigent. With little power, and lack of resources and no [illegible] worth talking about, FRANCE has virtually [illegible]

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4. France. France has made a pact with Russia and is intransigent. With little power, and lack of resources and no trained Army worth talking about, FRANCE has virtually delivered an ultimatum to GREAT BRITAIN in the LEVANT and to AMERICA through General CRITTENBURGER, Commanding IV Corps, U.S. Army irrespect of the Valley of AOSTA. That FRANCE could have done this can only be because either de GAULLE is the mentor or that he knows he will be backed by RUSSIA or both. We have thus got to reckon with the Franco-Russian pact, by means of which these two countries will try to settle affairs to their own satisfaction irrespective of the wishes of GREAT BRITAIN and AMERICA or the needs of EUROPE as a whole.

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To this bloc in EUROPE there is at present no real counter weight, though we have ourselves made Treaty with RUSSIA also.

5. The Northern Nations. The interests of the Nations abutting on the NORTH SEA are the same as our own. They willingly will come and always have been within the Anglo-Saxon orbit. Our policy will presumably continue its historical path in connection with these.

6. Spain. It has always been a cardinal plank in British policy that we shall control both ends of the MEDITERRANEAN. The corollary of this has always been a friendly SPAIN - a state of affairs which can hardly be considered to exist at the moment.

7. Greece. Owing to recent action by GREAT BRITAIN, GREECE, it is hoped, is now firmly a sphere of British interests but she has some way to go yet before she can be considered a strong reliable asset.

8. Turkey. Despite possibly a certain lapse towards the end of this war, TURKEY has firmly stood by GREAT BRITAIN and believes strongly that her interests are identical with ours. She is confirmed in this belief by the ever growing fear of her mighty Northern neighbour RUSSIA. TURKEY has man power and a strong war potential, as regards the quality of her soldiers, apart from her dominating strategic and geographical position in the MEDITERRANEAN.

9. The Arab Confederation. The Arab states are on the verge of a strong and united Confederacy which it is essential should be kept in the Allied Camp in view of our life line to the East and economic considerations such as the oil of SAUDI ARABIA.

10. Summary. The dominating fact in the whole European set-up appears to be the growth of Russian influence and authority westwards. The NORTHERN NATIONS, GREECE, TURKEY, and the ARAB CONFEDERACY are open for the asking. FRANCE is

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10. Summary. The dominating fact in the whole European set-up appears to be the growth of Russian influence and authority westwards. The NORTHERN NATIONS, GREECE, TURKEY, and the ARAB CONFEDERACY are ours for the asking. FRANCE is an uncertain quantity in the person of de GAULLE, though the good sense of the French people can hardly concur in a policy of that gentleman riding rough shod over Allied wishes at the expense of the Allies and EUROPE. SPAIN needs reconditioning into a Nation favourable to the Allies. As a result, the one country which, in my opinion, holds the key to the [illegible] situation in EUROPE at present is ITALY and our policy towards her is not clear.

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CONCLUSION.

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11. It would seem from all the above [illegible] necessary to establish :-

(a) A counter weight to the Franco-Russian pact.

(b) A MEDITERRANEAN bloc favourable to the Allies which can be relied on to cover this vital defile.

12. For the counter weight I suggest that an Anglo-Italian military and naval alliance would be a diplomatic stroke of the first order. Such an alliance would at once turn ITALY away from the communistic and left wing tendenancy towards which she is rapidly drifting. It would provide us with a very considerable source of man power(of which BRITAIN is short) with a war potential which can rapidly be made of great value under close Allied direction. It would round off the bloc in the EASTERN MEDITERRANEAN of GREECE, TURKEY and the ARAB STATES; and in the West of a re-orientated SPAIN, which we should make it our business to ensure by the elimination of Franco and his regime.

13. The corollary of this Anglo-Italian alliance would of necessity be credit facilities in money and in goods, in order to rehabilitate the country with the maximum speed. Assuming reasonable import of raw materials, I understand that the manufacturing potential of ITALY can rapidly be restored to normal and in a fashion much ahead of other countries in EUROPE. As I have said, ITALY at this moment is ripe to swing either to the left or to the right. With hope in her heart she will swing to the right because au fond the Italian is much too individual to be a communist. Presumably also this would be agreeable to America with her large Italian population and her interests in SAUDI ARABIA. I must repeat that such action would necessarily involve a [illegible]

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14. The existence of such an alliance would inevitably give confidence and a point d'appui to the EASTERN MEDITERRANEAN

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bloc of Nations favourable to the Allied cause. With these there can well be an entente.

15. A combination of an Anglo-[illegible]; an EASTERN MEDITERRANEAN bloc; a SPAIN with a new Government favourable to the Allies; a FRANCE, perhaps shorn of de GAULLE and working in concord with BRITAIN; and a bloc of NORTHERN NATIONS also within the Allied orbit; all these could not fail to stabilise affairs in EUROPE until perhaps the day arrives when nations will no longer be able to go to war owing to the World Security Organization or will wish to go to war because of the increased prosperity of mankind provided and produced by the machine.

16. Control of the war potential of all Nations within the Allied orbit can be effected by elimination of their armament industries, armaments being supplied on payment by BRITAIN and AMERICA.

17. Finally, it is submitted that the sine qua non and the basic foundation of any policy adopted is that this should be a combined and uniform Anglo-American policy. GREAT BRITAIN cannot stand alone in this. The reciprocating and unified influence in EUROPE, as in the PACIFIC, of GREAT BRITAIN and AMERICA offers, I submit, the only hope of avoidance of defeat in detail, now politically and later perhaps militarily, by the forces potentially arraigned against them.

Langley Brownrigg
Major General

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Langley Branch
Map Room

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

Headquarters,
Venezia Region,
30th May 1945.

JUN 1 1945

REF: 6514/EC.

I enclose a memorandum which is an agreed document containing the views of Henry Hopkinson, Brigadier Grafftey Smith and myself.

Henry and I hope that you will find it possible to discuss it with the two Ambassadors at an early date. My recommendations for the Police Mission are not intended to be derogatory to the Public Safety Sub-Commission, but new circumstances need new measures.

I am having a most interesting and instructive tour and I think you can be satisfied that your eastern Regions are in good shape. Even the Province of BELLUNO under Colonel Farren is making great progress. But my impressions here are the same as those formed by Henry Hopkinson in the west. We both feel that the whole of our endeavour both as Allied Military Government and as the Allied Commission must be concentrated on effective stability in this country. We can still succeed. We must ensure that the coming elections are held as soon as possible and in an atmosphere of freedom from fear and we must prevent unemployment. If those two objectives can be accepted by our two governments and if they can be persuaded to give us all the help we need, then I believe that we can do for Italy what we have always intended to do and what we are very nearly failing to achieve; that is to make her democratic.

I go to 8th Army today, then to 5th Army, Bolzano and the west and hope to be back on Monday.

I was delighted to hear that you were in 5th Army and Milan.

(Sgd) M.S. Lush.

Rear-Admiral E.W. Stone, CBE., USN.,
Chief Commissioner,
Allied Commission,
C.M.F.

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C.M.F.

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MR HOPKINSON
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CC has seen the a
putting up his own
appreciation.
(LT COL TALBOT) ltr 5/6

BO (Sir Rees) 5/6

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SECRET.

MEMORANDUM ON THE FUTURE OF ITALY. Confidential (46)

1. There is at present a grave danger of Italy, the first country in Europe to be liberated from Fascism and Nazism, passing under the yoke of another form of tyranny, Communism.

2. It is in the interests of the United States and Great Britain to prevent this. Quite apart from the historical and moral issues involved, the US must consider her Italian speaking population and the effect of a Communist Italy on her political situation so influenced by them, while Great Britain, in spite of the present public apathy or even antipathy in respect of Italy, cannot lightly regard the emergence, after liberation, of a Communist Italy under Russian influence in the Mediterranean.

3. The historical and moral issues cannot be disregarded. American and British influence, military, political and economic, has been predominant in Italy for two years. Posterity will judge harshly if the endeavours of two great democratic states were to result in the institution of a second tyranny.

4. Hitherto the objectives of the Allies have been to prevent disease and unrest in Italy, to maintain it in an adequate state for the prosecution of the war, and to prepare for long term programmes of reconstruction on the economic side. As a corollary of these we have supported to the full the Government of the day and from time to time have attempted to minimise the policy of the extremists in that government. We have granted freedom of speech and writing: we have ensured freedom from hunger: we have not ensured freedom from fear.

5. Among the majority of the people the fear of Communism remains. Complete eradication of that fear may not be possible in the present political turmoil in men's minds. But it must be admitted that the two democratic Allies have stood by in this country and watched the spread of Communism and still more the spread of fear of Communism. We have failed adequately to present to the Italians the other alternative (a democratic way of life). Much has been done in the field by Provincial and other officers. But direction has been lacking. By distribution of literature, through the medium of films and radio, by visits of democratic leaders, more could and should have been done.

6. It is also maintained that after two years of occupation we have failed to produce in Italy a police force which has the confidence of itself, the public and the Allies. With the difficulties of military occupation it may not have been possible to do so. But now that hostilities have ceased we should, in conjunction with the Italian Govt., take immediate steps to overhaul and possibly reconstitute the whole of the public security agencies in this country. For this purpose the Public Safety Sub-Com is not suited. It is most strongly recommended that we should secure the agreement of the Italian Govt. to set up a highly qualified Allied Police Commission charged with this task of reconstruction in the field of public security.

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7. Another prerequisite towards lasting stability in this country is the reorganisation of the Italian Army on a peace time basis. This matter is already under discussion between the Italian Government and the Land Forces Sub-Com and a rapid decision is required by the CCS and the two Governments. This again demands the retention of a strong Military Mission.

8. In addition to these safeguards much can and must be done to educate the minds of the Italians with regard to the democratic way of life. We cannot check the course of events but it is not too late to rectify past mistakes and we have our final opportunity in connection with the coming elections. Those elections will probably take place before the end of this year. It is essential that they should be carried out on democratic lines and in an atmosphere free from physical fear. The average Italian, if he thinks that the Communists will win the election and will use physical violence against those who have not voted for Communism, will, through fear and with the tradition of 20 years of Fascism behind him, vote for Communism against his own conscience. It is the duty of the Allies and particularly of the Allied Commission to ensure that the first elections in this country are carried out with freedom and equity. We still have a great number of Allied troops in the country. There will be no need to demand the presence of more troops than will normally be maintained for lines of communication and ordinary military security and the time necessary for redeployment. We should maintain a number of officers of the Allied Commission.

9. We have handed over five-eighths of the country to the Italian Govt: the remainder is still under Allied Military Government and there will be pressure brought upon us to remove that control as soon as possible. The presence of AMG itself is not necessary to ensure free elections and we should not resist this pressure but be prepared to hand over N.Italy by Sept. 1st or any other date considered suitable thereafter (this excludes VENEZIA GIULIA, UDINE, GORIZIA, and BOLZANO). But we should retain after the removal of AMG a considerable number of officers throughout Italy, not only to deal with economic problems but to carry on by their advice and example the spread of the democratic faith, and in particular to ensure, even as observers, that free elections are held.

10. These officers in the field have already proved the best ambassadors of democracy but directions are lacking. These directions must emanate from the two Governments, through the Embassies (MAI and CMI) to the Allied Commission. The PWB is not now that hostilities have ceased a suitable medium for such work and all its activities in Italy should cease. The Allied Governments might find it possible to send out speakers and certainly should assist in every way in the form of literature and films and broadcasts. It might be possible to point, we hope without complacency, to the elections recently held in the US and those about to be held in the UK.

11. None of the above measures can be successful unless economic stability is assured. By stability is meant not prosperity but freedom from want and freedom from unemployment. As has already been represented, the import of raw materials and coal is a prerequisite to that stability.

12. To sum up, the long term policy of the Italian Communist Party is clear. [illegible] before them it is not their intention to secure

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12. To sum up, the long term policy of the Italian Communist Party is clear. With the example of Greece before them it is not their intention to secure power by other than constitutional means while Allied troops and Allied control in any forms remains in the country. Once, however, the Allies withdraw, the

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Communist Party, which all evidence goes to show only represents the minority, will not hesitate (whether they form part of the Government or not) to adopt methods of terrorism and to use the large stocks of arms which have been hidden away, to impose their will upon the whole population. This threat can, I think, be met:

(1) Freely held elections.

(2) The retention of AC officers in the field during and immediately after these elections.

(3) A strong and efficient police force.

(4) A re-organised standing Italian Army.

(5) Sufficient coal, raw materials and certain finished products to prevent general unemployment.

M S Lush

Brigadier,
Executive Commissioner.

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Brigadier,
Executive Commissioner.

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DRAFT.

43

Memorandum.

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1. It is necessary at this stage to examine the future of the Allied Commission in ITALY.

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2. Hitherto the policy has been consistent with the memorandum of July 29th and the telegram S.[illegible]28 of 12th September, to SAC(MED)
and finally by the directive contained in FAN 487 from the Combined Chiefs of Staff which implemented the joint declaration of the President and the Prime Minister of September 1944.

3. We have turned back to the Italian Government the greater part of Central Italy and it is probable that by the beginning of June only the Regions of SICILIA, LIGURIA, PIEMONTE, LOMBARDIA and VENEZIE will be under Allied Military Government.

4. Many factors exist which will tend to expedite the turn-back of these Regions, with certain exceptions, to the Italian Government at an early date. Once the German Armies have been rounded up and accommodated there would appear to be no military reasons against such a course. It is vitally necessary from the political point of view that Italy should become an administrative entity. Although it is early to prophesy it would seem that the maintenance of law and order could be undertaken by the Italians. The people themselves, partly due to the CLN's, have established administrative machinery which has, in the interim period between German and Allied control, saved the territory from chaos. Destruction and damage has been almost negligible and the transportation situation, although not by [illegible] is better than we had hoped. The

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5. It would be unwise to entertain any complacency about the immensely difficult problems which will confront Northern Italy - unemployment, political dissension, large movements of population,

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are but a few. They are problems which do not demand Allied Military Government per se but could, and should, be handled by the Italian Government as soon as possible. (This would not apply to the Provinces of BOLZANO, TRENTINO and VENEZIA GIULIA where AMG must continue).

6. It would seem that our task in the North should be limited to a firm administration for the shortest possible time to cover the removal and regrouping of the disbanded German Armies and the initial stages of the redeployment of the Allied forces.

7. A further factor which cannot be disregarded is the early release either for demobilisation or for service in the Far East of several hundred Allied officers. On the British side alone over 100 officers are earmarked for demobilisation by 31st July and a further 152 by 31st August. It will be difficult to retain any great number of these or to replace them from other sources. Civilianisation will not be a full answer for the replacement of such officers.

8. It is recommended that we should fix a target date now for the turn-over of Northern Italy to the Italian Government, with the exception of the Provinces named in para 5. On or about September 1st is indicated.

9. It is recommended that the turn-over should not take the form of a sudden and complete withdrawal of AMG officers but should rather follow the procedure adopted in Sicily and S.Italy where the number of Allied officers was greatly reduced but (AC) Regional teams continued to function in an advisory capacity as opposed to an executive form. There are several reasons in favour of this. We shall be compelled to keep a number of technical officers in the area. It is desirable that they should work under Allied regional authority for purposes of coordination and, incidentally, discipline and administration. We must also envisage the possible necessity of reimposing Allied Military Government in certain areas

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Commission to the Embassies, should be initiated on the transfer date and should not take more than an additional three months. So that by the end of the year the Allied Commission as we see it now would have undergone a radical change and might well take the form envisaged and recommended in the Chief Commissioner's telegram of September 12th.

10. The composition of the Allied Commission at the beginning of 1946 would then be as follows:

(a) The Chief Commissioner with his status of Chief Civil Affairs Officer would remain. He is the officer delegated by the Supreme Allied Commander to ensure that the terms of the Armistice are carried out by the Italian Government. He is also responsible to the Supreme Allied Commander for the proper administration of such Provinces and localities as might at that time be retained under Allied Military Government. Such Sections and Sub-Commission of the Allied Commission remaining would naturally continue under his command.

(b) The three Service Sub-Commissions would continue and the reorganisation of the Italian military forces in preparation for their eventual composition under the Peace Treaty. Greater coordination would probably be found necessary between these three Sub-Commissions than is at present practised. Such coordination would be found in the Office of the Chief Commissioner. This would be preferable to a Military Mission distinct from the Commission itself.

(c) The War Materials Disposal Sub-Commission would continue until such time as Allied Forces had completed their removal from Italy.

(d) The Communications Sub-Commission would disappear but the

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(c) The War Materials Disposal Sub-Commission would continue until such time as Allied Forces had completed their removal from Italy.

(d) The Communications Sub-Commission would disappear but the Chief Commissioner would maintain an officer to represent Italian interests on the Staff Of the Chief Signals Officer on whatever military formation remained. Matters of international communications, both telegraph and posts, could be handled by the Allied Embassies with whom this officer would also retain close liaison.

(e) With the exception of the Displaced Persons and Repatriation

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(4)

Sub-Commission the Civil Affairs Section would disappear. A small Headquarters Staff representing the present Sub-Commissions might have to be retained in order to deal at HQ level with the problems of AMG territories. This would be absorbed into the HQ of the Allied Commission. The retention of the Displaced Persons & Repatriation Sub-Commission would depend largely on the extension of UNRRA's activities but the policy should be to hand over all its functions to UNRRA at the earliest moment.

(f) The Chief Commissioner will require a Chief Legal Adviser and Assistant.

(g) (i) After January 1st, 1946 the composition, strength and functions of the Economic Section would depend largely on whether the industries of Northern Italy are to be employed for the prosecution of the Allied war effort or not. If it is possible (and it is hoped that this may be so), to employ these industries, then clearly Allied representation amounting almost to control will be necessary in order to ensure that imports of coal and raw materials are put to their proper use and that war production adheres to the quality and quantity required. By then there will probably have been set up an Inter-Allied Trade Committee and an Italian War Production Board with Allied representation, or some such equivalent bodies. The survey necessary for the presentation of imports required for the rehabilitation of Italy under Programme "B" should by then have been completed and the results should then be forthcoming.

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(ii) It would seem that economic responsibility could best be undertaken by an Economic Advisor, or ~~Advisors~~ Joint Economic Advisors, to the Chief Commissioner. The Advisor would have a small but highly qualified staff and his chief function would be to ensure on behalf of the Chief Commissioner that Allied war production was proceeding according to plan and that Allied imports were not wasted. His permanent staff would not be large enough to supervise or inspect or advise on all the main industries and the agricultural production of the country. These functions would be carried out, if necessary, by the dispatch of temporary visits of small missions from the Allied countries. In the event of industries being employed for war production it is probable that these missions might make prolonged visits but they would not be on the permanent staff of the Commission.

(iii) Sub-Commissions as such would disappear and it would probably be unnecessary to include in the Economic Advisors functions any supervision of Public Works and Utilities or Food. The Labour Sub-Commission matters would be dealt with by the Labour Advisors of the Embassies.

(iv) The Chief Commissioner would require a Financial Adviser & staff, not only for Allied territory but to cover his the financial relations of the Allies with the Italian Government.

(v)

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(iv) The Chief Commissioner would require a Financial Advisor & staff not only for AMG territory but to cover the financial relations of the Allies with the Italian Government.

(v) The policy would be to transfer the functions of the Economic Advisor within six months to the Allied Embassies.

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Folder 555/1945

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HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

4/32 A/CH

18 May 1945

SUBJECT: Future of Allied Commission

TO: Executive Commissioner

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

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

a) PATRIOTS BRANCH can be abolished.

b) LOCAL GOVERNMENT SUB-COMMISSION can be abolished or, at most, will consist of 1 or 2 Local Government Advisers who will advise the Chief Commissioner and the Italian Government, if so required, on the holding of national and local elections and the reorganization of the local government structure. (See, for example, the recent proposals put forward by the United States Ambassador on a semi-Federalisation of the Italian Government.)

c) EDUCATION SUB-COMMISSION can be abolished or, at most, will consist of 1 or 2 Educational Advisers, a large part of whose duties will be to obtain the de-requisitioning of schools and to foster cultural relations with the United Nations.

d) PUBLIC HEALTH SUB-COMMISSION can be abolished. AFHQ, through the CCMD (2665 Regt.), already handle the distribution of medical supplies to Army areas and the Italian Government (ENDSPA) and their personnel are only attached to this Commission. This function can therefore be taken completely out of Allied Commission. UNRRA can step in on the WELFARE side and can deal with questions of epidemics, e.g. typhus, malaria. There is, however, one objection to the complete abolition of this Sub-Commission, namely the continued presence of Public Health personnel in areas retained under AMG, principally VENEZIA GIULIA and secondly NAPLES. Unless Public Health functions in these areas are handed over completely to UNRRA it will be necessary to retain at Headquarters a small body to control and direct activities in the Field.

e) MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION. In my opinion it will be necessary for this Commission to retain 1 or 2 Advisers on Monuments and Fine Arts. Many problems of the looted works of art

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e) MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION. In my opinion it will be necessary for this Commission to retain 1 or 2 Advisers on Monuments and Fine Arts. Many problems of the looted works of art taken to GERMANY will remain to be tied up with SHAEF.

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

/ g) PUBLIC SAFETY....

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(Mr. Sims)

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

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

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

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

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

4. In advancing the above proposals I have not consulted the Directors of Sub-Commissions, except in a most general and informal way, but if the broad policy is agreed then I should propose in, say six weeks or two months, when a clearer view of the situation in the North and of the strength and [illegible] constituted government in AMGOT is possible, to submit

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G. R. Upjohn

C. R. UPJOHN, Brig.
VP CA SECTION

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IF FUTURE OF ALLIED CONTROL COMMISSION IS UNDER DISCUSSION REQUEST FOLLOWING POINTS CMA WHICH REPRESENT VIEWS OF MYSELF AND STAFF CMA BE CONSIDERED CLR PARA ONE PD SO LONG AS HOSTILITIES CONTINUE IN ITALY CMA ALLIED CONTROL COMMISSION REMAINS FUNDAMENTALLY UNCHANGED EXCEPT FOR CIVILIAN INFILTRATION MENTIONED IN MEMORANDUM ACCOMPANYING MY LETTER ABLE SLANT CHARLIE CHARLIE THREE TWO ONE OF FOUR AUGUST PD PARAS TWO AFHQ PERSONAL FOR SACMED CMA UNCLE SUGAR POLITICAL ADVISOR AND BRITISH RESIDENT MINISTER FROM HQ ACC FROM STONE PERSONAL PARAS ACC CONTINUES POLICY GRADUAL DELEGATION RESPONSIBILITY TO ITALIAN GOVERNMENT PT PARA TWO PD PARAS ABLE PARAS AT END HOSTILITIES IN ITALY CMA IF ALLIED POLICY IS TO RETAIN CONTROL OF AFFAIRS RUSE UNTIL PEACE TREATY CMA I ASSUME PRESENT ARMISTICE WOULD EITHER REMAIN IN FORCE OR ANY ALTERATION IN ITS TERMS WOULD PRESERVE PRESENT SAFEGUARDS TO ALLIES PD ALLIED CONTROL COMMISSION WOULD THEN REMAIN AS PROVIDED IN PRESENT ARTICLE THREE SEVEN BUT IN DIMINISHED FORM WITH EMPHASIS ON RECONSTRUCTION RATHER THAN ON CONTROL PD SERVICE SUBCOMMISSIONS CONTINUE AS PART OF ACC FOR OBVIOUS NEEDS UNDER BERLIN ECONOMIC BOARD ON LINES OF NAPLES AND NASC SET UP CMA DEPENDING FROM ACC BERLIN REMAINING SECTIONS AND SUBCOMMISSIONS EXCEPT AFA AND POSSIBLY PROPERTY CONTROL LIQUIDATED PD THIS BOARD COULD ALSO CALL FORWARD AT REQUEST OF ITALIAN GOVERNMENT SPECIAL ALLIED MISSIONS TO DEAL WITH PARTICULAR INDUSTRIES CMA FACTORIES CMA ETC PD PARA PARAS BASIC PARAS IMPORTS AND EXPORTS OF ALL KINDS INITIALLY TO BE PLACED IN HANDS OF AGENCY SUCH AS

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...ING MESSAGE NO. S-328, 12 SEPT 44, continued: Confidential

UNCC AND USCC PD ECONOMIC BOARD WOULD HAVE CONTROL OVER THESE AGENCIES AND RIGHT OF SCRUTINY INTO PROPER DISTRIBUTION AND EMPLOYMENT OF IMPORTS PD PARA FOUR CHARLIE PARA CHIEF COMMISSIONER WITH SMALL STAFF WOULD REMAIN AS DEPUTY PRESIDENT UNDER AUTHORITY VACATED AS PRESIDENT SHAEF RELATIONS WITH ADVISORY COUNCIL UNCHANGED PD THE COMMISSION WOULD IN FACT REVERT TO SMALL MISSION FOR CONTROL OF ARMISTICE TERMS BUT WITH IMPORTANT ECONOMIC RESPONSIBILITIES PD IT IS ASSUMED THAT AT THIS TIME THE ITALIAN GOVERNMENT WOULD HAVE THE RIGHT TO COMMUNICATE WITH OTHER GOVERNMENTS THROUGH DIPLOMATIC CHANNELS ON MATTERS WHICH DO NOT FALL WITHIN THE SCOPE OF VACATED CMA ALTHOUGH EQUAL DIPLOMATIC RELATIONS MIGHT NOT BE FULLY RESTORED PD PARA UNDER PD AS COROLLARY TO ABOVE IT MIGHT BE DESIRABLE TO OFFER TO ITALIAN GOVERNMENT SERVICES OF TEN HIGHLY QUALIFIED ALLIED ADVISORS CMA ONE OR TWO TO EACH MINISTRY PD THESE ADVISORS WOULD BE NOMINATED BY ALLIED NATIONS AT REQUEST OF ITALIAN GOVERNMENT WHOSE SERVANTS THEY WOULD BE AND ON WHOSE PAY ROLL THEY WOULD COME PD THEY WOULD BE ADVISORS AND NOT CONTROLLERS

AUTHENTICATED:

ELLERY W. STONE
Captain, USN
Acting Chief Commissioner

DISTRIBUTION:
Hon. Alexander Kirk
Sir Noel Charles
V.P., Economic Section
V.P., Administrative Section
V.P., MC & MG Section
V.P., Political Section

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Date
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Initials

TOP SECRET

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

Exec Comm

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COPY

A/cc 321

4 August 1944

SUBJECT: Future Organization - Allied Control Commission

TO : G-5 Section, Allied Force Headquarters

VIA : Commander-in-Chief, Allied Armies in Italy

I forward herewith a memorandum prepared by my Executive Commissioner on the future of the Allied Control Commission. The opinions expressed therein represent my own views and those of my other Vice Presidents. The memorandum may be of use in consideration of future organization.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

1 Incl:

as stated above

cc:

Sir Noel Charles
Hon. Alexander Kirk
Political Section
Files A & B

COPY

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SECRET.

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394.

Confidential

MEMORANDUM: 29th July 1944.

1. At this stage of the war it is natural to examine the future of the Allied Control Commission in its relations with the Italian Government, and with the Allied military forces, and its functions in Italy.

2. The objectives of Allied Military Government have been described as follows:-

(a) To relieve combat troops of the necessity of providing for civil administration.

(b) To restore law and order and normal conditions among the civil population as soon as possible, procure the necessary food supplies for them and where necessary provide relief and maintenance for destitutes within available resources.

(c) To assist in making available to the occupying forces the economic resources of the occupied territory.

(d) To promote political and military objectives of the Allied Forces in connection with future operations through efficient government of the territory and the application of the policies toward the civil population laid down by the Commander in Chief.

3. The functions of the Allied Control Commission laid down in AFHQ Administrative Memorandum No. 74 dated 2. November, 1943, were also defined as follows:-

(a) To enforce and execute the instrument of surrender under the orders and general directives of the Allied Commander-in-Chief.

(b) To insure that the conduct of the Italian Government conforms to the requirements of an Allied Base of Operations, especially transportation and communications.

(c) To be the organ through which the policy of the United Nations towards the Italian Government is conducted and the relations of the United Nations with the Italian Government are handled.

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(c) To be the organ through which the policy of the United Nations towards the Italian Government is conducted and the relations of the United Nations with the Italian Government are handled.

4. On the amalgamation of the Allied Control Commission with the Allied Military Government which took place last February, the Allied Control Commission undertook all these responsibilities. Many of the objectives of Allied Military Government are applicable to advisory control maintained by the Allied Control Commission in territory handed over to the Italian Government, particularly with regard to maintenance of law and order and the economic resources of the territory.

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5. The functions of the Allied Control Commission as regards both Allied Military Government and advisory control are governed primarily by the operational

needs of the Allied Fo[illegible] in Italy. The Italian Gov[illegible] and will shortly have under their administration a large [illegible] Italy. But the most important industrial portion of Italy, [illegible] is still in German hands and the enemy shows no signs of evacuati[illegible] without continuous fighting. In any examination of problems in the [illegible] that is to say so long as hostilities continue in the territory, Italy must be regarded not as a political entity but as a theatre of war. Political aspirations, long range policies for rehabilitation, must take second place to the operational and post-operational needs of the Allied Forces.

6. It may be necessary to divide this theatre of war into two military areas, e.g., as between AAI and AMG, but on the ACC administrative (including economic) side, no division should be made. [illegible]. This was the basic principle underlying the amalgamation of Allied Military Government and the Allied Control Commission: it ensured co-ordination of policy and procedure at the centre and continuity throughout the territory.

7. The policy of the Allied Control Commission in the last six months has been gradually to bridge the division between Allied Military Government territory and Italian Government territory. We have evolved a process by which legislation in many cases is identical and we have aimed at similarity of principles and procedure, diverging from that policy only in the case of operational necessity. There can be no doubt as to the beneficial results of this co-ordination to the military forces, the civil population, and the Italian Government when it comes to take over more territory. An Army in the field operating in a foreign country is inevitably sensitive to the economic political situation in its rear however long the Lines of Communication are. Even if there existed no Allied Forces or installations in Sicily, Sardinia, Southern Italy, the state of affairs in these areas, however remote from the seat of operations, must be of concern to the Commander-in-Chief in the

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8. Suggestions have been made that the Allied Control Commission should divest itself of certain responsibilities and functions in specific areas of this territory which are no longer of military interest to the Allied Forces: that there should be a dividing line on one side of which civilian or other

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agencies should operate, leaving to the Allied Control Commission responsibility only in areas relatively close to the scene of operations.

9. From the point of view of distribution of military personnel these proposals are attractive but whatever the reasons may be outside this theatre they would appear to be unsound from the point of view of the proper administration, related always to military necessity, of the population in this theatre of war.

10. It is vitally necessary from the political point of view that the Italian Government should take the maximum responsibility in the government of the territory handed over to it. So long, however, as this is a theatre of war and so long as the Italians have the status of co-belligerents, the Government can look to but one Allied authority for direction, control and advice. That authority should be the Chief Commissioner of the Allied Control Commission, the agency created by the long terms of the Armistice for this purpose. In order that the Chief Commissioner may be in a position to exercise direction and control and furnish advice he must have representatives, however thinly distributed, in all parts of the territory. He cannot in the present state of instability in this country rely on information furnished by the Italians alone, nor can he carry out his responsibilities by exercising remote control and by making use of "trouble shooters". Moreover, it is the experience not only in this country but also in other occupied territories that wherever Allied Forces or installations exist, the presence of resident Allied Civil Affairs Officers (either administrative, police or technical) is necessary to facilitate the functions of the military authorities and to promote good relations between the civilian population and military forces without which the maximum resources of the country cannot properly be employed. There still exist in Sicily, Sardinia, and many places in Southern Italy, Allied installations and Allied forces.

11. Again, reports from the Southern areas show that the country has not

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11. Again, reports from the Southern areas show that the country has not reached a stage of stability which would justify complete abandonment of large areas without the presence of a few Allied officers. The standard of administration shown by heads of local government, the numbers and degree of efficiency of the Carabinieri and other police agencies, are not sufficient to ensure that stability which is necessary, not only where Allied installations exist, but throughout the country, so long as this country is a theatre of war. However much we may wish to expel the Italian local government to stand on their own feet and to take full responsibility, it must be remembered that the presence of one Allied officer in a advisory capacity may make all the difference between

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der and disorder s is probably worth many hundred of Carabinieri or troops in the enforcement of law and the maintenance of stability.

12. It is recommended, therefore, that there should be no change in the responsibilities and functions of the Allied Control Commission and that the time has not yet come for a total abandonment of say, Sicily or Southern Italy, to the Italian Government. On the other hand, both from the point of view of manpower and the reconstruction of Italy, we must clearly continue the process of allowing the Italian Government to take more responsibilities. This process has, of course, begun already: the number of Allied officers in Sicily has been reduced from 100 in February to 50 at the present time and the number will be approximately 27 by mid-August. Similar reductions have been made throughout the territory handed back to the Italian Government and it is proposed that the Compartimentos of Calabria, Lucania, Apulia, Campania, Campobasso and Foggia, should shortly be amalgamated into one Region and that resident Allied officers should be established in not more than six of the 14 Provinces of that area.

13. When hostilities in Italy cease and the Allied Forces have left the country, then, and then only, it would seem, should the constitution of the Allied Control Commission be changed. Although the resources of the country will still be needed for the war effort, from that moment this objective can be assimilated with long term reconstruction policy. Quite apart from any basic change that may then take place in the status of Italy, the country will no longer be a theatre of operations and the relations of the Allied Nations with the Italian Government may clearly have undergone a change which will render many of the functions of the Allied Control Commission unnecessary. In order to prepare for this change and in order to avoid a sudden disruptive re-organisation, the infiltration of civilian elements into the Allied Control Commission who would be ready to take the place of many of the military personnel, could, and should, commence forthwith. These civilian personnel should, however, be members of the

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allowing the Italian Government to take more responsibilities. This process has, of course, begun already: the number of Allied officers in Sicily has been reduced from 180 in February to 90 at the present time and the number will be approximately 27 by mid-August. Similar reductions have been made throughout the territory handed back to the Italian Government and it is proposed that the Compartimentos of Calabria, Lucania, Apulia, Campania, Campobasso and Foggia, should shortly be amalgamated into one Region and that resident Allied officers should be established in not more than six of the 14 Provinces of that area.

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MKL

Brigadier,
Executive Commissioner.

MIL/JC.

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TOP SECRET.

HEADQUARTERS ALLIED COMMISSION
AFO 394
Office of the Chief Commissioner.

Confidential

Ref: 8251/180/ZD. 7. June 1945

SUBJECT: Use of Italian Army.

TO : Allied Force Headquarters.
Attention: Chief of Staff.

(25) (27)

1. With reference to my letter of 24 May 1945, 8251/170/ZD, I have now received a memorandum on this subject from GOC, Land Forces Sub-Commission (M/L), a copy of which I enclose.

2. I am in general agreement with this memorandum and make the following recommendations:

(a) That the strength of the Italian Army, excluding such troops which may be required by the Allies, and excluding CC.RR, should be 140,000 until it has been decided at the Peace Conference what the final strength should be.

(b) That complete administrative control of the "interim Army" (as in para (a) above) be handed over to the Italian Government on 1 September 1945, subject to the Allied right of:

(i) re-assuming control in the event of disturbances to the detriment of Allied interests;

(ii) having priority for the accommodation, requisition, rail and port facilities, and

(iii) receiving full and advance information of consultations on Italian Army projects and plans.

(c) That a forecast be made of the number of Italian troops required by the Allies on 1st September and thereafter until so long as the Allies retain troops in Italy.

(d) That AFHQ accept responsibility for supplying Italian troops working for them as in (c) above.

Your early consideration of the above recommendations is requested.

3. In the meantime I will instruct Economic Section to make an examination as recommended in para 15(d) of General Browning's memorandum.

Attention: Chief of Staff.

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Ellery W. STONE
Rear Admiral, USN
Chief Commissioner

Copy to: G-5 AFHQ (2) (with copy of relevant correspondence).
Land Forces Sub-Com (MMIA)
CA Sec
Econ Sec
WND & IPW Sub-Com
File
Float
Spare (3)

-do- (For action in accordance with para 3 above).

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MEMORANDUM

Subject: Relaxation of Control of the Italian Army

Confidential

Land Forces Sub Com, A.C.
(M.M.I.A.)
C/3
30 May 45

PREAMBLE

1. Chief Commissioner, A.C. envisages the handing over of all ITALY to the Italian Government in due course, tentative date being 1 Sep 45. In order that the Italian Government may then be able to fulfil its functions, it is to be assumed that it must control its own Army.

OBJECT

2. The object of this Memorandum is to examine to what extent and how the control of the Italian Army maybe handed over, subject to the Allied interests involved.

FACTORS

3. Ceiling. The whole problem is conditioned by the ceiling of 313,000 (excl. CC.RR) authorised by the C.C.S. which in turn is dependent on world wide supply availability. Presumably this ceiling is not to be increased and may even be reduced in view of world wide shortage of supplies.

4. Peace Treaty. The Peace Treaty will define the size, composition, armament and conditions of service of the Italian Army. But the Peace Treaty may not be worked out and signed for many months. We therefore have to consider the organization and distribution of an "interim force" which the Italian Government may control and which would be adjusted and merged in due course into the Army authorized by the Peace Treaty.

5. Interim Force. This falls into two broad subdivisions:-

(a) the part which the Italian Government requires to fulfil its functions, exclusive of service units required by the Allies to serve Allied man-power,

(b) the service units referred to in (a). These will be a variable and constantly decreasing figure.

6. Capacity for self-support.

(a) The Italian Army is NOT at present capable of supporting itself. Basic rations are provided by the Allies. Clothing and boots are supplied largely by the Allies, either in the form of new articles or worn items which are renovated by the repair organization set-up. The Italians have relatively small stocks

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(b) There are, therefore, two aspects of this:-

(i) what steps can the Italians take by 1 Sep (and there after to make their Army self-supporting ?

(ii) what will or can the Allies provide or leave with the Italians to make up the deficiency ?

On this will depend the size and composition of the Interim Force. It is also bound up with the Peace Treaty matter as to whether the Italians shall maintain any armament industry or whether they shall be dependent on the Allies for such armaments as are necessary.

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Confidential

7. Type of Control.

(a) The administration of the Italian Army is carried out by the central plan and procedure produced by the Ministry of War, under Allied direction (through M.M.I.A.) and depending (see para 6) on the supplies made available by the Allies. Administratively therefore it would be impracticable to hand over to the Italians complete Administrative Control or responsibility for their own supply or part of their Army, while the Allies retained such functions for the remainder. This would result in complications such as separate supply depots, a different ration scale for the two parts and difficulties in allotment of personnel; officers removed for delinquency or inefficiency from the Allied part could be transferred to the Italian part, comparison would be drawn by the troops between the two parts etc. etc. In fact the actual working of two parallel yet different systems within the same Army is a possibility and a complication in an already difficult situation that we can NOT contemplate. Any relaxation of control therefore must be applied in respect of the Army as a whole and NOT of parts of that Army.

(b) (i) There are two types of general control as regards the Army as a whole viz. operational and administrative.

(ii) Operational control of their Internal Security Divisions in SICILY and SARDINIA is a function of the Italians, no Allied troops troops being present in these limited areas surrounded by water. The matter of operational control is more complex on the Mainland, where large numbers of Allied troops will remain for a long time to come and where Allied interests are more concerned and more affected in the event of disorder.

(iii) A decision will therefore be necessary:-

firstly, as to whether the Allies are prepared to hand over Operational Control under these circumstances

secondly, as to what rights of information and advice or powers of veto the Allies will retain, if such Operational Control is handed over.

(iv) Administrative Control by the Allies, through M.M.I.A., is at present complete and detailed, including the organizational aspect of strengths, the three ITI categories, approval of promotions, removal of inefficients etc. (see AG.091.711/169 GCT-O dated 16 Nov 44 "Command and Administration of the Italian Army").

(v) A decision will therefore be necessary;-

firstly, as to whether the Allies (particularly in view of para 6 (a) above) are prepared to hand over Administrative Control under the circumstances. This would involve an immediate examination of the point mentioned in 6 (b) and would necessitate bulk allotments of rations, clothing and boots by the Allies to the Italians for the latter's control and distribution in detail.

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7. (c) In any event, it seems clear that no matter what degree of relaxation of control is granted, the Allies must retain the power to ensure that ITALY carries out the terms of the Peace Treaty without evasion.

8. Phasing.

(a) If the reasoning outlined in para 7 is accepted and decisions are in the affirmative, it follows that either operational control or administrative control or both must be handed over complete on a given date. That is the only phasing possible.

(b).....

Confidential

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(b) The date of dates depend on:

(i) the speed with which the Peace Treaty is signed. If this is before 1 Sep., presumably the hand over takes place then, subject to safeguards such as continuing the existence of Italian service units so long as the Allies require the assistance of these.

(ii) the speed with which the necessary decisions can be given and the plan thus worked out, particularly as regards the supply aspect.

(iii) the internal conditions in ITALY and the general international situation on her frontiers, e.g., TRIESTE, BOLZANO and AOST..

(iv) the extent to which the hand over is kept simple and on broad lines.

(c) In general, I consider that the earlier the hand over takes place the better. It would give the Italians longer and more experience to set their military house in order while the Allies "hold the ring" in ITALY. Moreover it would be a gesture of trust and would conduce towards the atmosphere of a friendly Italy which is so desirable and which may not be easy if the Italians consider the terms of the Peace Treaty to be severe. Despite the fact that removal of Allied control will undoubtedly result in a loss of Italian military efficiency and of value for supplies rendered, we should accept this. ITALY has got to make a start on her own sometime and, within reason, the sooner the better.

For these reasons and also on the grounds of simplicity, the hand over of complete operational and administrative control (subject to safeguards) on a definite date seems the correct answer.

9. Position of Allied HQs and Troops.

(a) (i) Assuming hand over of complete operational and administrative control, Allied HQs and troops would become "free priority tenants" - a self-controlled organisation superimposed on the self-controlled Italian State.

(ii) The Allied right of resuming control in the event of disturbances to Allied interests; of priority use of accommodation, requisition and rail and port facilities; of receiving full and advance information and consultation on Italian projects; and finally of veto; would be safeguarded in the hand over.

(iii) The Ministry of War would work through its Territorial Regional HQs. Allied Armies, Districts and Base Sections would work in conjunction with these Regional HQs; Ministry of War with AFHQ, through MMLO.

(b) Assuming hand over of operational control only, the Italian forces put organized for this (Combat Groups, I.S. Divs, Guard Bns)

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and Rome.

(iv) the extent to which the hand over is kept simple and on broad lines.

(c) In general, I consider that the earlier the hand over takes place the better. It would give the Italians longer and more experience to get their military house in order while the Allies "hold the ring" in ITALY. Moreover it would be a gesture of trust and would conduce towards the atmosphere of a friendly Italy which is so desirable and which may not be easy if the Italians consider the terms of the Peace Treaty to be severe. Despite the fact that removal of Allied control will undoubtedly result in a loss of Italian military efficiency and of value for supplies rendered, we should accept this. ITALY has got to make a start on her own sometime and, within reason, the sooner the better.

For these reasons and also on the grounds of simplicity, the hand over of complete operational and administrative control (subject to safeguards) on a definite date seems the correct answer.

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(iii) The Ministry of War would work through its Territorial Regional HQs. Allied Armies, Districts and Base Sections would work in conjunction with these Regional HQs; Ministry of War with AFHQ, through MMLO.

(b) Assuming hand over of operational control only, the Italian forces authorized for this (Combat Groups, L.C. Divs, Guard Bns) would operate similarly to the CC.RR under the War Ministry through Territorial Regional HQs, Allied HQs being consulted beforehand.

(c) For efficient and economical effort to ensure Allied priority it would seem that Movement Control should still be retained by the Allies, the Italians bidding for what they require in this respect on a national (not military alone) basis.

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10. German P.W.

The respective functions of the Italian Government and the Allies as regards these would need to be specified.

11. Patriots.

The pre-requisite of any plan must be a solution of the difficulties between the CLNAI and the existing Italian Government, with, as a corollary, the complete patriot military organisation being made subservient to the official Italian War Ministry.

12. Position of MMIL.

(a) Should the hand over of operational control only be permitted, MMIL will still require its full staff, as its duties will remain virtually unchanged.

(b) Should the hand over of administrative control be permitted as well, MMIL can be reduced to a liaison, advisory, information and inspecting staff, in order to ensure that nothing contrary to Allied interests occurs until the Peace Treaty and that after signature of the latter its terms are faithfully observed by ITALY.

PLAN.

13. Bearing in mind the Preamble, the Object and the above Factors, I suggest the following Plan:-

(a) Complete operational and administrative control to be handed over (subject to safeguards) on 1 Sep 45, except for Movement Control which will be retained by the Allies.

(b) "Interim Force" to be authorised, to be replaced by the "Peace Treaty Army" when known.

(c) A forecast of Italian Service Units required by the Allies on 1 Sep (and thereafter) to be obtained by AFHQ from Armies, Districts and Base Sections. Meanwhile these units can be progressively reduced when no longer necessary.

(d) An examination by AC in conjunction with the Italian Government as to the extent to which the Italian Economy can support the authorised "interim force" on 1 Sep (and thereafter) in order to ascertain what the Allies should provide in the way of supplies and equipment, excluding armaments.

(e) A decision on the question of armaments.

(f) Acceptance by the Allies of the liability to supply the service units working for them.

(g) The functions and position of Allied HQs and troops and of MMIL in the new set-up, to be defined - MMIL establishment, bearing in mind post-war duties, to be redesigned.

NOTE. I have specified 1 Sep 45 as the hand over date, as requested by Chief Commissioner, AC. I do not know whether the necessary decisions or the economic examination necessary can be made in time to work out the detailed plan and implement it by 1 Sep 45. I would stress that very early decisions

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virtually unchanged.

(b) Should the hand over of administrative control be permitted as well, MMLL can be reduced to a liaison, advisory, information and inspecting staff, in order to ensure that nothing contrary to Allied interests occurs until the Peace Treaty and that after signature of the latter its terms are faithfully observed by ITALY.

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(e) A decision on the question of armaments.

(f) Acceptance by the Allies of the liability to supply the service units working for them.

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NOTE. I have specified 1 Sep 45 as the hand over date, as requested by Chief Commissioner, AC. I do not know whether the necessary decisions or the economic examination necessary can be made in time to work out the detailed plan and implement it by 1 Sep 45. I would stress that very early decisions will be necessary, so that a comprehensive directive may be issued by AFHQ, allowing adequate time to work out all details and inform all concerned, without rush.

(Signed) L. BROWNING,
Major General
M.M.I...

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Confidential

HEADQUARTERS ALLIED COMMISSION
APO 534
Office of the Chief Commissioner

Ref: 8251/170/SC.

24 May 1945

SUBJECT: Use of Italian Army.

TO : Allied Force Headquarters.
Attention: Chief of Staff.

1. The creation of the Italian Army, its organisation and development, and its conduct both on the lines of communication at the base ports and in the combat zone, are, I submit, a tribute not only to the troops and the military commanders themselves but especially to the Land Forces Sub-Commission (AFHQ).

2. Hitherto, the Italian Army has been rightly employed as an integral part of the Allied Armies in Italy. They have played a great part in the liberation of their country.

3. I submit that now hostilities have ceased we should consider their employment in a new role. They must, of course, be used for purposes of defence and for the maintenance, in emergencies, of internal security. But they can, especially in the transitional period between the present time and their final composition under the Peace Treaty, be employed to help in the rehabilitation of their country. Politically it is most important that the Italian Army should take its part in the reconstruction of Italy. From the practical point of view we have a number of organised, disciplined units and a military organisation distributed throughout the country which we must use to help Italy. The partisans have done magnificent work in the liberation of the North and in the maintenance of administrative and economic life in the newly liberated areas. The Italian Army has done no less though perhaps has enjoyed not so much publicity and it should, and must, take advantage of its organisation to show that it is an Italian Army created for the benefit of Italy.

4. Three practical uses to which parts of the Italian Army can contribute come immediately to the front:

(a) Italian Prisoners of War. The reception and welfare of Italian POW from all parts of the world and especially from Germany and Austria and the whole organisation for dealing with this problem. This is a responsibility of the Army in any normal country. In fact, the Ministry of War has appointed a High Commissioner to deal with it in this country. The machinery of the Army should be put into full operation to deal with this difficult subject

Allied Force Headquarters.
Attention: Chief of Staff.

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(b) Clearance of Land Mines. It is submitted that immediate steps should be taken to employ all engineering units of the Italian Army for this purpose. Some of them must already be provided with apparatus: more can probably be obtained, even on loan from Allied troops. The employment of the Army

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for this vital matter in the rehabilitation of agriculture would earn the gratitude of a vast number of the population who are now prevented from following their normal vocations and would increase the local production of food.

Hitherto, this matter has been handled by a Division of the Civil Affairs Section, who, with assistance from the Land Forces Sub-Commission, have achieved remarkable results. It is clearly, I submit, a function which should now be transferred to the Land Forces Sub-Commission.

Areas to be cleared and priorities to be given could be decided by the Italian Government and, if necessary, by the Allied Military Government.

(c) Harvest. In line with most Continental countries which practise conscription, it has been the custom in this country to release during harvest time a large number of troops either on agricultural leave or on temporary duty to assist in the harvest. There are many practical advantages in using troops rather than civilian labour, particularly when the latter are urgently needed by the Allied military authorities. Their transportation, their accommodation, their general administration, can be far better organised than would be the case if civilian labour was employed. It is therefore recommended most warmly that the request of the Ministry of Agriculture and Labour for the provision of 10,000 men to assist in the harvest in FOGGIA area should be made without delay. This has been the subject of a separate telegram.

5. I recommend, therefore, that the reception and welfare of Italian POW and the clearance of land mines should be undertaken by the Italian Army under the Italian supervision of the Ministry for War and under the Allied supervision of its counterpart in the Allied Commission of the Land Forces Sub-Commission. I also recommend that the customary release of Italian service personnel for the harvest be approved.

6. There will be other fields in which I shall make recommendations for the employment of the Italian Army from time to time. It will need a reorientation in the ideas of the Ministry of War and a broadening of the directives of the Land Forces Sub-Commission. It may need adjustment in the method of administration and the provision of food. But it is essential for the sake of the Army as well as for the rehabilitation of this country that we encourage the Italian Government to use the manpower they have at their direct command in the services of their country now no longer at war.

7. I had hoped to be able to add that these recommendations had the concurrence of the G.O.C, Land Forces Sub-Commission (M.L.). Unfortunately this is not so. I attach a letter written by him and my Executive Commissioner's reply. I am in full agreement with the latter. The Land Forces Sub-Commission is an integral part of the Allied Commission and it must share with the other sub-Commissions of this Commission the work of reconstruction and rehabilitation to which we have committed ourselves in this country. We must shift the balance from M.L. and its completely military chain of command and outlook to the Land Forces Sub-Commission,

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8. I feel sure that you will welcome in this respect recommendations from this Commission as to the future of the Italian Army and their dispositions. If the Italian Army is to become part of the Italian nation we must detach them from their operational Allied commanders as rapidly as

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possible and bring them, under the Ministry of War, more into the Italian picture as an instrument of the Italian Government rather than of the Allied Command. I am requesting CCC Land Forces Sub-Commission to submit recommendations in implementation of this principle which, of course, will make the Land Forces Sub-Commission far more a part of the Allied Commission.

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Copy to: G-5 AFHQ (2) } With copies of relevant
Acting President } correspondence.
Chief Commissioner }
Land Forces Sub-Com(AFHQ) (2)
CA Sec
Econ Sec
PWD & LFW Sub-Com
File
Fleet
Spares (3)

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PHILIP W. STONE
Rear Admiral, USNR
Chief Commissioner

Copy to: G-5 ANZAC (2) } With copies of relevant
Acting President } correspondence.
Chief Commissioner }
Land Forces Sub-Com(BCRA) (2)
C.A. Sec
Room Sec
WMD & ITW Sub-Com
File
Front
Spares (3)

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

COPY

SECRET

Ref: 8251/158/SC

18 May 1945.

SUBJECT: Use of Italian Army.

TO : GOC, Land Forces Sub-Com (MMIA).

1. I should like to reply in detail to your A/019 of 17 May because I think if we try to reorientate our views on the disposal and functions of the Italian Army, many of your objections can be met. Such reorientation does include a change in the functions of the Land Forces Sub-Commission, or rather, a shift of balance from its purely military aspect, i.e., MMIA, to its function as an integral part of the Allied Commission in which the Land Forces Sub-Commission is the counterpart of the Ministry of War. This Ministry is part of the Italian Government and has already undertaken, on behalf of the Italian Government, a great many of these commitments which you describe as civil and which, in fact, are the duty of the Government.

2. In this respect I join issue with the great distinction which you draw between the Allied Commission and MMIA. If we think in terms of the Land Forces Sub-Commission, then there is no distinction and if as the Head of the Land Forces Sub-Commission you can review the use to which the Italian Army can be put for the rehabilitation of Italy now that it has completed its task as a fighting force, then I think it will be possible for you to agree that as part of the Allied Commission the Land Forces Sub-Commission can undertake functions in this planned reconstruction just as the Ministry of War is doing in the Italian Government.

3. If we accept this premise then I would give the following answers to your para 1:

(a) Para 1(a). We all agree.

(b) Para 1(b). Such units as can be spared by the Allied military authorities having in view the great number of German POW now at their disposal. The recommendation in this respect would come from the Land Forces Sub-Commission who, with their knowledge of the present dispositions of the Italian Army, are in the best position to initiate such recommendations.

(c) Para 1(c). The responsibility for control and organisation lies with the Allied Commission who will use its Land Forces Sub-Commission as its functional agent.

4. Replies to para 2 are as follows:

[redacted], Land Forces Sub-Com (MMIA).

(19)

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(c) Para 1(c). The responsibility for control and organisation lies with the Allied Commission who will use its Land Forces Sub-Commission as its functional agent.

4. Replies to para 2 are as follows:

(a) Para 2(a). Land Forces Sub-Commission should make recommendations with regard to availability in consultation with AFHQ having regard again to German POW.

(b) Para 2(b). A strong case could be made for the rationing and clothing of such men by the Allies in view of the undoubted assistance they would bring towards the early rehabilitation of Italy which, in its turn, must prevent disease and unrest. The Allied Commission, briefed by the Land Forces Sub-Commission, would make such a case.

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(A6)
(21)

5. Replies to para 3:

(a) Para 3(a). I agree that AFHQ must make the final decision but I consider that the Allied Commission, again briefed by the Land Forces Sub-Commission, can make a case with regard to (a).

(b) Para 3(b). We should immediately make recommendations for the transfer of such units to the Italian Army from the Allied military authorities to the Ministry for War, having regard to military needs, 2(b) and 3(d).

The solution is by no means easy but the initiative in preparing the way and finding a solution should come from us.

6. Replies to para 4 have been, in part, set in my preamble:

(a) Para 4(b). The responsibility of the Allied Commission will be delegated to the Land Forces Sub-Commission.

(b) Para 4(c). For "M.L." read "Land Forces Sub-Commission" which, I repeat, is an integral part of the Allied Commission. I agree that the greater must include the less.

(c) Para 4(d). I protest - members of the Land Forces Sub-Commission attend the Chief Commissioner's and Executive Commissioner's meetings and are in the picture. A very small transfer of staff from other Sub-Commissions to the Land Forces Sub-Commission would settle the matter.

(d) Para 4(e). The plan is working satisfactorily but there are endless difficulties because several Sub-Commissions are dealing with the Ministry of War who naturally would find it far easier to deal with one. The line of command appears to be wrong.

(e) Para 4(f). The fact that during hostilities the proposal to handle POW was rejected by AFHQ does not make me desist from endeavouring to put these matters on a proper basis now that hostilities have ended. Formidable as may be the present task of the Land Forces Sub-Commission I do not think that the extra commitments which are being supervised at present by a very small Allied staff, would present an insuperable problem to the Land Forces Sub-Commission with the considerable staff and machinery for implementation at its command.

7. Your para 5:

(a) The aspects of the problem of POW as set out in Appendix "A" exaggerate some of the difficulties. It would seem far easier for the Land Forces Sub-Commission, with a purely military staff, to be able to organise camps and detachments, than the IPOW Sub-Com which has to deal with another Sub-Commission for every soldier they obtain. And surely it would be just as easy for the Land Forces Sub-Commission to cooperate and work jointly with the Displaced Persons and Repatriation Sub-Commission as does the POW

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(b) Similarly with regard to Appendix "B", the functions in para 2 are carried out by one G.II in Civil Affairs Section. It has been made a civilian matter for the reason that the mines have got to be cleared and failing assistance in organisation from the Land Forces Sub-Commission, somebody had to do it. But there seems no

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reason why it should not be handled by Italian military units now presumably not fully employed under the organisation of the Land Forces Sub-Commission who will, as part of the Allied Commission, work in very close contact with the other organisations of the Italian Government and Allied Military Government responsible.

8. Your para 6:

(a) Para 6(a)(i). If you ask the Italian Government who is responsible for POW and mine clearance, they will say, "the Minister for War" who is part of the Italian (Civil) Government. I see no reason why the Land Forces Sub-Commission should not assume an equivalent responsibility in the Allied Commission which deals with both civil and military matters.

(b) Para 6(a)(ii). If these functions are dealt with in the Allied Commission by that part of the Commission which deals with the Ministry for War rather than by two other Sub-Commissions, it must lead to greater efficiency.

(c) Para 6(a)(iii). Every part of the Allied Commission has to assume formidable and new tasks as the whole of Italy is liberated. It is in an attempt to make an equal distribution of these new tasks and to effect simplicity in their handling within the Allied Commission that it is proposed to make these recommendations to AFHQ. Your objections and this reply will be attached to the Chief Commissioner's letter.

(Signed) M. S. LUSH

Brigadier,
Executive Commissioner.

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(Signed) M. S. LUSH

Brigadier,
Executive Commissioner.

5319

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

19

COPY

SECRET

SUBJECT: Use of Italian Army for Civilian purposes

LAND FORCES SUB-COM, A.C. (MMIA.)

A/019

17 May 45

TO : HQ ALLIED COMMISSION
(for EXECUTIVE COMMISSIONER)

Ref your draft letter on the above, my comments are as follows.

1. ASPECTS

The three matters you mention (as will be the case in similar matters with a civil genre) present the same problem with 3 main aspects.

(a) Should the Italian Army be used for these purposes ?

(b) What soldiers of the Italian Army can be used for these purposes ?

(c) Where should the responsibility for control and organisation lie ? i.e. A.C., as at present, or MMIA ?

2. REF 1(c) ABOVE

In principle I agree that Italian soldiers should be used to assist, provided that:-

(a) They are available after the military needs of AFHQ have been met.

(b) The Allies are prepared to ration and clothe such men, taking into account world wide shortage and demand.

3. REF 1(b) ABOVE

AFHQ alone is in possession of knowledge of all the factors to decide this and would have to consider:-

(a) The category and international supply aspect.

(b) The fact that over 85% of the Italian Army are under the direct command of Armies, Districts and Base Sections whose military needs presumably have to be met first.

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

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(c) Where should the responsibility for control and organisation lie ? i.e. A.C., as at present, or MMIA ?

2. REF 1(a) ABOVE

In principle I agree that Italian soldiers should be used to assist, provided that:-

(a) They are available after the military needs of AFHQ have been met.

(b) The Allies are prepared to ration and clothe such men, taking into account world wide shortage and demand.

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AFHQ alone is in possession of knowledge of all the factors to decide this and would have to consider:-

(a) The category and international supply aspect.

(b) The fact that over 85% of the Italian Army are under the direct command of Armies, Districts and Base Sections whose military needs presumably have to be met first.

(c) The factor as in 2(b).

(d) Whether German P.W. can replace Italian Service Units.

The solution is not as easy as might appear on the face of things.

4. REF 1(c) ABOVE

(a) This where I oppose your proposals most strongly.

(b) The existing responsibility is the civilian one of A.C. The mere fact of putting more troops at the disposal of A.C. does not alter that responsibility.

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(c) The major portion of the responsibility (clothing, rations, accomodation, transport, contacts with Italian civil ministries etc) is civil. The greater must include the less. Otherwise MMLA is put in the position of handling projects, the main elements of which are dependent on A.C.

(d) MMLA is not in the picture, The plan has been designed by A.C. and is in motion. Continuity would be broken by transfer to MMLA, who, in view of all their other commitments, have neither the controlling staff nor the time to take up the reins at this advanced stage of the proceedings. Transfer of P.W. Section A.C. to MMLA does not solve this, as the Senior Staff Officers MMLA would still have to assume control, under me.

(e) If the A.C. plan is working satisfactorily, why change it ? If it is NOT, surely MMLA should not be saddled with the task of putting it right ?

(f) Last November, provided certain essentials were guaranteed to me, at your request I was prepared to take over P.W. I foresaw at that time an ample period to organize and get the whole business going. These conditions do not now apply.

Nevertheless, your November proposal to AFHQ to this effect was turned down, mainly on the grounds that MMLA had a specific charter from C.C.S. and had quite enough "on its plate". Now MMLA has even more on its plate and is faced as well with a serious loss of Officers (estimated 40% of American officers, for instance, in the next few days) whose replacements will take time to learn our complicated procedure and set-up.

Under these circumstances I cannot agree to accept new and formidable responsibilities. Our main task is to compete with the official Italian Army and there must be no risk of breakdown in this objective.

5. IMPLICATIONS

(a) At Appendix "A" I attach some more detailed implications of the task you propose I should take on as regards P.W.; and at Appendix "B" ditto as regards Mine Clearance.

(b) From these it is clear that the work involved is very considerable and by no means as simple and straightforward as might be thought without analysis of the Executive action necessary.

(c) It is not enough just to give orders to Italians. To achieve success (as you so kindly state in respect of our creation of the Italian Army) we have found that supervision and inspection are necessary.

6. CONCLUSION.

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(c) It is not enough just to give orders to Italians. To achieve success (as you so kindly state in respect of our creation of the Italian Army) we have found that supervision and inspection are necessary.

6. CONCLUSION.

(a) In view of the above therefore:

(i) I strongly disagree with your proposals as regards transfer of responsibility from A.C. to MMLA in respect of P.W. and Mine Clearance, both of which functions are purely and wholly the responsibility of the civil Government, and have no connection with the Army other than for provision of personnel.

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(ii) I do not see that they can conduce to efficiency or continuity, considering all the factors involved.

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(iii) I feel that it is NOT right that these formidable extra civil tasks and responsibilities should be imposed on my organisation at this late stage in the proceedings, contrary to the policy long since laid down by AFHQ and at a time when we will be suffering severe losses in personnel and yet trying to compete with the innumerable difficult problems of the Italian Army proper, converting from a war basis through a transition period to a post-war layout, which is our main task.

(b) Should you still wish to represent your proposals to AFHQ, I must ask that a copy of this letter of mine go with them, in order that my full views may be made known.

(Signed) L. BROWNING

(Major General)

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(b) Should you still wish to represent your proposals to AFHQ, I must ask that a copy of this letter of mine go with them, in order that my full views may be made known.

(Signed) L. BROWNING

(Major General)

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SECRET

Appendix "A" to MMLA letter
A/019 dated 17 May 1945.

SOME ASPECTS OF THE PROBLEM OF
PRISONERS OF WAR (ITALIAN)

GENERAL

1. (a) The repatriation of a Prisoner of War is normally one of the responsibilities of his own Army using its own resources. In this theatre, however, the Italian Army has little or no resources of its own. It is dependent on the Allies for its rations, clothing, transport etc - in the same way as the civilian is largely dependent on A.C.

(b) Moreover, the Italian Army for which MMLA by its charter is responsible today consists of soldiers enrolled de nuovo since the Italian Armistice. All other pre-Armistice soldiers, including P.W., are therefore civilians. This is the ruling of the C.C.S.

(c) Thus the conditions mentioned in (a) and (b) constitute a different state of affairs to normal and fundamentally affect the whole issue.

PERSONNEL INVOLVED

2. Repatriation which has taken place and is now taking place is of both alleged POW's and civilian refugees. The 250,000 now in the PO Valley Area consist of returning forced labour, republican forces, displaced persons and refugees as well as P.W. - and are all housed in the same camps.

3. Repatriation from the Balkans comprises both civilians and ex-soldiers - Since last November 40,000.

4. Personnel now involved number over a million all over the world.

To compete with P.W. taken by the British alone, there is at the W.O. a Maj Gen and relative staff.

ADMINISTRATION

5. Rations, clothing, accommodation and transport must be provided from civilian sources. Contacts are with civil ministries.

ORGANIZATION

6. I am told that there are eight civil camps, three Eighth Army Camps and three Fifth Army Camps now operating in the North for all classes of refugee irrespective of ex military or civil status. A further ten are planned.

7. I gather that these camps are not on any War Establishment, are run by

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resources of its own. It is dependent on the Allies for its rations, clothing, transport etc - in the same way as the civilian is largely dependent on A.C.

(b) Moreover, the Italian Army for which M&L by its charter is responsible today consists of soldiers enrolled de nuovo since the Italian Armistice. All other pre-Armistice soldiers, including P.W., are therefore civilians. This is the ruling of the C.C.S.

(c) Thus the conditions mentioned in (a) and (b) constitute a different state of affairs to normal and fundamentally affect the whole issue.

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5. Rations, clothing, accommodation and transport must be provided from civilian sources. Contacts are with civil ministries.

ORGANIZATION

6. I am told that there are eight civil camps, three Eighth Army Camps and three Fifth Army Camps now operating in the North for all classes of refugee irrespective of ex military or civil status. A further ten are planned.

7. I gather that these camps are not on any War Establishment, are run by civilians, paid and voluntary, and military personnel. They are assisted by two Mucici which operate jointly with AMG, Displaced Persons and Repatriation S.C., ..C. and the POW Division of WAD and IPW S.C., A.C.

POLICY

8. The present Italian Army ceilings as laid down by C.C.S. are full and will be reduced gradually, beginning almost immediately. The ex-soldier

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P.W's will therefore not be absorbed into the Italian Army (except in the case of a few specialists) and will remain civilians.

CONCLUSION

9. If the responsibility for Italian P.W. were now switched to MMLA - thereby transferring the problem to the control of another intermediary - the following would be involved immediately:-

(a) Establishment of parallel organizations for administration of displaced persons and refugees on the one hand and of alleged P.W's who are ex-soldiers on the other, both of which are a civilian commitment.

Endless argument would ensue as to whether an individual was a displaced person or an ex-soldier. At the present time no satisfactory distinction has been made among the 250,000 in the PO valley who are being dispersed as rapidly as possible.

(b) Re-coordination by MMLA with all agencies involved both here in A.C.: with AMG and Regional Commissioners; with the Italian Government civilian High Commissioner for POW, and his ministry; with the Italian General who has been working with the P.W. Division of NWD and IPW S.C.; with 15 Army Group and with G-5 at AFHQ.

(c) Re-organisation of that part of the two parallel repatriation organizations dealing with ex-soldiers on proper WE's; replacement of civilian personnel; on a military order of Battle.

(d) Establishing a military chain of command and integrating the 6,000 personnel from BR-ITI Combat Ceiling allotted to A.C. with the present civilians - AMG - A.C. chain.

(e) Producing some method of administration. MMLA has no rations, clothing or transport from civilian sources under its control.

10. For the future, the problem is bound up with international policy and world politics. Matters of international allocation of labour are involved; as also international legal questions, e.g. Italian P.W. interned by neutrals or in U.S.S.R. controlled territories; the status of P.W. awaiting shipment to ITALY post-peace Treaty etc.

It is clear that the problem has enormous scope, with potentialities of the highest international and economic order. These can only be settled satisfactorily by A.C. and NDT as an offshoot of MMLA.

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(c) Re-organisation of that part of the two parallel repatriation organisations dealing with ex-soldiers on proper WE's; replacement of civilian personnel; on a military order of Battle.

(d) Establishing a military chain of command and integrating the 6,000 personnel from HR-ITI Combat Ceiling allotted to A.C. with the present civilians - ASC - A.C. chain.

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It is clear that the problem has enormous scope, with potentialities of the highest international and economic order. These can only be settled satisfactorily by A.C. and HQT as an offshoot of MMLA.

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Appendix "B" to MMIA letter
A/C19 dated 17 May 1945

SOME ASPECTS OF THE PROBLEM OF MINE CLEARANCE

1. At present, mine clearance is undertaken by A.C., with the undermentioned:

(a) Central Mine Clearance Office } 130

(b) Personnel and dets engaged on trg civilians } ITI-ITI

(c) Four Mine Clearance Coys - each 209 equals 836 ITI-ITI.

(d) Civilian Mine Clearance Gangs A.C.

2. If the present and future work were to be undertaken by MMIA., as a continuation of the present A.C. set-up, we should have to do the following:

(a) Find out location of all areas to be cleared. This would involve liaison with Italian Local Government bodies. The existing mine clearance organization works on a civilian regional system.

(b) Form an estimate of the task to be undertaken and the personnel and equipment required for all ITALY.

(c) Negotiate with AFHQ and 15 Army Group for Tps to perform such tasks. Civil Affairs Sec A.C. estimate they require a total of twelve coys for the work (i.e. 2508 personnel).

(d) Depending on A.C. rulings, allot priority of work, including the allocation of tasks at present performed by civilian mine clearance teams.

(e) Request AFHQ for an allotment of mine detectors and arrange for same to be distributed according to priorities and task decided.

(f) Arrange for Allied Officers to see that the work detailed is in fact being carried out. No personnel now available.

(g) Collection and collation of reports.

(h) The undermentioned variety of personnel would be engaged on mine clearance and arrangements would have to be made for the administration, clothing, food, pay, accomodation, transport, etc of such personnel.

Civilian Gangs
Trg Dets ITI-ITI
Mine Clearance Coys ITI-ITI

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(c) Personnel and Gets engaged on trg civilians } ITI-ITI

(c) Four Mine Clearance Coys - each 209 equals 836 ITI-ITI.

(d) Civilian Mine Clearance Gangs A.C.

2. If the present and future work were to be undertaken by MMLA., as a continuation of the present A.C. set-up, we should have to do the following:

(a) Find out location of all areas to be cleared. This would involve liaison with Italian Local Government bodies. The existing mine clearance organization works on a civilian regional system.

(b) Form an estimate of the task to be undertaken and the personnel and equipment required for all ITALY.

(c) Negotiate with AFHQ and 15 Army Group for Tps to perform such tasks. Civil Affairs Sec A.C. estimate they require a total of twelve coys for the work (i.e. 2508 personnel).

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(g) Collection and collation of reports.

(h) The undermentioned variety of personnel would be engaged on mine clearance and arrangements would have to be made for the administration, clothing, food, pay, accomodation, transport, etc of such personnel.

Civilian Gangs	
Trg Pets	
Mine Clearance Coys	ITI-ITI
PW Coys	ITI-ITI
Other Units	BR -ITI
? PW Units	BR -ITI or US-ITI
Allied supervisory personnel	British or US

(i) Arrange with AFHQ for stores, transport and equipment without which work could not satisfactorily proceed.

3. From the above, it is clear that this is a civilian matter of considerable scope which can only be handled by A.C. with military Executive assistance and MMLA as an offshoot of AMLA.

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the Fellus Armistice of 29 September, 1944, the US and UK Governments have agreed to relax the control of the Italian Government under the armistice and surrender instrument and only to exercise such control when military needs require it, thus developing in the Italian Authorities a greater sense of responsibility. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in ITALY.

In the light of this agreed US-UK policy, you should take action as rapidly as possible in accordance with the following paragraphs:

POLITICAL SECTION

2. (a) The Political Section of the Allied Commission will be abolished. The Allied Commission will obtain advice from the US and UK Ambassadors in ROME. There is no intention, however, to make any change in the responsibility of the Combined Chiefs of Staff, acting through the Allied Commission; the Combined Chiefs of Staff, will, therefore, as occasion requires, continue to transmit directives in regard to the combined views of the two Governments on matters of major policy, and such other matters as are within the scope of the activities of the Allied Commission.

(b) The Italian Government shall be permitted to have direct relations with foreign diplomatic representatives accredited to the Quirinal, provided that the Allied Commission is kept generally informed by the Italian Government of any negotiations in which they engage with other governments.

(c) The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors.

(d) The Allied Commission shall abandon the practice of approving any Italian appointments in territory under the jurisdiction of the Italian Government except in regard to Service Ministers and such military appointments as you may determine.

(e) The Allied Commission shall as soon as possible withdraw all its officers stationed in the field in the territory under the jurisdiction of the Italian Government. However, the Allied Commission should retain the right to send its representatives into territory under the jurisdiction of the Italian Government for any special tasks when Allied interests require it.

(f) The US and UK Governments have agreed that the Italian Government will be advised that it is the Allied desire to encourage free trade in knowledge and learning with the Italian people. As far as the exigencies of the military situation permit you will facilitate any arrangements for the flow of books and other publications of a scientific, political, philosophical and artistic nature between ITALY and the United Nations and for the movement of scholars, artists and professional men between ITALY and the United Nations.

(g) The US and UK Governments have agreed that in accordance with the terms of the MOSCOW declaration it is desirable to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government and you should be guided accordingly.

(h) The status of Italian Prisoners of War now or hereafter held in ITALY other than those captured since the armistice was signed should be terminated by you upon adequate assurance being given by the Italian Government that their services will continue to be made available on terms satisfactory to you as Supreme Allied Commander subject to Combined Chiefs of Staff approval.

ADMINISTRATIVE SECTION

3. The internal organization of the Allied Commission is primarily your responsibility. In the reorganization of the Allied Commission it is desired that you give consideration to the following policies and objectives:

(a) The Staff of Allied Commission Headquarters should occupy itself primarily with consultation and advice to the Italian Government at high levels.

(b) As far as certain Sub-Commissions of the Allied Commission Headquarters are concerned such as Education, Arts and Monuments, Local Government, Labour and Legal, their advisory functions in respect of Italian Government territory should be exercised only when requested by the Italian Government and should not be limited to subject matter under the jurisdiction of the Italian Government.

(c) The Sections and Subcommissions of the Allied Commission Headquarters should be progressively civilianised to the fullest extent which in your opinion circumstances allow, except the Service Subcommissions and except to the extent that Subcommissions exercise functions with respect to territory under Allied Military Government (AMG).

(d) To the extent feasible, officers of Allied Commission Headquarters dealing with AMG functions should be located at places other than Allied Commission Headquarters.

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(d) To the extent feasible, officers of Allied Commission Headquarters dealing with AMG functions should be located at places other than Allied Commission Headquarters.

ECONOMIC SECTION

4. It is necessary that the maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured. The Italian Government should be advised that to this end and as a prerequisite to increased economic assistance it must formulate and implement appropriate economic controls and take all other steps possible. In the event that these conditions are NOT met the Allied authorities will NOT hesitate to impose the necessary controls or take other appropriate measures.

5. For the duration of combined operations, the combined US-UK military authorities will be responsible for providing:

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(a) Those quantities of food, fuel, clothing, [illegible] sanitary and other stated essential [illegible] necessary to prevent disease and unrest prejudicial to such operations.

(b) Those supplies such as fertilizer, raw materials, machinery and equipment, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph. At the time when combined military responsibility will terminate will NOT be known when regulations are being prepared and considered, the importation of supplies under this sub-paragraph will NOT be excluded merely because the effect of such imports may NOT be felt during the period of combined military responsibility.

(c) Those supplies necessary for the restoration of such of the Italian power systems and transportation and communication facilities as will further the military effort against GERMANY and JAPAN.

To the extent contemplated by this Paragraph 5, essential civilian supplies cannot be divorced from the military supply programs and ITALY must be treated as a whole. It is understood that the date of termination of combined military responsibility for providing supplies as set out above will be decided by the Combined Chiefs of Staff on your recommendation.

6. The Allied Commission shall be advised to assist the Italian Government in the preparation of programmes of supplies designed to rehabilitate Italian industry. These supplies will be in addition to those to be provided as a military responsibility. Such programmes when established by the Italian Government will NOT be subject to screening by Allied Force Headquarters, but will be reviewed and transmitted directly with appropriate comments and recommendations by the Allied Commission to the Combined Civil Affairs Committee, which will transmit the programmes to the Combined Liberated Areas Committee for action by the appropriate civilian agencies of the UNITED STATES and British Governments. The UNITED STATES and British Governments will each make available such shares as may be mutually agreed of the cost of the provision of such of these programmes as may be approved by the Combined Liberated Areas Committee. Procurement covering such programmes should immediately be put in hand without reference to the present shipping position in order that the supplies may be called forward as and when shipping space becomes available. In this connection see Paragraph 8 below.

7. The questions raised by you in sub-paragraphs A, B and C of Paragraph 4 of NAF 778 are answered as follows:

(a) The prime responsibility for the control of inflation in ITALY, including the imposition and administration of

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during the period of combined military responsibility.

(c) Those supplies necessary for the restoration of such of the Italian power systems and transportation and communication facilities as will further the military effort against GERMANY and JAPAN.

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7. The questions raised by you in Sub-paragraphs A, B and C of Paragraph 4 of NAF 778 are answered as follows:

(a) The prime responsibility for the control of inflation in ITALY, including the imposition and administration of appropriate financial and economic controls and appropriate utilization of supplies, must rest with the Italian Government. Your responsibility in this connection, other than with respect to the importation of supplies, is, through the Allied Commission, to advise and assist the Italian Government.

(b) It is desired that industrial rehabilitation in ITALY be carried out by the Italian Government to the fullest extent permitted by the Italian resources and such supplies as you may be authorised to import, consistent with the discharge by you of your military mission, with the exception that industries for the production or repair of munitions or other implements of war shall be rehabilitated only to the extent required by you in discharge of your military mission and as will further the military effort in other theatres. Except

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for those industries the rehabilitation of which is essential to the discharge of your military mission and in furtherance of the military effort in other Theatres, which rehabilitation should be given first priority. Industries other than those excluded by the preceding sentence will be given such precedence in rehabilitation as may be determined by the Italian Government.

(c) The extent of your responsibility with respect to the importation of supplies into ITALY is defined in Paragraphs 5 and 6 hereof. Except as is so defined, you have NO responsibility for the importation of supplies into ITALY.

(d) Within the limitation of available shipping and subject to military considerations as determined by you, the extent to which exports are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. The appropriate civilian agencies of the British and American Governments are currently considering methods by which the Italian Government may be assisted in these respects and as soon as decisions in this connection are reached, you will be advised with respect thereto.

8. Nothing herein contained shall constitute a commitment with respect to shipping. Any supplies to be imported into ITALY must be transported within such shipping as may be allocated from time to time.

FINANCIAL MATTERS.

9. The two Governments are discussing proposals for giving the Italian Government a greater measure of responsibility in financial matters; a further directive on these matters will follow.

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SECRET

Copy No. 35

HEADQUARTERS ALLIED COMMISSION
APO 394

Ref: A001/003.

5 January 1945.

Attached is a copy of a paper, "Allied Policy towards Italy", which I wrote and circulated to various Government Departments in London as a basis for my discussions with them during my visit to England a few weeks ago.

The paper was designed only as a preliminary essay and for consumption in London. It must be read in that light. Nevertheless I think that some of my American and British colleagues at Allied Force Headquarters and the Allied Commission will be interested to see it.

F. MACMILLAN,
The Resident Minister,
Central Mediterranean.
Acting President
Allied Commission.

Headquarters Allied Commission
APO 394

Ref: 4001/008.

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The Resident Minister,
Central Mediterranean.
Acting President
Allied Commission.

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10

ALLIED POLICY TOWARDS ITALY.

Note by the Resident Minister, Central Mediterranean.

PART ONE.

Introductory.

I

Italy, like Gaul, is at present divided into three parts:

(1) Kesselring's Italy, population approximately 21 million, covering about three-eighths of the country.

(2) Liberated Italy, under Allied Military Government. This covers about one-eighth of the country; population about 5 million.

(3) Liberated Italy with Sicily and Sardinia under the Italian Government. This covers about one-half of the country; population about 19 million.

The functions of the Allied Commission extend over these three territories. It must plan forward for Kesselring's Italy. It must plan currently for, and administer, Allied Military Government Italy, both in respect of present needs and in anticipation of restoring the territory to the Italians. It must plan and advise in respect of Italian Government Italy.

Any attempt to place these functions under separate authorities would be unworkable. Indeed, in the latter part of 1943 experience proved this to be the case, and the remedial measures then taken met with general approval.

It is not always recognized that for the greater part of the work of the Commission, with the exception of the Political section (for which I am making separate proposals) concerns the first two of these territories. Moreover, the advisory duties will tend to decrease for Italian Government territory; although participation in planning of imports, both consumption and capital goods, must necessarily continue. Some degree of inspection must also be maintained in order to secure the maximum use of their own facilities by the Italian Government. This is the normal practice of surveying authorities (such as the Middle East Supply Centre, North African Joint Economic Board and other similar bodies) which have operated under the general guidance of the Combined Authorities in Washington.

This situation presents an exceedingly difficult administrative problem. Any reorganisation of the functions and composition of the Allied Commission in order to carry out the new policy towards Italy must have regard to these overriding facts or disaster will ensue.

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[illegible], Italy, is at present divided into three parts:

(1) Kesselring's Italy, population approximately 21 million, covering about three-eighths of the country.

(2) Liberated Italy, under Allied Military Government. This covers about one-eighth of the country; population about 5 million.

(3) Liberated Italy with Sicily and Sardinia under the Italian Government. This covers about one-half of the country; population about 19 million.

The functions of the Allied Commission extend over these three territories. It must plan forward for Kesselring's Italy. It must plan currently for, and administer, Allied Military Government Italy, both in respect of present needs and in anticipation of restoring the territory to the Italians. It must plan and advise in respect of Italian Government Italy.

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This situation presents an exceedingly difficult administrative problem. Any reorganisation of the functions and composition of the Allied Commission in order to carry out the new policy towards Italy must have regard to these overriding facts or disaster will ensue.

II

Apart from the psychological difficulty inherent in maintaining Allied Military Government in a part of the liberated area while allowing the Italian Government to administer the rest, there has been a duality in Allied policy to Italy ever since the signing of the Armistice was followed by the doctrine of co-belligerency. Sometimes we have stood upon one leg - the strict enforcement of Armistice terms upon a defeated enemy; sometimes upon the other - friendship and assistance to a co-belligerent whose relations with us are becoming more and more those of an ally.

We must now, I think take the line that the recent formal change of name from Allied Control Commission to Allied Commission has a real meaning. It should be our purpose only to exercise control where our military needs require it. Wherever possible the function of the Commission should be that of a mission of experts offering advice. If our advice is not accepted, we must shrug our shoulders and allow affairs to take their course. Only in this way can we bring a sense of reality and responsibility to the Italian authorities.

We should now inform the Italian Government that while we propose to hold absolutely to all our rights under the Armistice, and do not intend to discuss any settlement of purely post-war problems (for instance, territorial and colonial arrangements), yet, subject to the overriding military needs for the conduct of the campaign, we shall hold these rights largely in reserve. We shall make the transfer of authority to the Italian Government as great a reality as possible. In consultation with them we shall provide, if they require it, expert advice on such questions as justice, education, fine arts, and the like. If they prefer to do without these experts in their territory, we shall raise no objection. In the more important sphere of finance, labour regulation and wage negotiation, we should strongly urge them to listen to our views, although the principle would be that the final decision would rest with them. Indeed in every matter which is within the competence of the Italians to do for themselves, that is, regulation of their own internal political and economic life, we shall play the role of advisers, except to the extent that the military authorities require to control specific functions or to take over particular properties.

There are, however, two stern warnings which we should not hesitate to give. First, insofar as the scale of Allied imports depends upon the efficiency or otherwise of home production, we must make it clear that we shall have regard to the degree of Italian self-help - within the physical possibilities of their present situation - in fixing the standard of our help to them. Secondly, we must insist on the maintenance of law and order. If security is threatened, in a way to impede or imperil our military operations, we should not hesitate to reimpose military government either in whole or in part. Subject to these provisos, our handing over of control to the Italian Government in their territory should be far reaching and sincere.

PART TWO.

Muting the middle "O".

(The Allied Control Commission has been remould the Allied Commission).

There are certain specific changes which I recommend in pursuance of this policy. I have discussed them informally with the Chief Commissioner and some of the more important officials of the Commission and we have reached a broad measure of agreement.

I

I propose that the Political section of the Commission be abolished.

This Section, which is managed by an American and British Vice-

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PART TWO.

Within the Middle "C".

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There are certain specific changes which I recommend in pursuance of this policy. I have discussed them informally with the Chief Commissioner and some of the more important officials of the Commission and we have reached a broad measure of agreement.

I

I propose that the Political section of the Commission be abolished.

This Section, which is charged by an American and British Vice-President of equal rank, belongs to the early post-Armistice period. Then Italian sovereignty was little more than a fiction, resting upon an aged and exiled King, with his little retinue of insignificant courtiers and an impotent if gallant Marshal - huddled in a mediaeval castle in Brindisi, itself the most distant point in Italy which fugitives can reach.

Since that time policy has developed. The Italians have received in turn an American and a British Ambassador. They are sending their Ambassadors in return to Washington and London. Although there is some fine distinction (in the British, not the American case) between the pre-war and the post-Armistice relations, the ordinary public, not appreciative of the niceties

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of the Protocol, do not easily differentiate between a diplomatic representative with the personal rank of Ambassador and a "right-down regular royal" Ambassador, old style.

Moreover, the Italians are now themselves in direct relations with United Nations and neutral Powers. Interchange of Ambassadors and Ministers is going on at an ever increasing pace, the Latin republics of South America being particularly prominent in this diplomatic pilgrimage to Rome.

In theory all formal communications between the representatives of other Powers and the Italian Government should pass through the Commission, there being no objection to informal and unofficial contacts. This has not applied to Russia; and the United States and British representatives have now notified the Commission of the resumption of direct relations between their Governments and the Italian Government. It would seem, therefore, that to maintain in theory a rule which was never in practice enforced or even capable of being enforced, would be useless and even ludicrous. I propose that we should confirm to the Italian Government that they may have direct relations with foreign representatives accredited to the Quirinal, and at the same time tell them that they will be expected to keep us generally informed on any negotiations in which they may be engaged.

Similarly, in theory all Italian communications to their representatives abroad are made through the Allied Commission. They are either sent in a cypher of which we hold the key or in Allied cyphers. Copies "en clair" are sent to the Political Section. In the case however of Russia, messages are sent through Soviet cyphers, no copy being sent to the Commission.

The Soviet representative on the Advisory Council has proposed that the Italian representative in Moscow be given his own cypher. It seems difficult to refuse this request. The question of the provision of independent cyphers for the Italian representatives in London and Washington has been raised by the Italians. It has been referred by the Commission to Allied Headquarters and by them to the Combined Chiefs of Staff.

I propose that this request should be granted.

I propose that this privilege should be extended to their representatives in other countries.

The original insistence upon the communication of copies of telegrams to the Political Section was based partly on considerations of military security. But members of the Advisory Council (including Greece, France, and Yugoslavia) have cypher facilities; so has the Brazilian Chargé d'Affaires. It is true that other United Nations and neutral representatives accredited to the Quirinal have no facilities; but the representatives of the same Powers at the Vatican have them.

Thus, so far as military news coming out of Italy is concerned, we are already trying to block the channel with a sieve. Another leak or two are of little consequence.

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Thus, so far as military news coming out of Italy is concerned, we are already trying to clock the channel with a sieve. Another leak or two are of little consequence.

If these concessions are made, there is no need for the Political Section as such to continue. The function of giving political advice to the Commission can be undertaken by the British and American Embassies. In order to effect this, I have worked out a plan (details of which are given in Appendix A 1) with the British and American Ambassadors in Rome and it has their approval. I propose that it should be put into effect forthwith.

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II

I propose that we surrender the control over Italian legislation in Italian territory.

In point of fact, nothing in the Armistice terms gives the Commission any right to be consulted on all decrees of the Italian Government. In practice, a large proportion of decrees proposed are sent for study and advice by the appropriate Sub-Commission. Sometimes, as in the case of a recent decree raising wage rates, the Council of Ministers approved the decree without prior and detailed approval from the Commission. (I am bound to observe that in this instance my sympathies were with the Italian Government, who as sometimes happens with Governments, could not withstand powerful political pressure fortified only by the theoretical arguments of civil servants and statisticians.) The formal claim to approve decrees is difficult to enforce - as has been proved - since the only remedy would involve the removal of the Minister or the fall of the Ministry. It is wiser, in the new conditions, to rely on moral persuasion and even, when required, pressure; and to develop a normal habit of consultation on matters, particularly economic, when our joint interests are involved or when action taken in Italian Italy must, in fact, be followed in Allied Italy. The formal renunciation of this right to approve decrees, would certainly be welcomed by the Italians.

III

Similarly, I propose that the control of Italian appointments in Italian Italy be modified or surrendered.

Again, it is doubtful whether we have a right to this control under the Armistice terms. But shortly after the first transfer of territory (11th February, 1944) there was an exchange of letters between General Mason MacFarlane and Marshal Badoglio. In effect, by these letters it was agreed that all appointments to the Government and all senior appointments by the Government would be subject to the prior approval of the Commission. I attach in Appendix B.i. a list of offices finally agreed to be subject to this control, so far as the Civil Affairs Section is concerned. It will be seen that it goes down to the Mayors and Town Clerks of towns of 15,000 inhabitants. Appendix B.ii. gives a similar list affecting the Economic Section.

The Italian Government has recently requested that the position be revised. They have submitted a very short list of offices to which this right should apply. It includes Ministers and Under Secretaries of the Government, the heads of the fighting services and so forth (Appendix B.iii).

So far as the approval of officials in Appendices B.i. and B.ii. is concerned, I take it that the chief object was to secure "denazification" rather than to guarantee efficiency. Indeed, after a country has been for a generation under a Fascist regime, those two purposes may well be contradictory rather than complimentary. While the right of approval has certainly helped to achieve the first purpose, I think it is no longer necessary. Public opinion does not need stimulating on this issue. On the contrary, agitation in Italy (as in other countries) may be pushed dangerously far.

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short and long Armistice terms which were read and accepted by every member of the new Government) these letters - either by mischance or contrivance - were overlooked.

I therefore urge that we waive the right of approval altogether - with one exception.

A short list should be agreed of Service chiefs - to include Chiefs of Staff and Commanders of formations re-equipped for active service in the field. In their case it would perhaps be wiser to ask that the approval should be obtained of the Supreme Allied Commander or the Combined Chiefs of Staff.

If this recommendation is approved, certain consequential changes will have to be made in the legal documents of transfer of successive provinces from Military Government to Italian Government, since it has been the practice to include in these a clause preventing the removal of any Italians appointed by Military Government authority to posts within the territories concerned.

This is a mere formality.

IV

I propose that local officers of the Allied Commission should be withdrawn from Italian Government Italy.

One of the features of the control which is most apparent to and therefore to some extent resented by the Italians is the presence of local Allied officers in all the regions handed back to Italian control. Since, in many cases, these are the same officers who were functioning during the period of military government, the change from "direct" to "indirect rule" is correspondingly obscured.

The Commission itself, under the two main Sections of General Administration and Economic Affairs, is organised into some twenty Sub-Commissions, corresponding to the various Italian Ministries. In the regions are Regional officers, with specialists from one or other of these Sub-Commissions to assist them. Although a very drastic reduction has taken place recently in the total so employed, this only strengthens the argument for their total elimination. They are now insufficient to govern, but sufficient to interfere. And their presence tends to weaken the sense of responsibility of the Italians themselves.

For instance, during the recent riots at Palermo, it was the Italian prefect who was responsible for calling out the troops, which he did somewhat precipitately. He had a Regional Commissioner who was powerless either to act or restrain action. And the very presence of a Regional Commissioner in Italian administered territory allowed the Italians to pursue the congenial plan of throwing upon us - in the public opinion of the world - a responsibility which belongs to themselves.

It is true that there must be local contacts between the Allied Military and Naval authorities in Italian governed Italy, especially in places where there are still Allied installations. But this function could well be performed by Liaison Officers attached to the various Military Area and District

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It is true that there must be local contacts between the Allied Military and Naval authorities in Italian governed Italy, especially in places where there are still Allied installations. But this function could well be performed by Liaison Officers attached to the various Military Area and District Commanders. Where matters were incapable of local adjustment or when technical advice was required (for instance, on transportation and public utilities) special "trouble shooters" could be summoned from the Commission at Rome or, at the request of the Italians, specialist officers made available to them for special duties.

The general view of the senior members of the Allied Commission favours complete withdrawal. The Political Advisers (in the shape of representatives of the Embassies) feel that it is of considerable psychological value. Allied Force Headquarters would have to agree in detail the system of Liaison Officers from the point of view of District and Area Commanders - but I do not anticipate any difficulty in devising a workable plan.

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Undoubtedly, the more the contacts and, where necessary, pressure, between the Allies and the Italian Government can be confined to the central and at a high level, the better relations will be. Italian Ministers resent the appearance rather than the reality of control. And the withdrawal of officers from the field would enormously enhance the prestige of the Government.

The officers made available - probably some 150 if we begin with Southern Italy and the islands - could be used in the general pool. Some could strengthen A.C. and replace some of whom we would wish to be rid; others would be most valuable for the Northern Regions; those surplus or least competent could be spared altogether.

V

Certain central, as well as local, functions of the Allied Commission in Italian Government Italy should be abandoned altogether.

There are a number of functions of sub-commissions organised to carry them out which can well be surrendered. This does not, I regret, mean that any of these sub-commissions can be liquidated. They must remain for the work in Allied Italy and to prepare the work in Kesselring's Italy. Such are, in the administrative field, Monuments and Fine Arts, Education, Local Government. In the economic field, arrangements are already being made to hand over to the Italians (subject only to inspection) the distribution of food and other supplies in Italian territory.

Here again, this proposal is approved by the leading officers of the Commission.

VI

Changes in the Commission itself have been suggested as likely to emphasise the sincerity of the new policy embodied in recent statements of the President and the Prime Minister. "Demilitarisation has been put forward on this as well as other grounds, and will be discussed in a later section of this paper. In view of the arguments advanced in the Introduction, and the importance of the military government aspect of the Commission's work, there is a very definite limit to what can be achieved by this method. But, in general, both by the issue of a new and clear directive and by a re-statement publicly and with great precision of Allied policy towards Italy, the whole conception of the Commission's new purpose and functions in Italian territory can be made effective. We are to be advisers, not controllers; elder brothers to our weak and erratic juniors.

All Italians are children. They are naughty - very naughty, sometimes vicious children. But all are children. They must be treated kindly but firmly. In any case, we can take from their ancient literature as our guide a sentiment which we have often thought the peculiar tradition of the Anglo-Saxon race - "Parcere subjectis et debellare superbos".

To the Italians both parts of this sentence might apply. They were

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To the Italians both parts of this sentence might apply. They were intolerably puffed up; they have been wholly defeated. Justice should now be tempered with mercy.

PART THREE

Allied Commission: Composition and Structure.

I

The introductory paragraphs of this paper explained the three-fold character of the Italian problem. This reflects itself in the somewhat complicated composition of the Commission itself. It has to serve needs arising out of past, present and future military operations. This should influence the approach to the question of demilitarisation, which is being recommended in certain quarters in London and in similar circles in Washington.

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I cannot believe that those who propose rapid or wholesale demilitarisation have understood that three-quarters of the effort of the Commission is necessarily concentrated on those parts of Italy occupied or about to be occupied by Allied armies - that is, what I have called Allied Italy and Re-delivered Italy.

In Allied military government territory it is really quite impracticable for the organisation to function except with officers in uniform. This will apply until the final stages of the operation. When the enemy have been driven from all Italian territory and when the first shock has been taken by the A.M.G. organisation in the rear of our advancing armies, all Italy (except perhaps certain disputed provinces, such as Venezia Giulia), will in due course be returned to Italian control. The Commission can then be almost wholly demilitarised because its sole function will then be to give expert advice to the Italians and to protect our long-term interests under the armistice.

If the plan for withdrawing local representatives of the Commission as a whole or by stages from Italian Government Italy is adopted, it will automatically reduce the number of military officers employed, or make them available elsewhere. It will also, however, eliminate altogether the one sphere, that is in the regions of Italian-controlled territory, where total "civilianisation" might have been practicable.

If it is agreed that the three Italies must be treated as a whole - and this has not been challenged by anyone who has seriously studied the problem on the spot - then the great majority of the officers of the Commission must be in uniform. The simplest example of the indissoluble character of the Italian problem emphasises the impracticability of any but the most gradual demilitarisation. Oil from Apulia must be moved into the interior of Italy or the Province of Brussels; no coal must start from Apuania province (which is a surplus area) be moved into Italian Government Italy further south. How can any plan be made of rehabilitation of power or productive resources, which does not take into account existing conditions in the two liberated Italies and make some relief in view of probable needs in enemy occupied Italy?

"Demilitarisation" is only possible in the headquarters of the Commission, not in the field. In Headquarters this is already being done to a considerable extent. There are 49 officers although only 2 British civilians of officer status in the two key sections, economic and civil affairs. More are being asked for. Brigadier Lush - Chief of Staff - has been accepted recently in London with alternate additional British civilians for important posts. And there is no objection, in principle, to further extension. But there are limiting factors to this process. Certain positions, for technical reasons, must be held by military officers. For instance, Allied military courts which are set up in different parts of the country, including Italian Government territory, must be manned by military officers since their only sanction is military. It has been found necessary to use these courts as the only effective way of preventing thieving and pillaging of Allied property.

It is very important to allow some degree of flexibility. It is desirable to send officers from Headquarters in Rome into the field and vice versa

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It is very important to allow some degree of flexibility. It is desirable to send officers from Headquarters in Rome into the field and vice versa. Since officials in the field in A.M.G. territory must be in uniform, this consideration clearly limits the extent to which civilians should be introduced to Headquarters. In effect, they should be confined to certain posts - mainly senior posts at Headquarters - particularly on the economic side. It may be urged that certain officials - for instance in the Monuments and Fine Arts Sub-Commission in the field might be civilians. Just the opposite is the case. The only hope of doing that early work of salvage on which so much depends is the prestige enabling a soldier to get some materials and labour out of the military at a time when they are naturally preoccupied with the battle. Many a simon pure artist or dilettante has been saved by timely attention - a little routine or [illegible] up a frescoed wall. The Professor in pottledress remonstrating as a Colonel is executed; in any end room (or even fireside) he would scarcely reach the scene of action.

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II

Apart from the question of "demilitarisation" which has so exercised the War Department and the War Office (somewhat strangely, since in our Military arms so many of the soldiers are but disguised civilians) the chief trouble of the Commission has been absenteeism. For a long period, there has been no Chief Commissioner, and for many months, the Vice President of the Economic Section absented himself. His successor functioned for a few weeks and then returned home. (It may perhaps be worth observing that civilians absent themselves without leave more freely than soldiers). If we are to have any chance of orderly progress, this must cease. There must be introduced a more serious attitude in London and Washington towards appointments to high places. The principle by which the right of appointment to particular posts has been regarded as vested (like an advowson) in one or other Government, is vicious. After due consideration I will suggest some necessary changes in the higher ranks. After that, I trust the promotion and discipline within the body will be left to the Chief Commissioner.

The morale of the Commission has been seriously shaken by these vacillations and uncertainties. And there has been a feeling that their work has been misunderstood and unfairly criticised.

I think that all is now set for a new phase, and I shall make every endeavour (with the help of the Chief Commissioner) to restore and revivify the organisation as a team, loyal both to itself and its duties.

PART TWO.

The Economic Problem.

1. INTRODUCTORY

It is unnecessary to emphasise the serious situation in which present day Italy finds herself from the economic point of view. Even before the war, in spite of all the effort towards self-sufficiency made by the Fascist regime, the financial and economic position was radically unsound. Budgetary figures were faked or at least distorted to conceal the real facts.

The problem of whether the Italian Peninsula can be made a "going concern" is a long. Without coal or iron, Italy is not a naturally strong unit. The development of hydro-electric power has to some extent in the last twenty years replaced the necessity for coal imports. But the hydro-electric power of Southern Italy has been greatly reduced; that of Central Italy has almost wholly gone; that of Northern Italy is threatened with total destruction.

Before the war the balance of payments, since imports of all kinds, including wheat and oil, were necessary, could only be kept stable by four means. First, a certain range of exports, chiefly of high-class manufactured goods and some agricultural products; second, tourist traffic; third, emigration; fourth, shipping earnings. The first and last have disappeared. The second has been replaced by a particularly unremunerative form of tourist - the Allied armies - who up to now at least have spent Italy into debtors on sterling, but

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principle by which the right of appointment to particular posts has been regarded as vested (like an advowson) in one or other Government, is vicious. After due consideration I will suggest some necessary changes in the higher ranks. After that, I trust the promotion and discipline within the body will be left to the Chief Commissioner.

The morale of the Commission has been seriously shaken by these vacillations and uncertainties. And there has been a feeling that their work has been misunderstood and unfairly criticised.

I think that all is now set for a new phase, and I shall make every endeavour (with the help of the Chief Commissioner) to restore and revivify the organisation as a team, loyal both to itself and its duties.

PART TWO.

The Economic Problem.

I. INTRODUCTORY

It is unnecessary to emphasise the serious situation in which present day Italy finds herself from the economic point of view. Even before the war, in spite of all the effort towards self-sufficiency made by the Fascist regime, the financial and economic position was radically unsound. Subsidiary figures were faked or at least distorted to conceal the real facts.

The problem of whether the Italian peninsula can be made a "going concern" is age-long. Without coal or iron, Italy is not a naturally strong unit. The development of hydro-electric power has to some extent in the last twenty years replaced the necessity for coal imports, but the hydro-electric power of Southern Italy has been greatly reduced; that of Central Italy has almost wholly gone; that of Northern Italy is threatened with total destruction.

Before the war the balance of payments, since imports of all kinds, including wheat and oil, were necessary, could only be kept stable by four means. First, a certain range of exports, chiefly of high-class manufactured goods and some agricultural products; second, tourist traffic; third, migration; fourth, shipping earnings. The first and last have disappeared. The second has been replaced by a particularly unremunerative form of tourist - the Allied armies - who up to now at least have spent little but dollars or sterling, but A.M.G. like popularly known under the expressive sobriquet of "Money Bought". Emigration alone has continued in the shape of many hundreds of thousand of Italian prisoners who are being maintained abroad. At the same time, apart from the destruction of power and machinery, large quantities of poultry (in Southern Italy 85 per cent), sheep and cattle (in Southern Italy 60-70 per cent), horses, mules and oxen have been carried off by the Germans. Where they have been spared, by the retreating, they have been freely requisitioned by the liberating armies. Very substantial quantities of vegetables and meat running into some hundreds of thousands of tons have been purchased locally by the Allied Quartermasters. In addition to these traditional exactions modern invasions add a new injury to a country which medieval technique at least avoided. Not only is property taken from the inhabitants, but it is paid for by a vast inflation of currency threatening the stability alike of savings and earnings. Considering the fact that the Italian financial position is quite desperate, it is a very remarkable tribute to the saving habits of the people and their confidence in established authority that a runaway inflation on the German model has so far been avoided.

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constitute the necessities of life. (It is interesting to note that the Swedish Red Cross has never provided less than a ration of 350 grammes per day for the population of Athens, with 440 grammes per day for heavy workers). General Wilson in his telegrams, stimulated by the statements of the President and the Prime Minister, has made several appeals for authority to extend the U.S. 350 grammes ration north of the Garigliano line covering all Allied Italy. This is partly for humanitarian and partly for military reasons, since the condition of Rome, where the ration is 200 grammes a day, and of such towns as Florence and Siena has caused great anxiety on security grounds to the military authorities. His telegram L.C. 763 of 19th October (See Appendix C) summarises his arguments which were presented in earlier messages. So far, no reply has been received. Similarly, boots and clothing must be proportionately increased; trucks for civilian transport must be made available, together with tyres, tubes, and spare parts. In the President's declaration of 16th October, 1,700 additional trucks were promised. None has arrived, nor has any indication yet been received from Washington, as to the date when they may be expected. The same declaration referred to temporary power facilities to furnish electricity. These have been on order for nine months. We know that they are actually in existence, but as to their destination is wrapped in mystery and silence.

The normal requisitioning of civilian supplies on military account formed upon a more liberal interpretation of the "Lease and Lease" formula is essential. I trust that His Majesty's Government will be willing to provide their quota of the cost on the agreed percentage according to the over-all agreement with the United States Government.

In addition to supplies on this account, the declarations by the Heads of the two Governments have led us to believe that further deliveries would be made available to meet the needs not only of the present but of the immediate future. To be borne in mind, so far as the United States were concerned, by various sources of finance outside military responsibility, such as value of the American troop pay in Italy, remittances from American citizens to Italy, and various other items. It was not clear what the total would be. Various calculations have been made ranging from 150 to 250 million dollars. In any event, I trust that His Majesty's Government will contribute a percentage of whatever the sum may prove to be on the usual proportion.

Nevertheless, in spite of every effort by General Wilson to get some information from Washington of how the declarations made in September and October are to be translated into reality, so far no reply of any kind has been received - except of a negative and dilatory character. On the assumption, however, that this is merely due to the long ministerial procedure of the C.C.S. and C.C.A.C., General Wilson has given instructions for planning to proceed. These are set out in M.C. 840 of 1st November (Appendix D). M.C. 1 of 9th November, which was sent during my absence in Athens, in attempting to elaborate the plan, departed from its essential principle. It should be withdrawn. A programme of industrial first-aid is being drawn up to range somewhere within the figures believed likely to be available - 150 million to 200 million dollars. This is being drawn up for the immediate needs of Southern and Central Italy and making some allowance for the future requirements of Northern Italy. A preliminary detailed programme has already been sent to the C.C.A.C. through the hands of two of their visiting members on 21st October. All that remains is to secure official approval. Something must, which I can hardly believe to be well based, has crept into the more sceptical minds on the Commission. It is understood

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III

GENERAL.

It will be seen from the foregoing that the task of those who have to plan for the needs of the Italian people is no easy one. It reminds one of those ingenious puzzles that torture young or old who fall beneath their spell, where it is necessary to entice four mercury balls in a small cardboard box to fall into their respective or appropriate holes. Two may easily be done at once, three often, but the whole four present a formidable test of patience and determination. In this case the four balls are availability of supply, finance, shipping and port acceptability. It has seldom been possible to obtain clearance on all these at once. Yet without some near miracle of concurrent agreement, reasonable planning for the future becomes impossible. Of course it may be urged that there is no reason to worry ourselves unduly about the unhappy position in which the Italians find themselves. Their disasters are their own fault. But this policy, harsh though it might be, would at least have been practicable had it not been for the recent declarations formally made on behalf of the two Allied Governments. To turn now from the path of generosity there marked out is unthinkable. In addition, this more lenient mood seems to be greatly in the interests of the world in general. Whatever may be the post-war policy towards Germany, we have accepted Italy into a position different from that of a beaten enemy; we have invested and, to some extent, benefited by the doctrine of co-belligerency; and, from the longer aspect, prosperity like peace is indivisible. The problem that faces Italy are serious enough. When we reach the North we shall find large working class populations in Turin and Milan. It will test all our efforts to keep them alive. They will be the first large urban populations in our care situated inland and not upon the seaboard. To bring them food without railways or trucks will present a formidable problem to Allied Military Government. At present, slaves although they may be of German occupation, the factories are running and the people are largely employed. When they are "liberated" the power will probably be destroyed, the factories largely dismantled, the machine tools wrecked or taken to Germany, and the raw materials not available. It will need all the patience, courage and devotion that British and American administrators can give if we are to preserve Italy and her 45 millions of people from collapse into despair, anarchy and revolution. To fail to make the effort because of our grievances against Italy, however justified, may be to have won the war and lost the peace.

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[illegible] agreement, reasonable planning for the future becomes impossible. Of course it may be urged that there is no reason to worry ourselves unduly about the unhappy position in which the Italians find themselves. Their disasters are their own fault. But this policy, harsh though it might be, would at least have been practicable had it not been for the recent declarations formally made on behalf of the two Allied Governments. To turn now from the path of generosity there marked out is unthinkable. In addition, this more lenient mood seems to us greatly in the interests of the world in general. Whatever may be the post-war policy towards Germany, we have accepted Italy into a position different from that of a beaten enemy; we have invented and, to some extent, benefited by the doctrine of co-belligerency; and, finally, in the longer report, prosperity like peace is indivisible. The problems that face Italy are serious enough. When we reach the north we shall find large working class populations in Turin and Milan. It will test all our efforts to keep them alive. They will be the first large urban populations in our care situated inland and not upon the seaboard. To bring them food without railways or trucks will present a formidable problem to Allied Military Government. At present, slaves although they may be of German occupation, the factories are running and the people are largely employed. When they are "liberated" the power will probably be destroyed, the factories largely dismantled, the machine tools wrecked or taken to Germany, and the raw materials not available. It will need all the patience, courage and devotion that British and American administrators can give if we are to preserve Italy and her 45 millions of people from collapse into despair, anarchy and revolution. To fail to make the effort because of our grievances against Italy, however justified, may be to have won the war and lost the peace.

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APPENDIX A i

Political Section of the Allied Commission

Proposed Memorandum of Arrangements to be agreed between the United States Government and His Majesty's Government arising out of the establishment of American and British Embassies in Rome, and Italian Representatives in Washington and London.

I

The Political Section of the Allied Commission (formerly Allied Control Commission), which has hitherto consisted of two Joint Vice Presidents, one American and one British, will be abolished.

In its place, the United States and British Embassies have agreed to make available such facilities as the Commission may require.

The functions of the Advisory Council for Italy will of course remain as laid down in the Moscow Agreement.

II

In order to make this plan effective the following arrangements will be made:

(a) Frequent personal meetings between the Chief Commissioner, the United States Ambassador, and the British Ambassador will continue as heretofore.

(b) In addition, the United States and British Ambassadors will each nominate a senior member of their staff to give political advice to the Chief Commissioner and to the various sections of the Commission on day to day business as it arises. Suitable accommodation will be made available for them at the Offices of the Commission. They will each have an assistant and a small joint secretariat will be established in order to ensure the necessary co-ordination. All papers affecting political problems will be passed to them and their concurrence sought where necessary by the various sections. They will have the title of Political Adviser and be regarded as in every sense members of the Commission.

H.M.

19th November, 1944.

APPENDIX A ii

The two dual officers of the Embassies in Rome, that is, the Commercial Counsellor, the Labour Attache and the Press Attache, find themselves in a somewhat difficult position since many of the functions that they would normally perform are in fact carried out by the Allied Commission; and information which they would normally hope to obtain from the Italian Government is only really obtainable from the Commission or some of the Sections of Allied Force Headquarters. On the analogy of the arrangements I have proposed for the political side described in Appendix A i in my paper, I would propose the following arrangements and would do my best to secure their general support if acceptable to His Majesty's Government.

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The functions of the Advisory Council for Italy will of course remain as laid down in the Moscow Agreement.

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H.M.

18th November, 1944.

APPENDIX A II

The technical officers of the Embassies in Rome, that is, the Commercial Counsellor, the Labour Attache and the Press Attache, find themselves in a somewhat difficult position since many of the functions that they would normally perform are in fact carried out by the Allied Commission; and information which they would normally have to obtain from the Italian Government is only really obtainable from the Commission or some of the Sections of Allied Force Headquarters. On the analogy of the arrangements I have proposed for the Political aids described in Appendix A I in my paper, I would propose the following arrangements and would do my best to secure their general support if acceptable to His Majesty's Government.

(1) Economic Section

I propose that the Economic Section (for which I have to find a suitable American and British head) should have attached to it as advisers the American and British Commercial Counsellors. They would not act in an executive capacity, but would be in a position not dissimilar from that of Directors on the Board of a Company. This would give Mr. Mosworthy a regularised position in the Commission, give him a room there, and allow him to see papers, etc. From my conversations with him, this is what he would like.

(2) Labour Attache.

I would propose that Mr. Brayne because (as has already been suggested 2302 Commission) head of the Labour Sub-Commission while retaining his position at the

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British Embassy. This proposal was generally agreed, but has now been turned down by London - I understand by the Ministry of Labour. While I quite appreciate the Minister's feeling that the Labour Attache has really important work to do and should be free to accomplish it, I think it should be put to the Minister of Labour that he would be able to do this much more effectively by taking on the additional functions of head of the Labour Sub-Commission than placed as he is now. As head of the Sub-Commission he will be able to have contacts both with the Government and with the Trades Union leaders and play the role which I think Mr. Bevin wishes him to play of assisting to rebuild Italian labour on a properly organized trade union basis. When the Commission withers away, he will continue in his post as Labour Attache with great experience behind him and with great influence. If he merely remains in a detached position he cannot achieve very much; and I am sure it would be to the interests of those purposes which the Minister of Labour has at heart if he were allowed to accept the post of head of the Labour Sub-Commission while of course retaining his position as Labour Attache to the Embassy.

(5) Press Attaches.

I am proposing a reorganisation of the Press work in Italian Government Italy and Allied Government Italy. At present P.W.B. is the integrated organ for propaganda under the direct control of A.F.H.Q. The Allied Commission also has a Public Relations Officer and the whole mechanism of propaganda. The relations between these two have never been very happy or a very clear line of demarcation drawn as to their functions. I should like them to be amalgamated so far as Liberated Italy is concerned(both Italian and A.M.G. territory) and operate directly under the Commission. P.W.B. should, I think, retain its functions in respect of Kesselring's Italy where propaganda is a direct instrument of military operations and directed not so much to the Italians as to the Germans. If this reorganisation takes place, I suggest that the Press Officers of the Embassies should be brought in either into the structure of executive control or in an advisory capacity so as to make a proper coordination of effort. On the American side this would present no difficulties. C.W.I. officers would be made available to the Commission. In the case of the British side, a certain number of P.W.B. officers will have to be seconded to the Commission. I am not sure what financial arrangements will have to be made. If they are Army officers on the Mediterranean War Establishment no trouble arises; if they are not, some special arrangements will have to be made. It is clear also that the joint publicity operations of the Commission will be divided into (a) telling the Italians about the American and British war effort, and in particular the work of the Allied Commission; (b) telling foreign correspondents about the work of the Allied Commission. There will be some purely British and purely American propaganda which the British Press Attache and the American Press Attache will have to handle separately. Nevertheless, under the present physical conditions they would be wise to get as much as they can done through the integrated machine, and if they are diplomatic and ingenious they should have no difficulty in this. At any rate this plan must assist and cannot injure the possibility of putting over British propaganda either jointly with the Americans or separately as our own effort.

These proposals have in view -

(a) To prevent the growth of any divergence between the Allied Commission and A.F.H.Q. and the Embassies.

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...ly remains in a detached position he cannot achieve very much; and I am sure it would be to the interests of those purposes which the Minister of Labour has at heart if he were allowed to accept the post of head of the Labour Sub-Commission while of course retaining his position as Labour Attache to the Embassy.

(3) Press Attache.

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These proposals have in view -

(a) To prevent the growth of any divergence between the Allied Commission and A.F.H.Q. and the Embassies.

(b) To utilise to the best advantage the very efficient technical officers which the Embassies can provide.

(c) To give those officers an opportunity of acquiring experience and influence and thereby strengthen their position when the time comes for the Commission to end.

30th November, 1944.

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APPENDIX B 1

Civil Affairs Section's Appointments

LEGAL

First Presidents of Courts of Appeal
Counsellors of Cassation and Appeal
Procuratori Generali
Sostituti di Procuratori Generali
Presidenti di Tribunali
Procuratori del Re

Primo Pretori (of towns of pop.50,000)

PUBLIC SAFETY

Legion Commanders CC.RR
Legion Commanders Guardia di Finanza
Questori Public Security Service
Regional Directors Prison Service
Commandants (and upwards) Fire Service

PUBLIC HEALTH

Chief Medical Officer at
Ministry of Interior

INTERIOR

Prefects
Vice Prefects
Vice Prefect Inspectors
Consiglieri Primo Grado
Consiglieri Secondo Grado
First Secretary to
Prefect
Special Secretary
Director of Religious
Affairs
Sindaci) of communes of
Town Clerk) pop.15,000

EDUCATION

Rectors
Professors (titular)
Presidi of Faculties
Academy Inspectors of
schools (local and
centralised)
Heads of Divisions in
Ministry of Education
Provveditori
Presidi of Schools
Inspectors of Schools
University Lecturers

APPENDIX B 11

Economic Section's Appointments

SUBJECT:- Level at which Appointment of Italian Officials should be approved by Allied Commission.

FINANCE: All appointments down to the level of Grade 4., Commissari, Direttori Generali, Segretaria Generale of banks; insurance companies and other finance institutions clothed with public interest. Other appointments which the Italian Government may believe to be of interest to the Commission.

PUBLIC WORKS AND UTILITIES: Appointments down to Grade 5
(Ispettore Generale del Genio Civile, Capo Compartimento ecc.)

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Prima Pretori (of towns of pop.30,000)

PUBLIC SAFETY

Legion Commanders CC.RR
Legion Commanders Guardia di Finanza
Questori Public Security Service
Regional Directors Prison Service
Commandants (and upwards) Fire Service

PUBLIC HEALTH

Chief Medical Officer at
Ministry of Interior

APPENDIX B 11

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FINANCE: All appointments down to the level of Grade 4., Commissari, Direttori Generali, Segretaria Generale of banks; insurance companies and other finance institutions clothed with public interest. Other appointments which the Italian Government may believe to be of interest to the Commission.

PUBLIC WORKS AND UTILITIES: Appointments down to Grade 5 (Ispettore Generale del Genio Civile, Capo Compartimento etc.)

COMMERCE & INDUSTRY: Heads and Deputies of Direzione Generale, titular and managing directors of industrial or parastatal institutions. Vice Commissarios of important companies.

LABOUR: Commissioners of National Insurance Agencies and other national agencies formerly linked into the Fascist cooperative structures concerned with such labour matters as welfare, assistance, protection and safety of workers. Appointments to the position of Regional and Provincial Labour Director.

AGRICULTURE: Chiefs of Ministerial Bureaus such as Bonifica and Opera, Compartimento officials of the rank of Agricultural Inspectors and Consorzio Agrario officials.

Prime Segretario
Prefect
Special Secretary
Director of Religious Affairs
Sindaci) of communes of
Town Clerk) pop.15,000

EDUCATION

Rectors
Professors (titular)
Presidi of Faculties
Academy Inspectors of schools (local and centralised)
Heads of Divisions in Ministry of Education
Provveditori
Presidi of Schools
Inspectors of Schools
University Lecturers

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TRANSPORTATION: Director of Mercantile Marine, Principal Inspector of the General Inspectorate of civil motorisation and transportation concessions. Director General of the Italian State Railways.

SHIPPING: Commissarios of the four subsidised Italian steamship companies, "Italia", "Adriatica", "Tirrenia" and "Orient", formerly "Lloyd Triestino".

FOOD: Direttore Generale dell'Alimentazione and the Head of the Ufficio Nazionale dell'Approvigionamento e Distribuzione Alimentare.

APPENDIX B iii

Italian Government's Proposed List

Ministri e Sottosegretari di Stato
Capo di Stato Maggiore Generale dell'Esercito
Capo di Stato Maggiore Esercito
Capo di Stato Maggiore Marina
Capo di Stato Maggiore Aviazione
Principali Rappresentanti diplomatici
Alto Commissario per l'Epurazione
Vice Alti Commissari per l'Epurazione
Direttore Generale della Pubblica Sicurezza
Comandante Generale dei Carabinieri

Allied Suggestions:-

High Commissioners for Sicily and Sardinia.

APPENDIX B iv

Ref: CC/P/134/000.1

10th March, 1944.

Recent events over certain appointments have shown that it is clearly desirable for us to have a mutually satisfactory arrangement to prevent misunderstandings and subsequent difficulties which it is in all our interests to avoid. I would suggest, therefore, that it should be agreed that you will let me know before any appointment to the Government is actually announced. Equally, I should be glad if you will impress upon all the members of your Government that they should, in turn, consult the appropriate authorities in the Allied Control Commission before making any senior appointments in their own departments either at the seat of the Italian Government or in those provinces under Italian jurisdiction. As they already enjoy close and friendly relations with the Sub-Commission with whom they work, this should be an easy matter to arrange. It is clear that each minister must be strictly accountable for all appointments in his department and the arrangement which I propose should be to their interests in carrying out the work which we are doing together.

I should be glad if you will let me know whether you are in full agreement with

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APPENDIX B iii

Italian Government's Proposed List

Ministri e Sottosegretari di Stato
Capo di Stato Maggiore Generale dell'Esercito
Capo di Stato Maggiore Esercito
Capo di Stato Maggiore Marina
Capo di Stato Maggiore Aviazione
Principali Rappresentanti diplomatici
Alto Commissario per l'Epurazione
Vice Alti Commissari per l'Epurazione
Direttore Generale della Pubblica Sicurezza
Comandante Generale dei Carabinieri

Added Suggestions:-

High Commissioners for Sicily and Sardinia.

APPENDIX B iv

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I should be glad if you will let me know whether you are in full agreement with the proposals made in this letter. If so, I will give the necessary instructions to the various heads of Sections and Sub-Commissions of the Allied Control Commission as soon as you confirm that members of your government have been notified of our agreement.

NOEL MASON MACFARLANE,
Lieutenant General
Chief Commissioner.

H.E. Marshal Pietro Badoglio
Capo del Governo.

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(2)

Salerno, 19th March, 1944.

Dear General,

After having worked with me for quite some time, you know that it is my absolute decision to proceed in my matter in full accord with the Allied Control Commission over which you preside.

With regard to this, at next Thursday's Council of Ministers, I shall give definite orders to the effect that no government appointment be made without previous agreement with the Commission.

I hope that the same feelings prevail with the Control Commission toward us, so that it might be possible to come, in common agreement, to a revision of certain positions given to certain persons in the provinces recently turned over to the Italian Government, and which render nearly impossible a normal functioning of government.

With cordial greetings,

/s/ BADOGLIO.

To General Noel Mason MacFarlane,
Chief of the Allied Control Commission,
Naples.

APPENDIX C

LAC 763 of 19th October, 1944.

Reference CAL 852, LAC 736.

Subject is Bread Ration for Italy.

1. Recent public announcements, which have been given wide circulation in Italy by the press, are interpreted by me to mean that the policy is to provide a 300 gram bread ration immediately; this ration to be nation wide on liberation of the North.

2. Confirmation is requested that my understanding in paragraph 1 is correct and that you wish me to implement this policy.

3. This policy cannot be implemented without increased imports since the import program authorized for the months of November and December is below the monthly scale of imports indicated in paragraph 4 of my letter of 24th September. From a military standpoint the tranquility of the Mediterranean Theatre might be jeopardized if the 300 gram bread ration were not sanctioned.

4. If I am to establish a 300 gram bread ration, there are 2 alternatives:

a. Step up monthly shipments to the level required to produce total imports of 1,500,000 tons during the harvest year. This would mean a monthly program based on all Italy estimated at 165,000 tons from January through June 1945, or beginning December if possible.

b. Use existing stocks, together with imports under the existing program

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Italian Government, and which render nearly impossible a normal functioning of government.

With cordial greetings,

/s/ MACMILLAN.

To General Noel Mason MacFarlane,
Chief of the Allied Control Commission,
Naples.

APPENDIX C

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Subject is Bread Ration for Italy.

1. Recent public announcements, which have been given wide circulation in Italy by the press, are interpreted by me to mean that the policy is to provide a 300 gram bread ration immediately; this ration to be nation wide on liberation of the Mor. bread ration immediately; this ration to be nation wide on liberation of the Mor.

2. Confirmation is requested that my understanding in paragraph 1 is correct and that you wish me to implement this policy.

3. This policy cannot be implemented without increased imports since the import program authorised for the months of November and December is below the monthly scale of imports indicated in paragraph 4 of my letter of 24th September. From a military standpoint the tranquility of the Mediterranean theatre might be jeopardised if the 300 gram bread ration were not sanctioned.

4. If I am to establish a 300 gram bread ration, there are 2 alternatives:

a. Step up monthly shipments to the level required to produce total imports of 1,500,000 tons during the harvest year. This would mean a monthly program based on all Italy estimated at 165,000 tons from January through June 1945, or beginning December if possible.

b. Use existing stocks, together with imports under the existing program. The effect of this plan would be to exhaust the released grain by 1st March assuring inland transport not a limiting factor. I can only undertake this procedure under an absolute guarantee that stocks so used will be replaced in full to permit continuance of the 300 gram ration until the next harvest season. Without such guarantee I can see nothing but trouble ahead.

5. I recommend the first alternative. However even if approved, I would be unable to announce such a plan prior to the approval of a shipping program to meet it.

6. Your instructions are requested. In the meantime and in any event ACC will step up its efforts to realise maximum local production, particularly in products which may be substituted for wheat, and will continue to tighten up the administration of cereals wherever possible.

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APPENDIX D

W&F 810 of 1st November, 1944.

Civilian supplies for Italy is subject.

In view of the public statements of the President and the Prime Minister, I am proposing to take the following steps.

1. I am arranging for all current requisitions for basic civilian supplies to be reviewed on two assumptions:

Firstly, that they will be provided and financed as heretofore;

Secondly, that they would be framed upon a more liberal interpretation of the "disease and unrest" formula.

2. In addition and in conformity with the joint statement of 26th September and the President's statement of 10th October, I have instructed the Allied Commission to draw up a programme of industrial first-aid. This will be forwarded to you as soon as possible.

3. I am assuming that the necessary finance for (1) will be provided so long as Italy is a Theatre of or Base for Military Operations and for a period of 6 months thereafter.

4. For planning purposes for (2) I am assuming an expenditure commensurate with the sources of new finance outside military responsibility mentioned in the President's statement, to be spent over a period of 12 months.

I hope this will meet with your approval as I am convinced that this is the right course to pursue.

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2. In addition and in conformity with the joint statement of 26th September and the President's statement of 10th October, I have instructed the Allied Commission to draw up a programme of industrial first-aid. This will be forwarded to you as soon as possible.

3. I am assuming that the necessary finance for (1) will be provided so long as Italy is a Theatre of or Base for Military Operations and for a period of 6 months thereafter.

4. For planning purposes for (2) I am assuming an expenditure commensurate with the sources of ex-Axis finance outside military responsibility mentioned in the President's statement, to be spent over a period of 12 months.

I hope this will meet with your approval as I am convinced that this is the right course to pursue.

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SUMMARY OF RECOMMENDATIONS, MADE IN THE NOTE
BY THE RESIDENT MINISTER, CENTRAL MEDITERRANEAN,
ENTITLED "ALLIED POLICY TOWARDS ITALY".

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1. That the Political Section of the Allied Commission be abolished. (Page

2. That the Allied Commission confirm to the Italian Government that they may have direct relations with foreign representatives accredited to the Quirinal. (Page 3).

3. That Italian representatives abroad be given their own cyphers. (Page 3).

4. That the Allied Commission surrender its control over Italian legislation in Italian territory. (Page 4).

5. That the right of approval by the Allied Commission of all Italian appointments in Italian Italy be surrendered except in regard to the appointments of Service Chiefs to include Chiefs of Staff and Commanders of formations re-equipped for active service in the field. (Page 4).

6. That local officers of the Allied Commission be withdrawn from Italian Government Italy. (Page 5).

7. That the functions of certain sub-commissions in respect of Italian Government Italy be abandoned by the Allied Commission. (Page 6).

8. That "demilitarization" is only possible at Headquarters, Allied Commission, and not in the field. (At Headquarters there are a number of limiting factors.) (Page 6).

9. That consumption goods and certain capital goods should continue to be imported by the War Department and the War Office for civilian needs in Italy and that these imports should be maintained as long as Italy is a theatre of base for military operations and for a period of six months thereafter, and that the "disease and unrest" formula should be more liberally interpreted for this purpose. (Page 9).

10. That an additional programme for industrial first-aid be approved, to be financed, so far as the American side goes, from the sources of new finance mentioned in the President's statement of 10th October; His Majesty's Government to contribute a percentage of whatever sum may prove to be in the same proportion. (Page 10).

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27th NOVEMBER, 1944.

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