

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

ACC

10000/109/314
(VOL. 2)

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

785017

10000/109/314
(VOL. 2)

FUTURE OF ITALY & THE COMMISSION
DEC. 1945 - MAR. 1946

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

*Is this material
beyond our purview?*

H

(203)

P 202 Sec. 177 (4)

JAN 14 1960

206

Ex Com.

See. Please see Letic 205 opposite

} See by
EC 10

210

Ex Com. 207 for info. JAL 29/11

W/211

5013

closed

file

10.3.

Please see John 205 opposite p. 23

p. 10

~~1st~~ - 2nd

Ex Comm. 207 ~~the~~ for info. J.H. 29/11

W/29/11

5013

closed

file 12.3.11

785017

To: Chief Commissioner

Reference folio 165 regarding the Conference at 0930 hrs 6 December to discuss TAM 719 and draft reply, those located at Rome have been notified and all agree.

It is understood that the US and UK Ambassadors will attend each with one other official. It is not certain whether Mr. Kenny will be able to attend but should he be prevented from doing so then UNRRA will be represented by Mr. Hodgatta, Deputy Chief UNRRA, and Mr. Sorier, Deputy Chief Relief Services.

As regards ALCON, in addition to yourself and myself I suggest Mr. Harlan Cleveland, Chief Legal Advisor and my Chief Staff Officer.

Arrangements for Secretarial staff have been made and I think it will be best that the Conference should be a "Round Table" one in your Conference Room.

MV

DEC 5 RECD
3808

4 Dec 45.

✓
GM

191.

Ex. bur.

Sir, Please see Lio 190, already seen
by CSO.

5512

MV *13/12*

785017

600

91

215

MAR 25 1946

15 March 1946

My dear Mr. Ambassador:

Reference is made to the agreement arrived at on the subject matter raised by FAM 719 dated 29 November 1945 upon the subject of the reorganization of Allied Commission.

With respect to the functions performed by Labor Sub-Commission, it was agreed that this Sub-Commission would be abolished as soon as AGO finished in the North and that any remaining functions would be performed by the respective Embassies.

Such functions would mainly consist of submitting advice to Allied Force Headquarters in connection with wages and working conditions of employees working for the Allied Forces and the handling of matters upon the subject between the Allied Forces and the Italian Government.

This will advise that Labour Sub-Commission closed from 1st March 1946.

Sincerely yours,

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

copy to: C. Linn.
C. Bond 1

PAG 29
3

(MAJ H)

785017

600

75

MAR 25 1946

2nd

15 March 1946

My dear Mr. Ambassador:

Reference is made to the agreement arrived at on the subject matter raised by TAM 719 dated 29 November 1945 upon the subject of the reorganization of Allied Commission.

With respect to the functions performed by Labor Sub-Commission, it was agreed that this Sub-Commission would be abolished as soon as AGO finished in the North and that any remaining functions would be performed by the respective Embassies.

Such functions would mainly consist of submitting advice to Allied Force Headquarters in connection with wages and working conditions of employees working for the Allied Forces and the handling of matters upon the subject between the Allied Forces and the Italian Government.

This will advise that Labour Sub-Commission closed from 1st March 1946.

Sincerely yours,

Seen by *blm*
J. 2/3

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

H.E. Sir Noel Charles, Bt., K.C.B.G.
The British Ambassador
The British Embassy
Rome

Copy to: C. Com
C. Com

5510

128

(11211)

ADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 394

213

Rome, 13 January 1946.

Dear Brigadier Lush:

I received your telegram re. Document "S". I could not tell whether you merely wanted to have a copy with you or whether you wanted AFHQ officially to approve and forward it. I talked to Parsons on the latter line but I am not hopeful that AFHQ will comply. I suggested that they could forward it without endorsement as representing an alternative part II submitted by the Chief Commissioner, but even this compromise may not be accepted.

Since Document "S" is as broad (actually it is less restrictive) as the original one forwarded by AFHQ, I see no reason why TROOPERS could not adopt it as its own recommendation and a copy is enclosed.

I shall try to get the British Embassy to telegraph it to the Foreign Office as alternative plan for consideration which is sponsored by you and me.

Sincerely,

Ellery W. Stone
By

ELLERY W. STONE,
Rear Admiral, USNR
Chief Commissioner

Brigadier Maurice S. Lush,
c/o Civil Affairs Section,
War Office, London.

15509

SECRET

HEADQUARTERS ALLIED COMMISSION

Ref: 600/30.

Office of the Executive Commissioner

Confidential

6 Dec 1945.

SUBJECT: Reorganization of AC.

TO : Allied Forces Headquarters.
Attn: G-5 Section.

1. I enclose final draft for Part II, first draft of which was produced at Conference today as Document "B".

2. I have already telephoned amendments to G-5.

For the Chief Commissioner:

WEL/UG.

Brighier,
Executive Commissioner.

Copy to: US Ambassador (3)
Br Ambassador (3)
UNRRA (3)
Chief Commissioner
L/VP, Econ Sec (2)
Chief Legal Adviser

5502

Confidential

SECRET

M.T. PART II.

1. The Allied Commission will remain under SACRED as President and the Deputy President as Chief Commissioner until the assistance program is terminated. It is, however, desirable to continue the reduction of functions of the Allied Commission which should now be reorganized as follows.

2. As soon as the Northern Regions have been restored to Italian Government all Sub-Commissions with the exception of the Service Sub-Commissions and Communications Sub-Commission will be abolished.

3. The Allied Commission will then be established under the Deputy President as Chief Commissioner with Executive Branch. Under him will be:

Service Sub-commissions

Communications Sub-Commission

Chief Financial Advisor and staff

Chief Legal Advisor with reviewing staff

Displaced Persons Branch

Public Relations

Establishment Branch

An Economic Section consisting of the presently organized Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions (including long range rehabilitation planning involving Allied financial assistance) to be transferred to Subcommissions when staff is procured, or to any inter-allied body which may be set up.

4. The Executive Branch will carry such technical staff officers as may

be necessary to cover residual functions formerly carried out by Sub-Commissions
abolished and the technical control of UNRRA and UNRRA GROUPS.

5. Small Liaison Groups in the field will be established at your

discretion.

Government all Sub-Commissions with the exception of the Service Sub-Commissions and Communications Sub-Commission will be abolished.

3. The Allied Commission will then be established under the Deputy President as Chief Commissioner with Executive Branch. Under him will be:

Service Sub-Commissions

Communications Sub-Commission

Chief Financial Advisor and staff

Chief Legal Advisor with reviewing staff

Displaced Persons Branch

Public Relations

Establishment Branch

4. Economic Section consisting of the presently organized Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions (including long range rehabilitation planning involving Allied financial assistance) to be transferred to UNRRA when staff is procured, or to any intermediate body which may be set up.

4. The Executive Branch will carry such technical staff officers as may be necessary to cover residual functions formerly carried out by Sub-Commissions abolished and the technical control of AGO in UNRRA and UNRRA. 3307

5. Small Liaison Groups in the field will be established at your discretion.

6. French and Russian Representatives to AGO will remain.

7. Advisory and long range planning functions will be continued to be taken over by the Lebanese when staff is procurable or by any intermediate body set up for the purpose. Supply and displaced persons functions will be taken over by UNRRA in due course.

785017

ALLIED CONTROL COMMISSION
INT [REDACTED] MEMORANDUM

120
209

600

File No.

SUBJECT:

TO

194

25 1946

Ex (in)

208

Here with copy of the letter on
the discussion I had with Big Parsons on 10/1
during your absence.

MD

28/1/46

See In. 210

PAG 20
1

5506

(csc)

RG 331
ACC - Italy
Box 209
Folder 10000/209/314
"5505 - 5503"
1 document / ~ 2 pages ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

File Designation 10000/100/314

Date 1/10/86
From "Notes on discussion"
To Person's name changed

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

- ☒ Security-Classified Information
- ☐ Otherwise Restricted Information

Authority ACS Pers 4th Date 10/10/86

785017

WITHDRAWAL NOTICE

The item identified below has been withdrawn from this file:

File Designation

10000/209/314

Date

1/10/76

From

"Notes on discussion"

To

Person's see Corr. "

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

☒ Security-Classified Information

☐ Otherwise Restricted Information

Authority

LCS Pass 46

Date

10/2/74

GENERAL SERVICES ADMINISTRATION

GSA FORM 7117 (12-74)

785017

WITHDRAWAL NOTICE

RESTRICTED ACCESS

The item identified below has been withdrawn from this file:

File Designation	
Date	
From	
To	

In the review of this file, this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

☐ Security-Classified Information☐ Otherwise Restricted Information

Authority

Date

WITHDRAWAL NOTICE

CLASSIFIED ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

File Designation	
Date	6/26/00
From	2002
To	

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

- ☐ Security-Classified Information
- ☐ Otherwise Restricted Information

Authority _____ Date _____

GENERAL SERVICES ADMINISTRATION

GSA FPMR 7117 12-121

RG 332
ACC - Italy
Box 209
Folder 1000/109/314
"5505-5503"
1 document / ~ 1 page

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

File Designation	<u>1000/109/314</u>
Date	<u>1/14/46</u>
From	<u>AC</u>
To	<u>ACWCR</u>

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

- ☒ Security-Classified Information
- ☐ Otherwise Restricted Information

ACS Post 46 Authority
10/4/44 Date

WITHDRAWAL NOTICE

WITHDRAWAL NOTICE

Box 209
Folder 1000/109/314
5505-5503
1 document / ~ 1 page

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

File Designation 1000/109/314

Date 1/14/46

From AC

To ACW 200

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

- ☒ Security-Classified Information
- ☐ Otherwise Restricted Information

ACS 1205-46 Authority 10/14/46 Date

GENERAL SERVICES ADMINISTRATION

GSA FPMR 7117 (2-7-71)

WITHDRAWAL NOTICE

RESTRICTED ACCESS RESTRICTED

The item identified below has been withdrawn from this file: see serial 101

File Designation	<u>RESTRICTED</u>
Date	<u>1967</u>
From	<u>100-100000</u>
To	<u>100-100000</u>

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are not available for examination. The item identified above has been withdrawn because it contains:

☐ Security-Classified Information
☐ Otherwise Restricted Information

Authority	Date
-----------	------

785017

WITHDRAWAL NOTICE

RESTRICTED ACCESS RESTRICTED

The item identified below has been withdrawn from this file: 001 001 001

File Designation

Date

From

To

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

☐ Security-Classified Information

☐ Otherwise Restricted Information

Authority

Date

GENERAL SERVICES ADMINISTRATION

GSA FORM 7117 (2-77)

SECRET.

Confidential

EXTRACT FROM SACRED'S CONFERENCE MINUTES
(10th Meeting) held on 14th December 1945.

MINUTE No. 6.

6. FUTURE FUNCTIONS OF ALLIED COMMISSION.

MAJOR GENERAL DUFF referred to the statement in para 2 of PAM 634 that all command functions of ALOM over AMG were to be performed by 13 Corps. The matter did not concern the Italian Government and therefore should be kept separate from the questions which had just been discussed. However, the paragraph was not clear and he felt that any action on it should be suspended until clarification had been obtained.

BRIGADIER GENERAL HAMBLEN said that in order to operate AMG in the 13 Corps area, it would be necessary to retain an AMG Headquarters in RME in contact with the Italian Government. He read to the conference a draft signal to the Combined Chiefs of Staff on the subject. This signal had not yet been coordinated with staff sections concerned. The matter was also connected with the general reorganisation of the Allied Commission in regard to which the views of the Supreme Allied Commander had been requested. He hoped to submit a signal on the latter matter for approval in the near future.

REAR ADMIRAL STONE was in general agreement with Brigadier General Hamblen. He felt that the functions, which he at present performed as Chief Civil Affairs Officer, must in any event continue.

THE SUPREME ALLIED COMMANDER:

Instructed the Deputy Chief of Staff to continue the staff coordination of draft signals on the lines which he had suggested and to submit them for approval in due course.

MYL

0002

been discussed. However, the paragraph was not clear and he felt that any action on it should be suspended until clarification had been obtained.

BRIGADIER GENERAL HAMLEN said that in order to operate AMC in the 13 Corps area, it would be necessary to retain an AMC Headquarters in Rome in contact with the Italian Government. He read to the conference a draft signal to the Combined Chiefs of Staff on the subject. This signal had not yet been coordinated with staff sections concerned. The matter was also connected with the general reorganization of the Allied Commission in regard to which the views of the Supreme Allied Commander had been requested. He hoped to submit a signal on the latter matter for approval in the near future.

REAR ADMIRAL STONE was in general agreement with Brigadier General Hamlen. He felt that the functions, which he at present performed as Chief Civil Affairs Officer, must in any event continue.

THE SUPREME ALLIED COMMANDER:

Instructed the Deputy Chief of Staff to continue the staff coordination of draft signals on the lines which he had suggested and to submit them for approval in due course.

MIL

5002

785017

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION

第 10 章

Office of the Executive Commissioner

Ref: 600/EC.

19 November 1965.

SUBJECT: Reorganization of Allied Commission.

PH

1. APR, 2000 Section.

VP, CA Section

VP., Est Section

Director, Navy S/C.

Director, Land Forum S/C (MIL)

Director, Air Force S/C

Director, Communications S/C

Chief Legal Adviser

Chief Financial Adviser

refers 1920-1928

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

FBI Miami

Brigadier,
Executive Commanders.

501

Organisation of Allied Commission.

TO

1. a/VP., Economic Section
VP., CA Section
VP., East Section
Director, Navy S/C.
Director, Land Forces S/C (MILA)
Director, Air Forces S/C
Director, Communications S/C
Chief Legal Adviser
Chief Financial Adviser

Transfers 1920-1928

The attached copy of LAR 965 - 77 56242 dated 12 December 1945
is forwarded for your information.

For M. Legay, U. Colonel
Brigadier,
Executive Commissioners.

5501

12/12

785017

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: **XXXX** FI 56287
 Date/Time of Origin: 131600
 Message Centre No: G/5542
 Date Time Rec'd: 141400
 Precedence: ROUTINE

FROM: FREEMAN SIGNED SIGNED CITE H433

DEC 14 1943

TO: AGHAR WASHINGTON FOR OMBUDSMAN CIVIL AFFAIRS COMMITTEE REPORT CABINET OFFICES
LONDON FOR BRITISH CHIEFS OF STAFF AND ALUM H433

Confidential

SECRET. PD

MAT 966.

Reference our MAT 965 of 12 December.

Reference Part I back paragraph (BR), "Prisoner

of War" read "Public Works".

AC DIST

INFO/ACTION: EX COMME (A)
 INFO: CHIEF COMME (A)
 POLAD (A)
 POLAD (B)
 WILZ (SECRETARY)

785017

Message Centre No: 07342

Date Time Rec'd: 141400

Precedence: ROUTINE

FROM: FREEDOM SIGHTED SAGGED CITE R.323
TO: AMEMB WASHINGTON FOR COMBINED CIVIL AFFAIRS COMMISSIONER REPORT CABINET OFFICES
LONDON FOR BRITISH CHIEFS OF STAFF AND ALUM RUMS

DEC 14 1966

SECRET. 20

MAT 966.

Confidential

Reference our MAT 965 of 12 December.

of War read "Public Works".

Reference Part I back paragraph (PR), "Prisoners

AC DIST

INFO/ACTION: EX COMAR (

INFO : CHIEF COMAR (

FOLAD (A)

FOLAD (B)

FILE (SUGGESTION)

5500

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: PX 56242

Message Centre No: 5541

Date/Time of Origin: 122042A

Date Time Rec'd 141400

FROM: AFHQ SHARED SACRED CIVIL RIGHTS

Precedence: ROUTINE

TO : (FOR ACTION) ACHAR FOR COMBINED CIVIL AFFAIRS COMMISSION
(FOR INFO) CABINET OFFICES LONDON, ALCOM HOME.

SECRET.

This is MAT 965.

Reference your W 85740- TAM 719 dated 29 November 1945.

PART (1). Discussion. A. The basic policy set forth in your para 1 is agreed, subject to detailed comment below presume that last two sentences of para 2 (A) TAM 457 continue to apply.

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

C. It is agreed that the Service Sub-Commissions should remain in basic policy set forth for ALCOM until they become separate Service Missions. Agree also that Headquarters Executive Branch and Establishment Section should remain. If the foregoing remain, it appears desirable to retain the Deputy President in direct

Confidential

121

2498

Date Time Rec'd 111400

Precedence: ROUTINE

FROM: AFHQ, BUREAU OF THE CHIEF OF STAFF

TO : (FOR ACTION) AGENT FOR COMBINED CIVIL AFFAIRS COMMITTEE
(FOR INFO) CABINET OFFICES LONDON, ALCON ROSE.

Confidential

SECRET.

This is MAT 965.

Reference your W 85740 - TAM 719 dated 29 November 1945.

PART (1). Discussion. A. The basic policy set forth in your para 1 is agreed, subject to detailed comment below presume that last two sentences of para 2 (A) TAN 487 continue to apply.

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

C. It is agreed that the Service Sub-Commissions should remain in basic policy set forth for ALCON until they become separate Service Missions. Agree also that Headquarters Executive Branch and Establishment Section should remain. If the foregoing remain, it appears desirable to retain the Deputy President in direct communication with the President.

Cont'd Page 2.

Confidential (197)

ROME. Precede that it is intended that the French and Russian Representation in ALOOM shall remain. I now have several liaison officers in Italian Government territory for liaison with military formations and to keep me informed as to political and economic conditions. I desire to retain these, but those interested in the allocation and distribution of imported materials will revert to UNRRA.

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

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

Cont'd Page 3.

X Amended by MAC 966

-3-

Confidential (196)

(1) As regards Finance Sub-Commission, I have implemented TAM 692 set up an Allied Supply Accounting Agency responsible to AMHQ. It is located in Rome and attached to ALOM for administration. Agreed that currency supply and accounting functions of Allied Financial Agency including various services to Allied Forces can be transferred to AMHQ. I recommend that the Chief Financial Advisor remain with ALOM to handle financial problems under the Armistice and to negotiate the currency agreement under paras 12-17 of PAN 563.

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

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

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

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

G. Read your para 2E. The Displaced Persons Sub-Commission is less directly connected with the Italian Government than other Sub-Commissions. Plans are now under way transferring to AMHQ those displaced persons functions which USRA cannot undertake. With regard to the proposed Supply Sub-Commission and the transportation function, the Supply Group has been set up within the Economic Section in Rome.

- Confidential (195)

which includes these functions (Food and Agriculture, Industry and Commerce) which are directly related to the import programme and which will be transferred to UTRRA when UTRRA takes over.

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

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

PART (2).

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

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining Headquarters Allied Military Government for territory under AGS control, and this absolute minimum for a temporary period. You are directed to reduce and terminate those temporary residual functions as expeditiously as practicable, eliminating them without further reference to Combined Chiefs of Staff when in your opinion they serve no useful purpose. All rights under the Armistice and additional conditions of Armistice of 29 September 43 would still be held in reserve as set forth in para 1 of PAN 487; the power of enforcement will in all cases remain with SAGEED as President of Allied Commission. Last two sentences of para 2 (A) of PAN 487 continue to apply.

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

A. Subcommissions whose functions are to be retained in Allied Commission:

(1) Navy, Army, Air Force Sub-Commissions should remain with Allied

Commission until they become separate service missions. 5496

Confidential

-5-

194

- (2) HQ Executive Branch and Establishment Section with Sub Liaison Groups as may be required in the field. Size will depend upon responsibilities still remaining in Allied Commission.
- (3) Sub-Commissions required for the exercise of military government in AMG territories. These Sub-commissions will interest themselves only to subject pertaining to military government in being and only to the extent they affect such military government in being.
- (4) Local Government (functions to be absorbed in Executive Branch).
- (5) French and Russian representatives with their presently authorized staffs will remain in Allied Commission.

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

Education;

Monuments, Fine Arts and Archives;

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

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

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

Patriots Branch of Local Government Sub-Commission.

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

Communications;

Public Safety;

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

549

Cont'd Page 6.

Confidential (193)

Public Relations;

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

Displaced Persons and Refugees.

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

Industry (advisory functions);

Commerce (advisory functions).

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

Labour;

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

Food (insofar as NOT concerned with imports;

Agriculture (advisory functions).

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

Food;

Industry (except advisory functions);

Economic Staff Branches having supply functions;

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

-7-

Confidential

192

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

AC DIST

INFO/ACTION: EXEC COMSEC (2) —

INFO: CHIEF COMSEC

POLAD (A)

POLAD (B)

FILE (SIZETON)

785017

Please file.

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

192A

3/15.1/CA

4 Dec 45

SUBJECT : Functions of CA Section and Sub-Commissions

TO : Executive Commissioner

Functions of CA Section and Sub-Commissions are forwarded herewith as requested.

CIVIL AFFAIRS SECTION

In addition to doing the Staff work connected with the undermentioned Sub-Commissions, CA Section deals with the following matters:

- 1 Defascism and Epuration.
- 2 Mine Clearance
- 3 Patriots

MONUMENTS FINE ARTS AND ARCHIVES SUB-COMMISSION

- 1 Liaison between Italy and other theatres, especially the various Allied zones of occupation in Austria and Germany, with regard to discovery and restitution of displaced libraries and works of art.
- 2 Compilation and editing of the Sub-Commission's Final Report, to be a reference document in 15 itemized regional sections, on the state of monuments, fine arts, and archives in all of Italy.
- 3 Completion of indexed duplicate photographic files on war damage for Washington and London.
- 4 Liaison between Italian Govt and Allied agencies examining Italian archives.
- 5 Advice, on frequent request, to Italian Government on MFAA matters.

DISPLACED PERSONS AND REHABILITATION SUB-COMMISSION

- 1 To deal with the care and redistribution of war refugees and ex-internees followed by the repatriation of and re-settlement of refugees and Displaced Persons.
- 2 It acts primarily as an executive agency and secondarily in an advisory capacity to the Italian Govt and the representatives of certain United Nations Governments.

EDUCATION SUB-COMMISSION

- 1 Supervision of all educational work in Bolzano, Trento, Udine and Venezia Giulia.
- 2 Collaboration with the Minister of Public Instruction in the program of educational reconstruction in Italy.
- 3 Fostering cultural relations between Italy and the Allies in such fields as Boy and Girl Scouts; rehabilitation of libraries; interchange of students; professors, and concert artists; publications of Italian translation of Allied books and articles on education; etc.
- 4 Defascising School teachers and text books.

PUBLIC SAFETY SUB-COMMISSION

- 1 In AMG territory:
 - a) Supervision of operational functions of all police bodies;
 - b) Supervision of operation of Italian Prisons;
 - c) Supervision of fire services;
 - d) Supervision of licensing and registration of civilian motor vehicles.
- 2 In Italian Government territory the above subjects are advised on.
- 3 General:
 - a) Liaison and channelling agency for AFHQ on control of travel into and out of Italy;
 - b) Keeping AG advised on all matters affecting Public Security e.g. riots, demonstrations and other incidents;
 - c) Locations of War graves;
 - d) Welfare enquiries re civilians of all nationalities in Italy.

SECURITY DIVISION

- 1 Investigation of subversive activities.
- 2 Keeping in touch with all political matters.
- 3 Investigation and screening of Italian personnel.

LEGAL SUB-COMMISSION

- 1 In AMG territory:
 - a) Legal advice to all Sub-Commissions of AG;
 - b) Administration of AMG Military Government Courts and reviewing cases (at present there are 1,200 pleas for mitigation which have to be reviewed by officers of the rank of Lt Colonel and above);
 - c) Promulgation of Italian Legislation and Administration of Italian Courts.
- 2 In Italian Government territory:
 - a) Trying cases in Italian Government territory when requested.

LOCAL GOVERNMENT SUB-COMMISSION

- 1 In AMG territory:
 - a) Supervising the establishment of temporary system of local government;
 - b) Control of appointments of prefects and senior Italian officials by collaboration with the Ministry of Interior, and surveys and inspection and tours of provinces;
 - c) Handling of all matters dealing with the preparation of election registers. Supervision and advice to PCs thereon. Overseeing the establishment of necessary Italian bodies and agencies involved in this work;
 - d) Study and advise on proposed plans and decrees of the Italian Government dealing with citizenship, structure of government, rights of inhabitants of zones with multi-lingual groups such as Bolzano, Trento, Udine, Belluno, Aosta and Venezia Giulia;
 - e) Inspection and forwarding of correspondence between the Ministry of the Interior and Italian provincial officials in AMG territory and advising thereon.
- 2 General: - Study and advise on following:
 - a) Proposed Italian decrees on Provincial and Communal Government organisation for all of Italy;
 - b) Proposed Italian decrees on procedures and methods for the holding on national and local elections;
 - c) Constitution and work of the Consulta and also Constituent Assemblies.
- 3 Consultation and advice on preparation of necessary AMG orders for the compilation of election registers and local government organisation in Venezia Giulia.
- 4 Collation of information from Italian Government's reports on the status of work on electoral lists throughout Italy.
- 5 Receipt, observation and reporting on work of Ministry of Interior's Epuration Commissions dealing with administrative officials.

PUBLIC HEALTH SUB-COMMISSION

- 1 In AMG territory:
 - a) To re-establish and supervise civilian hospitals;
 - b) To keep close check on all diseases among the civilian population and to especially develop control measures against contagious and endemic diseases such as Malaria, Smallpox, Typhus, and Typhoid Fever;
 - c) To establish and supervise a Public Health, Welfare, and sanitation organisation that will continue to function under Italian Government;
 - d) To re-establish and supervise the operations of welfare organisations such as ECA and CMI;
 - e) To develop and supervise control measures to prevent hunger and to provide shelter and clothing for needy persons.

- 4 -

1927

- f) To develop and supervise care for expectant mothers as well as for children;
 - g) To develop and supervise children who are delinquent or about to become delinquent;
 - h) Insure a pure water supply;
 - i) To cooperate with other Sub-Commissions in detecting and correcting sanitary conditions that effect health.
- 2 In Italian Government territory:
- a) To advise the Italian Government in all Public Health and Welfare matters including those listed above.

H. D. Jones

for S.H. WHITE Lt Col,
A/VP CA Section.

5489

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Original's Reference: **YI 56125**
Date/Time of Origin: **DEC 111907A**

Message Centre No: **W5411**
Date Time Recd: **DEC 121530A**

FROM: **AFHQ SIGNED SACRED CITY PDRC**
TO: **ACTION: AGAR WASHINGTON FOR COMBINED CHIEFS OF STAFF AND FOR COMBINED CIVIL AFFAIRS COM. CABINET OFFICES BRIT. CHIEFS OF STAFF**
INFO: **ALCOM ROME**

PRIORITY

Precedence

DEC 13 1945

~~TOP SECRET~~ Confidential

TOP SECRET.

For Combined Chief of Staff and British Chiefs of Staff this is MAY 1099.
For Combined Civil Affairs Committee this is MAY 963.

(1) I have conferred with the United States and British ambassadors, UNRA, and the Deputy President Allied Commission on TAF 719. Reply will be dispatched tomorrow 12 December. The basic principles of that signal are agreed on: the advisability of the transfer of these b-commissions listed in Para 2 (C) to all this questioned. The basic conception of my agreements the signal was that there would remain in Rome an AGC Headquarters for daily contact with the Italian Government.

F 155 (2605/EC)

(2) It is my understanding that nothing in paragraph #2 of PAN 694 prohibits the existence in Rome of an AGC Headquarters to maintain daily contact with the Italian Government in connection with AGC matters pertaining to the provinces under Military Government. In view of our comprehensive use of Italian Government machinery as the instrument for imposing military government, no other satisfactory solution is now apparent.

DISTRIBUTION

INFO ACTION: **EXEC COMMISSIONER (2)**

INFO: **CHIEF COMMISSIONER**

POLAD (A)

POLAD (B)

FILE (SECRET)

~~TOP SECRET~~

785017

Message Centre No: 9/5411
DEC 121530A

Date Time Rec'd

PRIORITY

Precedence

DEC 13 1945

FROM: AFHQ SIGNED SACRED CITE RHSC

TO : ACTION: AGHAR WASHINGTON FOR COMBINED CHIEFS OF STAFF AND FOR COMBINED
CIVIL AFFAIRS COMM. CABINET OFFICES BRIT. CHIEFS OF STAFF
INFO: ALCOM BOMETOP SECRET
SECRET # # # Confidential

Per Combined Chief of Staff and British Chiefs of Staff this is MAY 1099.
Per Combined Civil Affairs Committee this is MAY 963.

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

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

DISTRIBUTION

INFO ACTION: EXEC COMMISSIONER (2)

INFO: CHIEF COMMISSIONER

POLAD (A)

POLAD (B)

POLAD (C)
POLAD (D)
POLAD (E)
POLAD (F)
POLAD (G)
POLAD (H)
POLAD (I)
POLAD (J)
POLAD (K)
POLAD (L)
POLAD (M)
POLAD (N)
POLAD (O)
POLAD (P)
POLAD (Q)
POLAD (R)
POLAD (S)
POLAD (T)
POLAD (U)
POLAD (V)
POLAD (W)
POLAD (X)
POLAD (Y)
POLAD (Z)
POLAD (AA)
POLAD (AB)
POLAD (AC)
POLAD (AD)
POLAD (AE)
POLAD (AF)
POLAD (AG)
POLAD (AH)
POLAD (AI)
POLAD (AJ)
POLAD (AK)
POLAD (AL)
POLAD (AM)
POLAD (AN)
POLAD (AO)
POLAD (AP)
POLAD (AQ)
POLAD (AR)
POLAD (AS)
POLAD (AT)
POLAD (AU)
POLAD (AV)
POLAD (AW)
POLAD (AX)
POLAD (AY)
POLAD (AZ)
POLAD (BA)
POLAD (BB)
POLAD (BC)
POLAD (BD)
POLAD (BE)
POLAD (BF)
POLAD (BG)
POLAD (BH)
POLAD (BI)
POLAD (BJ)
POLAD (BK)
POLAD (BL)
POLAD (BM)
POLAD (BN)
POLAD (BO)
POLAD (BP)
POLAD (BQ)
POLAD (BR)
POLAD (BS)
POLAD (BT)
POLAD (BU)
POLAD (BV)
POLAD (BW)
POLAD (BX)
POLAD (BY)
POLAD (BZ)
POLAD (CA)
POLAD (CB)
POLAD (CC)
POLAD (CD)
POLAD (CE)
POLAD (CF)
POLAD (CG)
POLAD (CH)
POLAD (CI)
POLAD (CJ)
POLAD (CK)
POLAD (CL)
POLAD (CM)
POLAD (CN)
POLAD (CO)
POLAD (CP)
POLAD (CQ)
POLAD (CR)
POLAD (CS)
POLAD (CT)
POLAD (CU)
POLAD (CV)
POLAD (CW)
POLAD (CX)
POLAD (CY)
POLAD (CZ)
POLAD (DA)
POLAD (DB)
POLAD (DC)
POLAD (DD)
POLAD (DE)
POLAD (DF)
POLAD (DG)
POLAD (DH)
POLAD (DI)
POLAD (DJ)
POLAD (DK)
POLAD (DL)
POLAD (DM)
POLAD (DN)
POLAD (DO)
POLAD (DP)
POLAD (DQ)
POLAD (DR)
POLAD (DS)
POLAD (DT)
POLAD (DU)
POLAD (DV)
POLAD (DW)
POLAD (DX)
POLAD (DY)
POLAD (DZ)
POLAD (EA)
POLAD (EB)
POLAD (EC)
POLAD (ED)
POLAD (EE)
POLAD (EF)
POLAD (EG)
POLAD (EH)
POLAD (EI)
POLAD (EJ)
POLAD (EK)
POLAD (EL)
POLAD (EM)
POLAD (EN)
POLAD (EO)
POLAD (EP)
POLAD (EQ)
POLAD (ER)
POLAD (ES)
POLAD (ET)
POLAD (EU)
POLAD (EV)
POLAD (EW)
POLAD (EX)
POLAD (EY)
POLAD (EZ)
POLAD (FA)
POLAD (FB)
POLAD (FC)
POLAD (FD)
POLAD (FE)
POLAD (FF)
POLAD (FG)
POLAD (FH)
POLAD (FI)
POLAD (FJ)
POLAD (FK)
POLAD (FL)
POLAD (FM)
POLAD (FN)
POLAD (FO)
POLAD (FP)
POLAD (FQ)
POLAD (FR)
POLAD (FS)
POLAD (FT)
POLAD (FU)
POLAD (FV)
POLAD (FW)
POLAD (FX)
POLAD (FY)
POLAD (FZ)
POLAD (GA)
POLAD (GB)
POLAD (GC)
POLAD (GD)
POLAD (GE)
POLAD (GF)
POLAD (GG)
POLAD (GH)
POLAD (GI)
POLAD (GJ)
POLAD (GK)
POLAD (GL)
POLAD (GM)
POLAD (GN)
POLAD (GO)
POLAD (GP)
POLAD (GQ)
POLAD (GR)
POLAD (GS)
POLAD (GT)
POLAD (GU)
POLAD (GV)
POLAD (GW)
POLAD (GX)
POLAD (GY)
POLAD (GZ)
POLAD (HA)
POLAD (HB)
POLAD (HC)
POLAD (HD)
POLAD (HE)
POLAD (HF)
POLAD (HG)
POLAD (HH)
POLAD (HI)
POLAD (HJ)
POLAD (HK)
POLAD (HL)
POLAD (HM)
POLAD (HN)
POLAD (HO)
POLAD (HP)
POLAD (HQ)
POLAD (HR)
POLAD (HS)
POLAD (HT)
POLAD (HU)
POLAD (HV)
POLAD (HW)
POLAD (HX)
POLAD (HY)
POLAD (HZ)
POLAD (IA)
POLAD (IB)
POLAD (IC)
POLAD (ID)
POLAD (IE)
POLAD (IF)
POLAD (IG)
POLAD (IH)
POLAD (II)
POLAD (IJ)
POLAD (IK)
POLAD (IL)
POLAD (IM)
POLAD (IN)
POLAD (IO)
POLAD (IP)
POLAD (IQ)
POLAD (IR)
POLAD (IS)
POLAD (IT)
POLAD (IU)
POLAD (IV)
POLAD (IW)
POLAD (IX)
POLAD (IY)
POLAD (IZ)
POLAD (JA)
POLAD (JB)
POLAD (JC)
POLAD (JD)
POLAD (JE)
POLAD (JF)
POLAD (JG)
POLAD (JH)
POLAD (JI)
POLAD (JJ)
POLAD (JK)
POLAD (JL)
POLAD (JM)
POLAD (JN)
POLAD (JO)
POLAD (JP)
POLAD (JQ)
POLAD (JR)
POLAD (JS)
POLAD (JT)
POLAD (JU)
POLAD (JV)
POLAD (JW)
POLAD (JX)
POLAD (JY)
POLAD (JZ)
POLAD (KA)
POLAD (KB)
POLAD (KC)
POLAD (KD)
POLAD (KE)
POLAD (KF)
POLAD (KG)
POLAD (KH)
POLAD (KI)
POLAD (KJ)
POLAD (KK)
POLAD (KL)
POLAD (KM)
POLAD (KN)
POLAD (KO)
POLAD (KP)
POLAD (KQ)
POLAD (KR)
POLAD (KS)
POLAD (KT)
POLAD (KU)
POLAD (KV)
POLAD (KW)
POLAD (KX)
POLAD (KY)
POLAD (KZ)
POLAD (LA)
POLAD (LB)
POLAD (LC)
POLAD (LD)
POLAD (LE)
POLAD (LF)
POLAD (LG)
POLAD (LH)
POLAD (LI)
POLAD (LJ)
POLAD (LK)
POLAD (LL)
POLAD (LM)
POLAD (LN)
POLAD (LO)
POLAD (LP)
POLAD (LQ)
POLAD (LR)
POLAD (LS)
POLAD (LT)
POLAD (LU)
POLAD (LV)
POLAD (LW)
POLAD (LX)
POLAD (LY)
POLAD (LZ)
POLAD (MA)
POLAD (MB)
POLAD (MC)
POLAD (MD)
POLAD (ME)
POLAD (MF)
POLAD (MG)
POLAD (MH)
POLAD (MI)
POLAD (MJ)
POLAD (MK)
POLAD (ML)
POLAD (MM)
POLAD (MN)
POLAD (MO)
POLAD (MP)
POLAD (MQ)
POLAD (MR)
POLAD (MS)
POLAD (MT)
POLAD (MU)
POLAD (MV)
POLAD (MW)
POLAD (MX)
POLAD (MY)
POLAD (MZ)
POLAD (NA)
POLAD (NB)
POLAD (NC)
POLAD (ND)
POLAD (NE)
POLAD (NF)
POLAD (NG)
POLAD (NH)
POLAD (NI)
POLAD (NJ)
POLAD (NK)
POLAD (NL)
POLAD (NM)
POLAD (NN)
POLAD (NO)
POLAD (NP)
POLAD (NQ)
POLAD (NR)
POLAD (NS)
POLAD (NT)
POLAD (NU)
POLAD (NV)
POLAD (NW)
POLAD (NX)
POLAD (NY)
POLAD (NZ)
POLAD (OA)
POLAD (OB)
POLAD (OC)
POLAD (OD)
POLAD (OE)
POLAD (OF)
POLAD (OG)
POLAD (OH)
POLAD (OI)
POLAD (OJ)
POLAD (OK)
POLAD (OL)
POLAD (OM)
POLAD (ON)
POLAD (OO)
POLAD (OP)
POLAD (OQ)
POLAD (OR)
POLAD (OS)
POLAD (OT)
POLAD (OU)
POLAD (OV)
POLAD (OW)
POLAD (OX)
POLAD (OY)
POLAD (OZ)
POLAD (PA)
POLAD (PB)
POLAD (PC)
POLAD (PD)
POLAD (PE)
POLAD (PF)
POLAD (PG)
POLAD (PH)
POLAD (PI)
POLAD (PJ)
POLAD (PK)
POLAD (PL)
POLAD (PM)
POLAD (PN)
POLAD (PO)
POLAD (PP)
POLAD (PQ)
POLAD (PR)
POLAD (PS)
POLAD (PT)
POLAD (PU)
POLAD (PV)
POLAD (PW)
POLAD (PX)
POLAD (PY)
POLAD (PZ)
POLAD (QA)
POLAD (QB)
POLAD (QC)
POLAD (QD)
POLAD (QE)
POLAD (QF)
POLAD (QG)
POLAD (QH)
POLAD (QI)
POLAD (QJ)
POLAD (QK)
POLAD (QL)
POLAD (QM)
POLAD (QN)
POLAD (QO)
POLAD (QP)
POLAD (QQ)
POLAD (QR)
POLAD (QS)
POLAD (QT)
POLAD (QU)
POLAD (QV)
POLAD (QW)
POLAD (QX)
POLAD (QY)
POLAD (QZ)
POLAD (RA)
POLAD (RB)
POLAD (RC)
POLAD (RD)
POLAD (RE)
POLAD (RF)
POLAD (RG)
POLAD (RH)
POLAD (RI)
POLAD (RJ)
POLAD (RK)
POLAD (RL)
POLAD (RM)
POLAD (RN)
POLAD (RO)
POLAD (RP)
POLAD (RQ)
POLAD (RR)
POLAD (RS)
POLAD (RT)
POLAD (RU)
POLAD (RV)
POLAD (RW)
POLAD (RX)
POLAD (RY)
POLAD (RZ)
POLAD (SA)
POLAD (SB)
POLAD (SC)
POLAD (SD)
POLAD (SE)
POLAD (SF)
POLAD (SG)
POLAD (SH)
POLAD (SI)
POLAD (SJ)
POLAD (SK)
POLAD (SL)
POLAD (SM)
POLAD (SN)
POLAD (SO)
POLAD (SP)
POLAD (SQ)
POLAD (SR)
POLAD (SS)
POLAD (ST)
POLAD (SU)
POLAD (SV)
POLAD (SW)
POLAD (SX)
POLAD (SY)
POLAD (SZ)
POLAD (TA)
POLAD (TB)
POLAD (TC)
POLAD (TD)
POLAD (TE)
POLAD (TF)
POLAD (TG)
POLAD (TH)
POLAD (TI)
POLAD (TJ)
POLAD (TK)
POLAD (TL)
POLAD (TM)
POLAD (TN)
POLAD (TO)
POLAD (TP)
POLAD (TQ)
POLAD (TR)
POLAD (TS)
POLAD (TT)
POLAD (TU)
POLAD (TV)
POLAD (TW)
POLAD (TX)
POLAD (TY)
POLAD (TZ)
POLAD (UA)
POLAD (UB)
POLAD (UC)
POLAD (UD)
POLAD (UE)
POLAD (UF)
POLAD (UG)
POLAD (UH)
POLAD (UI)
POLAD (UJ)
POLAD (UK)
POLAD (UL)
POLAD (UM)
POLAD (UN)
POLAD (UO)
POLAD (UP)
POLAD (UQ)
POLAD (UR)
POLAD (US)
POLAD (UT)
POLAD (UU)
POLAD (UV)
POLAD (UW)
POLAD (UX)
POLAD (UY)
POLAD (UZ)
POLAD (VA)
POLAD (VB)
POLAD (VC)
POLAD (VD)
POLAD (VE)
POLAD (VF)
POLAD (VG)
POLAD (VH)
POLAD (VI)
POLAD (VJ)
POLAD (VK)
POLAD (VL)
POLAD (VM)
POLAD (VN)
POLAD (VO)
POLAD (VP)
POLAD (VQ)
POLAD (VR)
POLAD (VS)
POLAD (VT)
POLAD (VU)
POLAD (VV)
POLAD (VW)
POLAD (VX)
POLAD (VY)
POLAD (VZ)
POLAD (WA)
POLAD (WB)
POLAD (WC)
POLAD (WD)
POLAD (WE)
POLAD (WF)
POLAD (WG)
POLAD (WH)
POLAD (WI)
POLAD (WJ)
POLAD (WK)
POLAD (WL)
POLAD (WM)
POLAD (WN)
POLAD (WO)
POLAD (WP)
POLAD (WQ)
POLAD (WR)
POLAD (WS)
POLAD (WT)
POLAD (WU)
POLAD (WV)
POLAD (WW)
POLAD (WX)
POLAD (WY)
POLAD (WZ)
POLAD (XA)
POLAD (XB)
POLAD (XC)
POLAD (XD)
POLAD (XE)
POLAD (XF)
POLAD (XG)
POLAD (XH)
POLAD (XI)
POLAD (XJ)
POLAD (XK)
POLAD (XL)
POLAD (XM)
POLAD (XN)
POLAD (XO)
POLAD (XP)
POLAD (XQ)
POLAD (XR)
POLAD (XS)
POLAD (XT)
POLAD (XU)
POLAD (XV)
POLAD (XW)
POLAD (XX)
POLAD (XY)
POLAD (XZ)
POLAD (YA)
POLAD (YB)
POLAD (YC)
POLAD (YD)
POLAD (YE)
POLAD (YF)
POLAD (YG)
POLAD (YH)
POLAD (YI)
POLAD (YJ)
POLAD (YK)
POLAD (YL)
POLAD (YM)
POLAD (YN)
POLAD (YO)
POLAD (YP)
POLAD (YQ)
POLAD (YR)
POLAD (YS)
POLAD (YT)
POLAD (YU)
POLAD (YV)
POLAD (YW)
POLAD (YX)
POLAD (YY)
POLAD (YZ)
POLAD (ZA)
POLAD (ZB)
POLAD (ZC)
POLAD (ZD)
POLAD (ZE)
POLAD (ZF)
POLAD (ZG)
POLAD (ZH)
POLAD (ZI)
POLAD (ZJ)
POLAD (ZK)
POLAD (ZL)
POLAD (ZM)
POLAD (ZN)
POLAD (ZO)
POLAD (ZP)
POLAD (ZQ)
POLAD (ZR)
POLAD (ZS)
POLAD (ZT)
POLAD (ZU)
POLAD (ZV)
POLAD (ZW)
POLAD (ZX)
POLAD (ZY)
POLAD (ZZ)

TOP SECRET

5488

785017

600

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

File 1.38/ES

3 December, 1945

SUBJECT: Functions of Sub-Commissions, Economic Section 11 DEC 7 1945
To: Executive Commissioner

Below appears a brief summary of the major functions of each of the six sub-commissions of the Economic Section, submitted in compliance with your verbal request.

A. Commerce (Foreign Trade) Sub-Commission: Secures clearance of Italian exports with the Combined Boards where Reserved Commodity List items are involved; reviews lists of exportable surpluses to determine whether they conflict with import programs and whether they can be applied to local military requirements; studies and makes recommendations as to all action to be taken by Allied Commission on proposed trade agreements and export-import arrangements; assists the Italian Government in developing its policy and organization with respect to trade controls. These functions are undertaken with the objective of the re-establishment of private trade to the maximum extent, under appropriate Italian Government controls to insure that Italian external resources are used to the best advantage from the standpoint of rehabilitation of the Italian economy and the provision of essential civilian supplies to that end.

B. Finance Sub-Commission: Controls the custody and disbursement of Allied Military lire to the Allied Forces, AG/AMG, and other Allied organizations; keeps the accounts involved therein and renders reports thereon to higher authority; receives and transmits to the Italian Government and AG/AMG, for guidance and compliance, directives from higher authority laying down Allied policies on financial matters; gives policy directions to and supervises the operations of AMG Finance officers in AMG territory, in connection with the Italian public financial administration and Italian private financial institutions; maintains contact with the Italian Ministries of the Treasury and Finance, and with the Central Bank (Bank of Italy), and advises them, when requested, on financial problems.

See by E.C. 5487

Page Two

C. Food & Agriculture Sub-Commission: Assists the Italian Government in providing an agreed dietary level for the Nation, acting in an advisory capacity in Italian Government territory, and in an operating and supervisory capacity in Allied Military Government territory. Acts to insure maximum utilization of domestic resources by restoration of agriculture, forestry and fisheries production; and to provide the necessary supplementary imported food-stuffs with which to maintain established ration scales. Acts to insure additional resources for the Allied Military forces wherever practicable, and the availability of surpluses that can be exported to re-establish foreign credits whenever practicable -- all these functions being designed to relieve the dependence upon imported relief supplies. Advises the Italian Government with regard to policies and procedures that affect the production, procurement, and utilization of essential food and feed.

D. Industry and Utilities Sub-Commission: Formulates and recommends policies and plans affecting Italian industrial production; estimates potential production, basing thereon recommendations and procedures, and, as necessary, screening qualitatively requisitions submitted by AMG Regional authorities, by other Sub-Commissions, or by the Italian Government, for all supplies of an industrial nature, including priorities attached thereto. Is responsible for planning power rehabilitation throughout Italy. In AMG territory is responsible for the use of Italian facilities for maintenance and reconstruction of military roads and bridges, and of all public works necessary to the prevention of disease and unrest; advises and assists the Italian Government on all Public Works problems as requested.

The Fuels Dept. (Coal) screens Italian demands and assists as liaison with the Italian Government in the procurement and allocation of coal. Shipping arrivals (averaging 80 per month) are coordinated by coal shipping experts of the Department to avoid congestion at Italian ports. The Fuels Dept. (POL) screens demands for POL under the national program made by Italian Government and arranges for procurement of supplies through agreed channels. Until such time as Northern Regions are handed back to the Italian Government, it is temporarily necessary to make definite allocations to Northern Regions in addition.

E. Labor Sub-Commission: In Italian Government Territory, advises and assists upon request of the Italian Government with regard to policy and legislation concerning:

785017

Page Three

- a. Basic labor laws and regulations governing wages, hours and working conditions.
- b. Industrial relations and the formation of free associations of employees and employers.
- c. Manpower and recruitment, registration, placement and movement of all labor, and employment exchanges.
- d. Labor inspection and the enforcement of labor standards, safety and working conditions.
- e. Social security measures and social security agencies.

In AMG Territory, establishes machinery for handling civilian labor requirements of Allied Military forces; coordinates the civilian labor program with the Allied Military Labor Program; arranges for the abolition of Fascist labor organizations; determines the civilian wage policy; supervises labor relations, particularly as concerns labor union organizations; establishes labor offices; supervises social security agencies and the implementation of Italian Government decrees.

F. Transportation and Shipping Sub-Commission: Advises the Italian Government on all Transportation matters (except those concerning Air Transportation). In particular supervises movement programmes to ensure that the carriage of freight by rail is carried out in accordance with established priorities and that the movement of essential civilian supplies to be moved by Italian coastwise shipping is carried in the most economical manner with the shipping available.

Advises the Italian Government on all matters pertaining to the Italian State Railways including the railway reconstruction programmes. Screens the request for train services by the Italian Government. Advises as to the most effective use of available road haulage vehicles and Government Truck Pools and advises on haulage programmes. Carries out transfers of Allied imported and ex-Army vehicles to the Italian Government. Advises as to the use of ports and warehouses, the rehabilitation of the ports, and the method of obtaining equipment for the latter.

Acts as the channel on transportation matters, between the Italian Government and the Military and Allied Civilian Authorities concerned, e.g. AFHQ, DARS, 'Q' Movements, MMT, WBA, etc.

Harlan Cleveland
HARLAN CLEVELAND
Acting Vice President

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner.

6 December 1945.

Meeting held at 0930 hours, 6 December 1945, in the Chief Commissioner's Conference Room, HQ Allied Commission, Rome, to discuss the draft AFHQ reply to the draft directive to AC contained in TAK 719.

Present: Major General Duff, Rear Admiral Stone, Mr. Kirk, Sir Noel Charles, Sir Richard Mosworthy, Mr. Hopkinson, Lieut. Col. Harraford, Mr. P. Broad, Mr. Hodgetts, Mr. Keeney, Brig. General Hadden, Mr. Offie, Mr. Jones, Mr. Livengood, Lieut. Col. McCleary, Brig. Lush, Mr. Cleveland, Col. Weber.

NOTE: These minutes should be read in conjunction with Document 'P'.

General Duff opened the meeting by stating that its purpose was not to draw up a reply to TAK 719, but rather to find out such major differences of opinion as might exist between the Executive, AFHQ and AC. He stated that he was not empowered to take decisions but that he desired to return to AFHQ fully conversant with the views of those present in order to discuss the matter with SACMED and Deputy SACMED and then to compose a new telegram. Admiral Stone suggested that any points not agreed to should be presented at SAC's Political Conference.

Speaking in general terms of the AC modifications to the AFHQ draft MAT, General Duff commented on the undesirability of fettering SAC's discretionary powers and on the desirability of encouraging OCS not to become involved with the internal organization of AC which should be a matter of SAC's discretion. Admiral Stone however pointed out that the organization of AC did not lie entirely within SAC's discretion as it had been established in previous directives issued by OCS.

It was agreed to use the AFHQ draft MAT as the agenda, and the following discussions took place with regard to Part I thereof: (Following paragraphs are lettered to correspond with the lettered paragraphs of Part I of AFHQ draft MAT.)

The proposed modifications to para. A as appearing in "AC Draft for MAT" were agreed to.

B. Admiral Stone stated that the AC modification to the AFHQ draft MAT was intended to emphasize the dual functions of AC HQ, which extended over both AME territory and Italian Government territory. General Duff said that this proposed modification would be borne in mind when revising the draft

Present: Major General Duff, Rear Admiral Stone, Mr. Kirk, Sir Noel Charles, Sir Richard Housworthy, Mr. Hopkinson, Lieut. Col. Mansford, Mr. P. Broad, Mr. Hodgetts, Mr. Keeney, Brig. General Hubblen, Mr. Offie, Mr. Jones, Mr. Liversgood, Lieut. Col. McCleary, Brig. Lash, Mr. Cleveland, Col. Weber.

NOTE: These minutes should be read in conjunction with Document 'B'.

General Duff opened the meeting by stating that its purpose was not to draw up a reply to TAF 729, but rather to find out such major differences of opinion as might exist between the Embassy, AFHQ and AC. He stated that he was not empowered to take decisions but that he desired to return to AFHQ fully conversant with the views of those present in order to discuss the matter with SACMED and Deputy SACMED and then to compose a new telegram. Admiral Stone suggested that any points not agreed to should be presented as SAC's Political Conference.

Speaking in general terms of the AC modifications to the AFHQ draft MAT, General Duff commented on the undesirability of fettering SAC's discretionary powers and on the desirability of encouraging OCS not to become involved with the internal organization of AC which should be a matter of SAC's discretion. Admiral Stone however pointed out that the organization of AC did not lie entirely within SAC's discretion as it had been established in previous directives issued by OCS.

It was agreed to use the AFHQ draft MAT as the agenda, and the following discussions took place with regard to Part I thereof: (Following paragraphs are lettered to correspond with the lettered paragraphs of Part I of AFHQ draft MAT).

A. The proposed modifications to para. A as appearing in "AC Draft for MAT" were agreed to.

B. Admiral Stone stated that the AC modification to the AFHQ draft MAT was intended to emphasize the dual functions of AC HQ, which extended over both MAT territory and Italian Government territory. General Duff said that this proposed modification would be borne in mind when revising the draft MAT.

C. With reference to the wording of the first sentence, Admiral Stone said that it could be argued that the service sub-commissions did now "form the nucleus of separate service missions", and suggested that the sentence be changed to read "until they become separate service missions". This amendment was accepted. General Hubblen stated he understood that the separation of these missions from the AC was under consideration, therefore this point had not been raised in the AFHQ draft.

-2-

Referring to the AC proposal to include the request for the maintenance of a Deputy President in Rome, General Hasbelen stated that there was no intention of changing the present organization in this regard and thought it advisable to leave internal matters to SAC's discretion. However, Admiral Stone said that since PLAN 487, which contained this instruction, had followed the joint Governmental announcement of the appointment of a Chief Commissioner, it was thought advisable to have confirmation of this from OCS. Ambassador Kirk suggested that as long as it was the intention to keep the Deputy President in Rome, this point could be covered by some reference in Part II to which suggestion all present agreed.

With reference to the retention of French and Russian representatives on AC, Sir Noel Charles drew attention to the Moscow Protocol which has laid down that when SACED relinquishes direct military control of Italy and consequently the Presidency of the AC, this role will be assumed by the Advisory Council. General Hasbelen observed that SACED therefore should retain his authority until AC was no longer necessary or until the Advisory Council is abolished. Ambassador Kirk suggested that the abolition of this Council might be recommended in some way in the telegram. General Hasbelen agreed to follow up.

Admiral Stone stated that the AMHQ draft para C was commendably brief but suggested the AC elaboration be accepted in order to keep the OCS fully informed. He thought it advisable to give a detailed statement as to why liaison officers were required and the functions they would perform. General Hasbelen suggested this be stated simply, in some such wording as "I propose to maintain small liaison groups in Italian Government territory, some of whom will become attached to UNRRA when it takes over".

In The AC proposal to read "Italian Government Territory" for "King's Italy" was accepted.

General Hasbelen stated that the reference in the modification to para D proposed by AC as regards the retention of the electrical power unit in Italian Government territory brought up the question of the retention of an economic group in the North. He added that this had been the subject of discussions at AMHQ and it was possible that it might be considered a contravention of PLAN 487 and therefore abolished. Mr. Cleveland stated that the economic group had been established to work with the Italian Northern Economic Group, but that if the Italian Government were to establish a national group to supersede the present northern and southern groups, then the economic group would be withdrawn. At present the Economic Group as an executive function under AMHQ, but on withdrawal of AMHQ it would have liaison duties only and would have the same authority there that the Economic Section had in Rome, in relation to the Italian Government. Admiral Stone stated that the function of this group was intended to be transferred to UNRRA, and that at the present time UNRRA was negotiating a contract with the Italian Government to cover its operations there. If the Italian Government agreed to the contract, then the group could remain, but if they disagreed then the group must be withdrawn at the same time as AMHQ. Mr. Kearney stated that it was

With reference to the retention of French and Russian representatives on AC, Sir Noel Charles drew attention to the Moscow Protocol which has laid down that when SACED relinquishes direct military control of Italy and consequently the Presidency of the AC, this role will be assumed by the Advisory Council. General Hæhlen observed that SACED therefore should retain his authority until AC was no longer necessary or until the Advisory Council is abolished. Ambassador Kirk suggested that the abolition of this Council might be recommended in some way in the telegram. General Hæhlen agreed to follow up.

Admiral Stone stated that the AMQ draft para C was commendably brief but suggested the AC elaboration be accepted in order to keep the OCS fully informed. He thought it advisable to give a detailed statement as to why liaison officers were required and the functions they would perform. General Hæhlen suggested this be stated simply, in some such wording as "I propose to maintain small liaison groups in Italian Government territory, some of whom will become attached to UNRRA when it takes over".

The AC proposal to read "Italian Government Territory" for "King's Italy" was accepted.

General Hæhlen stated that the reference in the modification to para D proposed by AC as regards the retention of the electrical power unit in Italian Government territory brought up the question of the retention of an economic group in the North. He added that this had been the subject of discussions at AMQ and it was possible that it might be considered a contravention of PAN 457 and therefore abolished. Mr. Cleveland stated that the economic group had been established to work with the Italian Northern Economic Group, but that if the Italian Government were to establish a national group to supersede the present northern and southern groups, then the economic group would be withdrawn. At present the Economic Group as an executive function under AMQ, but on withdrawal of AMQ it would have liaison duties only and would have the same authority there that the Economic Section had in Rome, in relation to the Italian Government. Admiral Stone stated that the function of this group was intended to be transferred to UNRRA, and that at the present time UNRRA was negotiating a contract with the Italian Government to cover its operations there. If the Italian Government agreed to the contract, then the group could remain, but if they disagreed then the group must be withdrawn at the same time as AMQ. Mr. Kearney stated that it was not the intention of UNRRA to obtain economic control, but to give such assistance as might be necessary for a short-term period. Ambassador Kirk asked what would become of the economic development in Italy over and above the UNRRA programme. Admiral Stone replied that under the draft directive this would be the Embassy's problem, and added that AC had sent a memorandum to the U.S. Embassy suggesting the establishment of Staff at the Embassy to deal with this question. Ambassador Kirk stated that in view of the necessity for starting the long range programme for economic recovery, he felt there should be established a body such as a Tripartite Economic Advisory Council which he had recommended in the memorandum appended as "Document 3". Sir Noel Charles said that he would accept the AC proposal in the present emergency. General Hæhlen stated that he would accept the modification appearing in

-3-

para D of "AC Draft for MAF" if the economic group were permitted to remain in the North, but would refer the matter for further discussion.

D(1) AC Draft for MAF. General Hamblen suggested that this paragraph be omitted as the Local Government S/C could continue under ME, but Admiral Stone stated that the residual functions of this S/C would continue and he would prefer not to use subterfuge in concealing that fact. The Foreign Office wanted Local Government S/C to remain as part of AC, and it was decided to accept this paragraph, excising the sentence "The U.S. Government recently gave the opinion that the AC, operating through Local Government S/C, should continue to ensure procedure of local elections is fair, free and democratic."

E. Admiral Stone said that the only proposed modification to the draft MAF, para 3, was the provision for notifying OCS of the final plans, which was included as the suggestion of the U.S. Political Advisor to AC since both Governments were interested in the disposition of certain sub-commissions. General Hamblen proposed that OCS be notified of such action after it had been taken. Admiral Stone cited the Communications Sub-Commission as being of particular interest to the U.S. and British Governments. In this connection he stated that one of the functions of AC has been to act as a buffer between the Italians and the military, and the AC has had increasing recognition of that role from AFHQ. Mr. Kirk cited the importance of having an agency in immediate contact with the Italian Government as an argument for keeping these S/C's under AC. Air Marshal Charles said that it was very important that AC be retained as a buffer. The new directive, he felt, was intended to prepare Italy for the peace treaty, and the real purpose of the OCS directive would be best served by retaining elements to act as that buffer. Mr. Kirk stated that if the AC were removed, there would be direct contact between elements in the military machine and the Italians, who were not used to dealing with each other. Admiral Stone added that this would seem to the Italians as an increase of military control rather than a lessening. General Hamblen agreed to Mr. Kirk's suggestion to mention this fact in the final reply. He pointed out that the AFHQ draft MAF does not indicate disposition of these Sub-Commissions. The AFHQ staff section in AFHQ could assume day to day relations with the Italian Government. All agreed that for the time being these S/C's should remain at AC.

E(1) AC Draft for MAF. Mr. Cleveland stated that General Hamblen's advice could best be given by the present Chief Financial Advisor of AC, who was also supervising the implementation of PAN 583, which, if it passed to the Embassies, would involve considerable detailed reporting. Mr. Kirk pointed out that the Embassies can report to OCS only through their respective Governments. Mr. Cleveland brought up the case of the Italian-Swiss agreement, which had been referred to OCS by AC as contravening PAN 583. However, the reply was communicated to the Italian Government through the Embassies. General Hamblen stated that the AC modifications in this sub-plan were accepted, although he added that he felt that since they had been requested by OCS, as many functions as possible should be transferred from AC to AFHQ. General Duff stated that the proportion of the functions turned over was not important.

and democratic to ensure procedure of local elections is fair, free

2. Admiral Stone said that the only proposed modification to the draft AFHQ LAF, para 3, was the provision for notifying OCS of the final plans, which was included at the suggestion of the U.S. Political Advisor to AC since both Governments were interested in the disposition of certain sub-commissions. General Hembler proposed that OCS be notified of such action after it had been taken. Admiral Stone cited the Communications Sub-Commission as being of particular interest to the U.S. and British Governments. In this connection he stated that one of the functions of AC has been to act as a buffer between the Italians and the military, and the AC has had increasing recognition of that role from AFHQ. Mr. Kirk cited the importance of having an agency in immediate contact with the Italian Government as an argument for keeping these S/C's under AC. Sir Noel Charles said that it was very important that AC be retained as a buffer. The new directive, he felt, was intended to prepare Italy for the peace treaty, and the real purpose of the OCS directive would be best served by retaining elements to act as that buffer. Mr. Kirk stated that if the AC were removed, there would be direct contact between elements in the military machine and the Italians, who were not used to dealing with each other. Admiral Stone added that this would seem to the Italians as an increase of military control rather than a lessening. General Hembler agreed to Mr. Kirk's suggestion to mention this fact in the final reply. He pointed out that the AFHQ draft LAF does not indicate disposition of these Sub-Commissions. AFHQ staff section in AFHQ could assume day to day relations with the Italian Government. All agreed that for the time being these S/C's should remain at AC.

B(1) AC Draft for LAF. Mr. Cleveland stated that General financial advice could best be given by the present Chief Financial Advisor of AC, who was also supervising the implementation of PAN 583, which, if it passed to the Embassies, would involve considerable detailed reporting. Mr. Kirk pointed out that the Embassies can report to OCS only through their respective Governments. Mr. Cleveland brought up the case of the Italian-Swiss agreement, which had been referred to OCS by AC as contravening PAN 583. However, the reply was communicated to the Italian Government through the Embassies. General Hembler stated that the AC modifications in this sub-para were accepted, although he added that he felt that since it had been requested by OCS, as many functions as possible should be transferred from AC to AFHQ. General Duff stated that the proportion of the functions turned over was not important.

B(11). General Hembler agreed to the suggestion in para E(11) of AC draft for LAF, with some rewording of the last two sentences.

2. Referring to the second sentence of para 2 of AFHQ draft LAF, General Hembler felt that the statement that proposals were "based on UNRRA supply of Italy" should not be restricted to this paragraph but should be inserted in a general paragraph. This proposal was agreed to.

785017

-4-

P(1) AD Draft for MAT. It was agreed to withdraw the recommendation that a definite date be set for the turnover of functions to the Brigades and that the phrase "as soon as personnel can be procured" be inserted instead. Mr. Kirk and Sir Noel Charles proposed that the last sentence of sub-para P(1) be modified to read "However, Brigades indicate they are not yet in a position to assume this function because of lack of personnel."

P(1a). The proposed modification is contained in AD Draft for MAT, sub-para P(1a), was agreed to, inserting "not before" in place of "after".

P(1b). It was agreed to withdraw the proposed modification contained in AD Draft for MAT, Sub-para P(1b).

P(1c). General Hamilton stated that there were now in Italy between 25 and 30,000 displaced persons, of whom several thousand cannot be taken over by UNRRA because of its charter. General Hamilton recommended that the ADHQ draft as regards Displaced Persons S/C should remain. Admiral Stone agreed.

All agreed to the inclusion of the statement that a supply group has already been set up in the Economic Section at AD Headquarters in Rome.

P(1d). It was agreed to include in para H of ADHQ draft MAT a provision requesting SACRED's concurrence of civilian appointments to key positions.

P(1e). It was agreed to substitute para I of AD Draft for MAT for para I of ADHQ Draft MAT.

PART II.

Document 'S' was submitted for discussion in place of the proposed Part II of Document 'Q'. It was decided however not to discuss the document at this present time and the meeting then adjourned.

DISTRIBUTION:

22 Sir Noel Charles, Lt., RCAF., British Embassy.

11 Mr. Alexander Kirk, U.S. Embassy.

Mr. E. L. D'A. Hopkinson, C.M.G., Poland (P), HQ, AC.

Sir Richard Moserby, RCAF, British Embassy.

Mr. Wesley Jones, Poland (.), HQ, AC.

Mr. Livingston, U.S. Embassy.

Maj. Gen. A.C. Duff, OBE, MC., C.O., AFHQ.

Brig. Gen. A. L. Hamilton, G-5, AFHQ.

Rear Admiral Ellery W. Stone, Chief Commissioner, HQ, AC.

11 S. Kirk
Brigadier,
Executive Commissioner.

785017

to be removed to withdraw the proposed modification contained in
 20 Draft for MAT, Sub-para 2(11).

General Hadden stated that there were now in Italy between 25 and
 50,000 displaced persons, of whom several thousand cannot be taken over by
 UNRRA because of its charter. General Hadden recommended that the AFHQ
 draft as regards Displaced Persons S/C should remain. Admiral Stone agreed.

All agreed to the inclusion of the statement that a supply group
 has already been set up in the Economic Section at AG Headquarters in Rome.

It was agreed to include in para H of AFHQ Draft MAT a provision
 requesting S.M.E.D.'s concurrence of civilian appointments to key positions.

It was agreed to substitute para I of AG Draft for MAT for para I
 of AFHQ Draft MAT.

PART II.

Document 'S' was submitted for discussion in place of the proposed
 Part II of Document 'Q'. It was decided however not to discuss the document
 at this present time and the meeting then adjourned.

W. S. Lusk
 Brigadier,
 Executive Commissioner.

DISTRIBUTION:

HE Sir Noel Charles, Rt., KBE., British Embassy.
 HE Mr. Alexander Kirk, U.S. Embassy.
 Mr. H. L. D'A. Hopkinson, C.M.G. Poland (P), R.A.C.
 Sir Richard Hothorpe, KCB, British Embassy.
 Mr. Wesley Jones, Poland (.), R.A.C.
 Mr. Liversidge, U.S. Embassy.
 Maj. Gen. A.C. Duff, CBE, MC., C.I.O., AFHQ.
 Brig. Gen. A. L. Hadden, G-5, AFHQ.
 Rear Admiral Ellery W. Stone, Chief Commissioner, Rq AC.
 Brig. M. S. Lush, CB., CBE., MC., Exec Commissioner, Rq AC.
 Mr. Philip Broad, Rr Hearnin, AFHQ.
 Mr. Ortle, US Polad, AFHQ.
 Mr. S. K. Keeney, UNRRA.
 Mr. C. E. Hodgetts, UNRRA.
 Mr. Harlan Cleveland, Econ Section, Rq AC.
 Colonel Weber, Chief Legal Advisor, Rq AC.
 Lt. Col. G. C. Hannaford, Dep. Chief Legal Advisor, Rq AC.
 Lt. Col. F. H. McCleary, Rq AC.

185
Confidential

SECRET

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

Ref: 600/EC.

6 Dec 1945.

SUBJECT: Reorganization of AC.

TO : Allied Forces Headquarters.
Attn: G-5 Section.

184

1. I enclose final draft for AAF Part II, first draft of which was produced at Conference today as Document "B".

2. I have already telephoned amendments to G-5.

For the Chief Commissioner:

Brigadier,
Executive Commissioner.

REL/36.

Copy to: US Ambassador (3)
Br Ambassador (3)
USRAA (3)
Chief Commissioner
A/AF, Room Sec (2)
Chief Legal Advisor

5483

184

Confidential

SECRET

W.T. PART II.

1. The Allied Commission will remain under SACRED as President and the Deputy President as Chief Commissioner until the Aristocratic regimes is terminated. It is, however, desirable to continue the retention of functions of the Allied Commission which should now be reorganized as follows.

2. As soon as the Northern Regions have been restored to Italian Government all Sub-Commissions with the exception of the Service Sub-Commissions and Communications Sub-Commission will be abolished.

3. The Allied Commission will then be established under the Deputy President as Chief Commissioner with Executive Branch. Under him will be:

- Service Sub-commissions
- Communications Sub-Commission
- Chief Financial Advisor and staff
- Chief Legal Advisor with reviewing staff
- Displaced Persons Branch
- Public Relations
- Establishment Branch

As Economic Section consisting of the presently organized Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions (including long range rehabilitation planning involving Allied financial assistance) to be transferred to Subordinate when staff is procured, or to any inter-allied body which may be set up.

4. The Executive Branch will carry such technical staff officers as may be necessary to cover residual functions formerly carried out by Sub-^{Regions} 3482, abolished and the technical control of UNR in EUROPE and VIZCZLA, CHINA.

5. Small Liaison Groups in the field will be established at your

Government all Sub-Commissions with the exception of the Service Sub-Commissions and Communications Sub-Commission will be abolished.

5. The Allied Commission will then be established under the Deputy President as Chief Commissioner with Executive Branch. Under him will be:

Service Sub-commissions

Communications Sub-Commission

Chief Financial Adviser and staff

Chief Legal Adviser with reviewing staff

Displaced Persons Branch

Public Relations

Establishment Branch

An Economic Section consisting of the presently organized Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions (including long range rehabilitation planning involving Allied financial assistance) to be transferred to UNRRA when staff is procured, or to any intermediate body which may be set up.

4. The Executive Branch will carry such technical staff officers as may be necessary to cover residual functions formerly carried out by Sub-Commissions abolished and the technical control of UNR in UNRRA and VENEZUELA GROUP.

5. Small Liaison Groups in the field will be established at your discretion.

6. Branch and Liaison Representatives to AO will remain.

7. Advisory and long range planning functions will be continued to be taken over by the Economics when staff is procurable or by any intermediate body set up for the purpose. Supply and Displaced Persons functions will be taken over by UNRRA in due course.

785017

FOR

Office of the Executive Commissioner

600/300

5 December 1945.

SUBJECT: Conference - Reorganization of
allied Commission.

100 : Distribution below.

Enclaves are:

Document #07 - July 19.

1917

Document #11 - 10 copies

~~NO COMMENTS ON T-119 and on~~

Document now - 1783-1811

ATTENTION TO DRAFT MAT.

~~Document #1~~ Memorandum by TS Johnston.

2. The Meeting will take place in the Chief Commissioner's Conference Room, HQ Allied Commission (adjacent to Chief Commissioner's Office) at 0930 hours, Thursday, 6th December, 1945.

For the Chief Coordinator:

3451/50.

DISTRIBUTION: US Embassy: Hon. Alexander Kirk, US Ambassador
Mr. Wesley Jones
Mr. Livergood.

to Embassy: Sir Noel Charles, KCMG, Rt Ambassador
Mr. Henry Hodgkinson, CBE.
Sir Richard Keworth, KCMG

ATTN:
Major-General A. C. Duff, CBE, MC,
Brig-General A.I. Graham.
Mr. Giffie, US Police.
Mr. Philip Breed, British Consul

154

TO : Distribution below.

1. Enclosed are:

- Document "0" - ~~162~~ 160
 Document "1" - ~~174~~ 173
 Document "2" - AC Comments on T-173 and on
 Army Draft MAT.
 Document "3" - AMB and AC Draft MAT.
 Document "4" - Memorandum by US Ambassador.

2. The Meeting will take place in the Chief Commissioner's Conference Room, HQ Allied Commission (adjacent to Chief Commissioner's Offices) at 0930 hours, Thursday, 6th December, 1945.

For the Chief Commissioner:

WSL/CG.

DISTRIBUTION: US Embassy:

Hon. Alexander Kirk, US Ambassador
 Mr. Wesley Jones
 Mr. Livingston

Brigadier,
 Executive Commissioner.

HQ Embassy:

Sir Noel Charles, KCMG, Mr Ambassador
 Mr. Henry Hopkinson, CBE.
 Sir Richard Norworthy, KCMG

AFHQ:

Major-General A.C. Duff, CBE, MC,
 Brig-General J.L. Hamblen.
 Mr. Office, US Poled.
 Mr. Philip Broad, British Resmin

HQ AC:

Rear Admiral Zillery W. Stone, USNR, Chief Commissioner.
 Brigadier H.B. Lush, CB, CBE, MC.
 Mr. Harland Cleveland, A/VF, Economic Section.
 Colonel J. Webber, Chief Legal Adviser.

5481

DOCUMENT 'D' 182

ConfidentialSECRET.

TO : AFHQ FOR MORGAN LEO CABINET OFFICES FOR BRITISH CHIEFS OF STAFF
FROM: ADMAR FROM OCS.

THIS IS TAM 719.

There follows draft directive which OCS proposes submitting to OCS for approval.

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

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

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

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

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

(B) Subcommittees whose functions are to be abolished.

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

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

Communications
Public Safety
War Materials & POW
Public Relations
Transportation (but see subpara 2 below)
Finance (currency, combined billing, etc, services to Allies and paras 10, 12 - 17 F.N 585).

(D) Subcommittees whose functions are to be transferred to the

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

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

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

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

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

(B) Subcommissions whose functions are to be abolished.

Education

Local Government and Patriots

Monuments Firms Arts and Archives

Public Health

Public Works and Utilities

Legal (but Legal Advisor to President of AC may be necessary)

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

Communications

Public Safety

War Materials & POW

Public Relations

Transportation (but see subpara 2 below)

Finances (currency, combined billing, etc, services to

Armies and paras 10, 12 - 17 P.M.N 583).

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

Industry and Commerce (advisory functions)

Labour

Agriculture (advisory functions)

Finances (advisory functions and duties under P.M.N 583 except paragraphs 10, 12 - 17).

Food (insofar as not concerned with imports).

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

Displaced Persons and Refugees

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

181
Confidential

SECRET

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

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

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

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

785017

supplies and functions in respect to warehousing imported supplies).

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

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

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

5479

Confidential

SECRET

A.C. COMMENTS ON TAN 719 and AFHQ DRAFT MAT.
(for convenient reference AFHQ draft MAT and
AO draft MAT are shown on a separate docu-
ment).

1. Para I of TAN 719, para 1A draft MAT.

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

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

Can the President of the Commission enforce the rights under the armistice through any other authority except the Allied Commission which is the statutory instrument?

2. AFHQ MAT 1B.

At present the paragraph reads as if Allied Military Government Headquarters were part of, but separate from, Allied Commission Headquarters. It is suggested that more emphasis be laid on the dual functions of Allied Commission Headquarters, viz: in Allied Military Government territory and Italian Government territory.

A.C. MAT Part I tries to reflect this, without laying too much emphasis on retention of A.C.

785017

Government is conducted and the relations of the United Nations with the Italian Government are handled".

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

Can the President of the Commission enforce the rights under the armistice through any other authority except the Allied Commission which is the statutory instrument?

2. ARMY M.T. 18.

At present the paragraph reads as if Allied Military Government Headquarters were part of, but separate from, Allied Commission Headquarters. It is suggested that more emphasis be laid on the dual functions of Allied Commission Headquarters, viz: in Allied Military Government territory and Italian Government territory.

A.C. M.T. Part I tries to reflect this, without laying too much emphasis on retention of A.C.

3. ARMY M.T. 11(C), P.M. 2(a). Subcommittees whose functions are to be retained in A.C.

Until the armistice is revised or cancelled the Service Subcommittees must remain in the A.C., which is the only authorized agency which gives them legality. Separate Service Subcommittees can have no legal status if they are divorced from A.C. unless it is proposed to impose new missions under the armistice terms, or to negotiate an agreement with the Italian Government to

-2- Confidential (174)

this end. A.C. MAT reflects this.

4. AFHQ MAT I(C).

TAM 719 makes no mention of the Deputy President. It is essential that the President (in Caserta) should have a Deputy in Rome so be in daily contact with the Italian Government.

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

A.C. MAT reflects these two points.

5. AFHQ MAT I(C).

Neither TAM 719 nor draft MAT make any reference to liaison groups in the field in Italian Government territory. OCS policy on this is not known although AFHQ have approved in principle, with the exception of the Economic Group.

Political and Public Safety Liaison Officers are required, particularly in such districts as the Italy/France frontier and Bolzano, and it is the understanding that the Military Commanders and U.K. Foreign Office are desirous that they should be maintained. Roughly half the liaison personnel, numbering about 30, will be attached to the Supply Group, Food, Agriculture, Industry and Transportation of the Economic Section. They will ^{be} largely concentrated in MOLAN where the Italian Machinery for allocation and distribution of imported materials in the North is located. This part of the liaison function will go over to UNRRA when and if UNRRA takes over Italy's basic supply line. These groups have been mentioned in AG MAT Part I(C) and Part II (A) (2).

6. AFHQ MAT I(D), TAM 2(B). Subcommittees whose functions are to be abolished.

5.

AFHQ MAT I(C).

Neither TLM 719 nor draft MAT make any reference to liaison groups in the field in Italian Government territory. OCS policy on this is not known although AFHQ have approved in principle, with the exception of the Economic Group.

Political and Public Safety Liaison Officers are required, particularly in such districts as the Italo/France frontier and Bolzano, and it is the understanding that the Military Commanders and U.K. Foreign Office are desirous that they should be maintained. Roughly half the liaison personnel, numbering about 30, will be attached to the Supply Group, Food, Agriculture, Industry and Transportation of the Economic Section. They will ^{be} largely concentrated in MILAN where the Italian machinery for allocation and distribution of imported materials in the North is located. This part of the liaison function will go over to UNRRA when and if UNRRA takes over Italy's basic supply lines. These groups have been mentioned in AD MAT Part I(C) and Part II (A) (2).

6. AFHQ MAT I(D), TLM 2(B). Subcommittees whose functions are to be abolished.

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

(b) Local Government - This Subcommittee is largely concerned with the scrutiny of Italian legislation regarding electoral procedure, minorities in AOSTA and BOLZANO, some of which is definitely connected with the 5477 Armistice Terms. US Embassy recently wrote "My (US) Government is of opinion that A.O. operating through Local Government S/C should continue its functions

Confidential

(17)

of rendering advice to the Italian Government to ensure that the procedure in local elections is fair, free and democratic...." This Subcommittee is the watchdog of the AG on such matters and its abolition prior to the elections would seem premature.

(c) Public Health.

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

(ii) When the Subcommittee is abolished it will be necessary to set up a small medical supply unit in the Economic Supply Group.

(d) Public Works and Utilities. Electricity throughout Italy is

so short that it will be necessary to retain in A.G. a unit working on allocation and utilization of electric power which is closely connected with the industrial programme as a whole and the use to which imported fuel and coal are put.

(e) The Legal Adviser will be needed in the A.G. at Rome not only to the President and Deputy President but to the residue of Subcommittees and Branches in the Commission. He is particularly needed as adviser on legal matters. A Staff of reviewing Legal Officers, not more than three, will be required in the Allied Commission for the review of cases of prisoners in Italian goals serving sentences imposed by Allied Military Government Courts since July 1943. There is no provision under occupational law other than this review procedure whereby such prisoners can receive any of the beneficial provisions for good conduct etc. in prison which all penal systems, including Italian penal system, provide. It is essential that this

health work.

(ii) When the Subcommission is established it will be necessary to set up a small medical supply unit in the Economic Supply Group.

(3) Public Works and Utilities. Electricity throughout Italy is so short that it will be necessary to refrain in A.C. a unit working on allocation and utilization of electric power which is closely connected with the industrial programme as a whole and the use to which imported fuel and coal are put.

(e) The Legal Adviser will be needed in the A.C. at Rome not only so the President and Deputy President but to the residue of Subcommissions and Branches in the Commission. He is particularly needed as adviser on all matters. A staff of reviewing Legal Officers, not more than three, will be required in the Allied Commission for the review of cases of prisoners in Italian jails serving sentences imposed by Allied Military Government Courts since July 1943. There is no provision under occupational law other than this review procedure whereby such prisoners can receive any of the beneficial provisions for good conduct etc. in prison which all penal systems, including Italian penal system, provide. It is essential that this review work be competently completed under A.C.

Comments on these lines have been included in A.C. M.T.

5476

Confidential

177

7. AFHQ MAT I(E), LHM 719 para III(C). Submissions whose functions are to be transferred to AFHQ.

Both A.C. and AFHQ agree that this proposal as a whole is unacceptable. AFHQ MAT suggests a temporary modification leaving discretion to SACRED. This is acceptable but following points should be made:

(a) It is submitted that final approval for eventual disposition of Submissions should be sought from OCS.

(b) War Material Disposal S/C has already been abolished and reduced to a Captured Enemy Material Branch of Economic Section, which would pass to AFHQ by 1 January 1946.

(c) Italian POW, part of War Material Disposal S/C, has already been transferred to Land Forces S/C where it should remain.

(d) Apart from SEC functions, Transportation S/C has only two groups of functions; those connected with imported supplies and the liaison functions between the Military and Italian transport authorities. The former should remain with A.C. Supply Group until UNRRA takes over; the latter would disappear if transferred to AFHQ. There is no transport function which can logically be transferred to AFHQ.

(e) Finance:

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

(ii) APA consisting of three officers, including accountants, could be transferred to AFHQ while remaining physically in

ROME.

(iii) The post of Chief Financial Adviser to the A.C. should

be retained.

5400

of Subcommittees should be sought from CCB.

(b) War Material Disposal S/C has already been abolished and reduced to a Captured Enemy Material Branch of Economic Section, which would pass to AFHQ by 1 January 1946.

(c) Italian POW, part of War Material Disposal S/C, has already been transferred to Land Forces S/C where it should remain.

(d) Apart from AFHQ functions, Transportation S/C has only two groups of functions; those connected with imported supplies and the liaison functions between the Military and Italian transport authorities. The former should remain with A.C. Supply Group until UNRRA takes over; the latter would disappear if transferred to AFHQ. There is no transport function which can logically be transferred to AFHQ.

(e) Finance:

(i) In the accounting field we have already set up an Allied Supply Accounting Agency, responsible to AFHQ.
(ii) AFHQ consisting of three officers, including accountants, could be transferred to AFHQ while remaining physically in Rome.

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

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

The above points are reflected in A.C. M.F.

3470

176
Confidential

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

(f) "Duties under PAM 583 other than the currency agreement".

These functions, involving the watching of Italy's financial transactions to make sure that the few remaining points which interest the OCS are policed, could be transferred to the Embassies. Until the requirements of PAM 583 lapse the Embassies will be confronted with the necessity for making reports and recommendations specified in PAM 583 and related directives.

9. PAM 719 1(2), TAM 719 2(3). Subcommittees to be retained in A.C. until USGPA takes over.

(a) Displaced Persons. We have recently submitted proposals to AFHQ whereby the Subcommittee is transferred to USGPA leaving a small branch to operate in VENEZIA GIULIA, UDINE and RIMINI, and to supervise the administration of camps generally which AFHQ itself has laid down as an A.C. responsibility. The work is so connected with IAC and other residual functions of A.C. that it is strongly recommended that the proposal be adopted and no comment made on TAM 719.

(b) Food. In those subcommittees which are concerned with imported supplies (Food and Agriculture, Industry and Utilities) there can, except for a specialized industry function, be no distinction drawn between supply functions and advisory functions.

All of the work which we do with the Italian Government in these fields is connected with the fact that we are the only end of

(f) "Duties under PAN 583 other than the currency agreement". These functions, involving the watching of Italy's financial transactions to make sure that the few remaining points which interest the OCS are followed, could be transferred to the Subcommission. Until the requirements of PAN 583 lapse the Subcommission will be confronted with the necessity for making reports and recommendations specified in PAN 583 and related directives.

9. PAN 583 I(C), PAN 719 2(B). Subcommissions to be retained in A.C. until UNEPA takes over.

(a) Displaced Persons. We have recently submitted proposals to AFHQ whereby the Subcommission is transferred to UNRRA, leaving a small branch to operate in VERCELLI, GALLI, UMBE and BOLZANO, and to supervise the administration of camps generally which AFHQ itself has laid down as an A.C. responsibility. The work is so connected with JAG and other residual functions of A.C. that it is strongly recommended that the proposal be adopted and no comment made on PAN 719.

(b) Food. In those subcommissions which are concerned with imported supplies (Food and Agriculture, Industry and Utilization) there are, except for a specialized industry function, /be no distinction drawn between supply functions and advisory functions. All of the work which we do with the Italian Government in these fields is related in one way or another with the fact that we are the HOME end of Italy's basic supply pipeline. All functions which are tied to supply in this way have already been drawn together into the Supply Group of the Economic Section. Thus we have already done what the Directive calls for, but on a somewhat higher administrative level and with a somewhat broader conception of the meaning of the word "supply" than contemplated in the draft Directive itself.

(175)
-7- Confidential

10. AFHQ MAT I(H), TMM 719 para 3.

The process of diluting Submissions with civilians has continued and with those intending to join USRA has begun. Further introduction of civilians from outside into A.C. proper is impracticable in view of the short life of A.C. under this directive. In any case their introduction should be done in conjunction with SACRED or AO.

This is reflected in A.C. MAT.

11. AFHQ MAT I, TMM 719 para 4.

As AFHQ and Allied Supply Accounting Agency are dealt with adequately elsewhere in the A.C. draft MAT, it is suggested that para 4 be omitted from MAT.

4. December 1945.
MSL/ALC.

785017

SECRET.

AFHQ DRAFT MAT.

This is MAT _____

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

Part I. Discussion.

A. The basic policy set forth in your para 1 is agreed, except as to the provision of AMS requirements.

B. In the reorganization of ALOOM consideration must be given to the fact that within its present structure there exists the HQ of the allied military government for Italy. As long as military government remains, there must be in existence a headquarters located at the seat of the Italian Government. AMS does not govern directly but uses the machinery of the Italian Government agencies in all phases of public life. It can be effective only by the closest day to day contact with the respective Italian ministries.

Such an AMS Headquarters must retain substantially the present structure of AS on a reduced scale. It would deal only with AMS matters and exceptions indicated otherwise in this paper not interest itself in King's Italy.

AS DRAFT FOR MAT.

This is MAT _____

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

Part I. Discussion.

A. The basic policy set forth in your paragraph below. Presume last two sentences of para 1 to apply.

B. In the reorganization of ALOOM consider the fact that within its present structure there exists Italy and therefore the functions of the AS extend over territory and AMS territory, including VERGELLA GR. If military government remains, there must be in existence a headquarters at the seat of the Italian Govt. AMS does not govern directly but uses the machinery of the Italian Government agencies in all phases of public life. It can be effective only by the closest day to day contact with the respective Italian ministries. Such an AMS headquarters must retain substantially the present structure of AS on a reduced scale.

785017

Page 1.

LC DRAFT FOR MAT.

This is MAT

719 dated 29 Nov 45.

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

Part I. Discussion.

A. The basic policy set forth in your para 1 is agreed, subject to comment below. Presume last two sentences of para 2(a) in TAM 457 continue to apply.

B. In the reorganization of AMCOM consideration must be given to the fact that within its present structure there exists the HQs of the AMI for Italy and therefore the functions of the LC extend over both Italian Govt. territory and AMG territory, including VENEZIA, GIULIA. As long as military government remains, there must be in existence a headquarters located at the seat of the Italian Govt. AMG does not govern directly but uses the machinery of the Italian Government agencies in all phases of public life. It can be effective only by the closest day to day contact with the respective Italian ministries. Such an AMG headquarters must retain substantially the present structure of LC on a reduced scale.

Confidential 1174

Document 1174

AMHQ DRAFT MAT.

C. It is agreed that the Service Subcom-
missions/should remain in HQ
missions/unless or until they form the nucleus of
separate service missions. Agree that HQ Ex Branch
and Establishment Section should remain.

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

AC DRAFT FOR MAT.

C. It is agreed that the Service Sub-Com-
Agree that HQ Ex Branch and Establishment Section
Deputy President in ROME and presume the French and
will remain. It is my policy to retain small dis-
territory numbering approx. 60 in all to maintain
Commanders and Italian Local Governments and to keep
political (e.g., Franco-Italian Frontier, DOLE/NO)
Understand U.K. Govt regards this with favour. R
attached to supply group (food, agriculture, indus-
concentrated in MILAN where Italian machinery for
imported materials in North is located. This per-
would go over to UNRRA when UNRRA takes over Italy

D. It is agreed that the Sub-Commissions be
abolished so far as they pertain to Italian Govt to
be retained on a small scale for AMG purposes) with the
S/C, Medical Supply Functions of Public Health, S/C
Public Works & Utilities S/C.

(1) Local Government S/C functions con-
tion on electoral procedure, minority problems, etc.
definitely connected with the Armistice Terms.

785017

Page 2.

DRAFT MAT.

AC DRAFT FOR MAT.

at the Service Subcom-

they form the nucleus of

Agree that HQ Ex Branch
should remain.

C. It is agreed that the Service Sub-Commissions should remain in AC.

Agree that HQ Ex Branch and Establishment Section should remain. I shall require Deputy President in ROME and presume the French and Russian representatives AC will remain. It is my policy to retain small liaison groups in Italian Govt. territory numbering approx. 60 in all to maintain liaison with Allied Military Commanders and Italian Local Governments and to keep me generally informed of political (e.g., Franco-Italian Frontier, SOLZANO) and economic situation. Understand U.K. Govt regards this with favour. Roughly half the number will be attached to supply group (food, agriculture, industry and transportation) largely concentrated in MILAN where Italian machinery for allocation and distribution of imported materials in North is located. This part of the liaison function would go over to UNRRA when UNRRA takes over Italy's basic supply line.

the sub-commissions

be abolished so far as

ly'. They should be re-

AKI purposes.

D. It is agreed that the Sub-Commissions listed in your para 2 b may be abolished so far as they pertain to Italian Govt territory (they should be retained on a small scale for AC purposes) with the exception of Local Government S/C, Medical Supply functions of Public Health S/C, the Electrical Power Unit of Public Works & Utilities S/C.

(1) Local Government S/C functions cover directing of Italian legisla-
tion on electoral procedure, minority problems, eg., SOLZANO, some of which are
definitely connected with the Armistice Terms. The US Government recently gave

Confidential

5471

AMHQ DRAFT MAT.Part I (Cont'd)

E. The effectiveness of the sub-commissions listed in your para 2 c would be greatly lessened if removed from RME. If they were to be placed under AMHQ and remain in ROME supervision would be most difficult. War Material and POW are little more than liaison groups. The others in this category should remain in being for JCE functions. No

JCE DRAFT FOR MAT.

the opinion that the JCE, operating through local Government procedure of local elections is fair, free and democratic. Sub-Commission within JCE until elections.

(ii) When the Public Health S/C is abolished a unit set up in the Supply Group of the Economic Section.

(iii) The Public Works & Utilities S/C has already S/C. When the Public Works & Utilities S/C is abolished it in the Supply Group of the Econ Sec a unit working on the electric power. Now and for some months to come electric parts of the Italian peninsula, including the North. This is therefore closely tied with the industrial programme as decisions as to how imported coal and fuel oil are to be used.

E. The effectiveness of the sub-commissions listed greatly lessened if removed from Rome. If they were to be in Rome supervision would be most difficult. War Material and reduced to Captured Enemy Materials Branch of Economic absorbed by Land Forces S/C where it should remain. This remain in being for JCE functions. No disadvantage is now present while details are being worked out to determine to them in connection with Italian Government territory and

P. M.J.

AC DRAFT FOR M.T.Page 3.

THE opinion that the AC, operating through Local Government S/C, should continue to ensure procedure of local elections is fair, free and democratic. Recommend retention of this Sub-Commission within AC until elections.

(ii) When the Public Health S/C is abolished a small Medical Supply Unit will be set up in the Supply Group of the Economic Section.

(iii) The Public Works & Utilities S/C has already been merged with the Industry S/C. When the Public Works & Utilities S/C is abolished it will be necessary to maintain in the Supply Group of the Econ Sec a unit working on the allocation and utilisation of electric power. Now and for some months to come electricity is in short supply in all parts of the Italian peninsula, including the North. The utilisation of electric power is therefore closely tied with the industrial programme as a whole and especially with decisions as to how imported coal and fuel oil are to be used most efficiently.

E. The effectiveness of the sub-commissions listed in your para 2 c would be greatly lessened if removed from Rome. If they were to be placed under AMHQ and remain in Rome supervision would be most difficult. War Materials has been virtually abolished and reduced to Captured Enemy Materials branch of Economic Section and Italian POW has been absorbed by Land Forces S/C where it should remain. The others in this category should remain in being for AMHQ functions. No disadvantage is seen for keeping them with AC for the present while details are being worked out to determine to what agency if any their functions in connection with Italian Government territory can best be transferred. It is

Confidential

Part I (Contd).DRAFT AFHQ MAT.

disadvantage is seen for keeping them with AG for the present while details are being worked out to determine to what agency if any their functions in connection with 'King's Italy' can best be transferred. It is believed preferable to allow me to use discretion in connection with this group keeping in mind the policy of the CCS that the AG shall retain the minimum essential functions.

AG DRAFT FOR MAT.

believed preferable to allow me to use discretion in keeping in mind the policy of the CCS that the AG shall retain the minimum essential functions. My final plans for this group will be as follows.

(i) As regards Finance Sub-Commission, 692, and set up an Allied Supply Accounting Agency located in Rome and attached to AG for administrative and accounting functions of AFHQ, is to the Allied Forces, should be transferred to AFHQ Rome attached to AG for administration. In order arising under the jurisdiction, I recommend that the Adviser be retained in the AG. Negotiation of the Italian Govt as directed in paras 12-17 of FM 583 by the Chief Financial Adviser.

(ii) With regard to Transportation, operation S/C has only two groups of functions: those and a liaison function between military and Italian forces should remain with AG Supply Group until it disappear if transferred to AFHQ. There is, then, which can logically be transferred to AFHQ.

546

AC DRAFT FOR ILS.

believed preferable to allow me to use discretion in connection with this group, keeping in mind the policy of the CCS that the AG shall retain the minimum essential functions. My final plans for this group will be submitted to CCS.

(1) As regards Finance Sub-Commission, I have already implemented TM 692, and set up an Allied Supply Accounting Agency responsible to AFHQ. It is located in Rome and attached to AC for administration. It is agreed that the currency supply and accounting functions of AF, including its various services to the Allied Forces, should be transferred to AFHQ. I intend to leave APA in Rome attached to AC for administration. In order to handle financial problems arising under the Armistice, I recommend that the position of Chief Financial Adviser be retained in the AC. Negotiation of the currency agreement with the Italian Govt as directed in paras 12-17 of FM 583, should continue to be handled by the Chief Financial Adviser.

(ii) With regard to Transportation, apart from JMI Functions Transportation G/C has only two groups of functions: those connected with imported supplies and a Liaison Function between military and Italian transport authorities. The former should remain with AC Supply Group until UNRRA takes over; the latter should disappear if transferred to AFHQ. There is, therefore, no transport function which can logically be transferred to AFHQ.

supply
would
they

785017

Part I (Cont'd)

AFR DRAFT MAT.

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

C. Ref your para 2 c. The DP Sub-Commission is less directly connected with the Italian government than other sub-commissions.

AC DRAFT FOR MAT.

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

(i) As to industry, the functions of advising, planning and reviewing projects for reconstruction of utility industries should be transferred to Embassies. Embassies indicate they are not now in position to assume these functions.

(ii) As to commerce, the advisory function (of the Italian Govt for the re-opening of private commercial Embassies after 1 Jan 46. However, TCM 640 lays upon the Embassies functions (screening of export programmes and channels, Boards on Reserved Commodity List items) which must be assumed by the Embassies. This arrangement relieves us of these responsibilities.

(iii) There are no advisory functions in Food Commissions (which have already been amalgamated) which import programmes and there is therefore nothing to transfer.

D. Ref your para 2 c. DP Sub-Commission agreed to a small branch. With regard to the proposal "supply sub-commission function, your attention is drawn to the fact that the

785017

Page 5.

IS DRAFT MAT.

IS DRAFT FOR MAT.

2055

agreed except that
at function for AC
that the proposal is
Italy. Should Italy
commodities on a national
this reorganization

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

(i) As to industry, the functions of advising the Italian Govt and devel-
oping and reviewing projects for reconstruction of utilities (including railroads) and
industries should be transferred to Embassies. However,
Embassies indicate they are not now in position to assume this function.

(ii) As to commerce, the advisory function (consisting of negotiations with
the Italian Govt for the re-opening of private commercial trade) can be transferred to
Embassies after 1 Jan 46. However, TAM GAO lays upon AC two very specific operating
functions (screening of export programmes and channelling clearances with Combined
Boards on Reserved Commodity List items) which must be continued in AC until UNRSC
relieves us of these responsibilities.

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

The DP Sub-
connected with the
r Sub-commissions.

G. Ref your para 2 c. DP Sub-Commission agreed. This will be reduced to a
small branch. With regard to the proposed "supply subcommission" and the transport
ation function, your attention is drawn to the fact that a Supply Group has already

Confidential

785017

Part I (cont'd)

AMHQ DRAFT M.G.

Plans are under way now to transferring to AMHQ those functions of the DP sub-commission which UNRRA cannot undertake, such as repatriation of Reich Germans from Bolzano and the administration of categories of DPs which are not covered by the UNRRA charter. Your views on the food and transportation sub-commissions are agreed.

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

I. Your para 4 is agreed.

PART II.

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

AS DRAFT FOR M.G.

been set up within the Econ Sec which includes the industry, and transportation) which are directly related and which will be transferred to UNRRA when UNRRA organization already reflects the thinking in part

H. Your para 3 agreed except as pertains to suggestion with me. Desire to point out however that to change present incumbents to civil status so far as officials are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.

I. As ASA and Allied Supply Accounting Agency elsewhere in the draft directive as amended, I agree

PART II.

... Recommend pursuant to discussion in Part I substantially as follows:

785017

Page 6.

NO DRAFT FOR LIA.

NO DRAFT FOR LIA.

1016

to transferring to LIA
sub-commission which
such as repatriation of
and the administra-
of LIA which are not cover-

been set up within the Econ Sec which includes these functions (food and agriculture, industry, and transportation) which are directly related to the import programme, and which will be transferred to UNRRA when UNRRA takes over. Thus the present AD organisation already reflects the thinking in para 2(E) of TM 719.

Your views on the food
commissions are agreed.

agreed except as pertains
it out, however, that full
to change present in-
so far as practicable be-
introduced. The heavy
enced with civilian
conducive to efficiency.
agreed.

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

I. As LIA and Allied Supply Accounting Agency are dealt with adequately
elsewhere in the draft directive as amended, I suggest your para 4 be omitted.

PART II.

ant to discussion in
issued substantially as

Recommendation pursuant to discussion in Part I that a directive be issued
substantially as follows:

Confidential

Part II (Cont'd)

AMM DRAFT MAT.

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining a headquarters Military Government for territory under AMG control, and this absolute minimum for a temporary period. You are directed to reduce and terminate those temporary residual functions as expeditiously as practicable, eliminating them without further reference to CCS when in your opinion they serve no useful purposes. All rights under the Armistice and Additional Conditions of Armistice of 29 Sep 45 would still be held in reserve as set forth in para 1 of FM 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission.

2. In accordance with the above you should re-organize Allied Commission as follows:

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

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

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

AC DRAFT FOR MAT.

1. It is desirable to remove as many functions as possible retaining maintaining headquarters Military Government control, and this absolute minimum for a directed to reduce and terminate those as expeditiously as practicable, eliminating reference to CCS when in your opinion to All rights under the Armistice and Additional Conditions of 29 Sep 45 would still be held in reserve as set forth in FM 487; the power of enforcement will remain with SACMED as President of Allied Commission para 2(a) of FM 487 continue to apply.

2. In accordance with the above you should re-organize Allied Commission under Deputy President Affairs Officer Allied Military Government.

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

(1) Navy, Army, Air Force Sub-Commissions should remain with Allied Commission.

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

785017

AIMC DRAFT MAT.

C DRAFT FOR MAT.

Page 7.

5466

able to remove from the Allied
as possible retaining only those
a headquarters Military Government
control, and this absolute minimum
You are directed to reduce and
residual functions as expeditiously
ing them without further reference to
they serve no useful purposes. All
and Additional Conditions of
all still be held in reserve as set
7; the power of enforcement will in
MED as President of Allied Commission
ce with the above you should re-
as follows:
missions whose functions are to be
tion:
y, Army, Air Force Sub-Commissions
Allied Commission unless or until they
to service missions.
Executive Branch and Est Section.
responsibilities still remaining in AC.

1. It is desirable to remove from the Allied Commission
as many functions as possible retaining only those necessary for
maintaining headquarters Military Government for territory under AMG
control, and this absolute minimum for a temporary period. You are
directed to reduce and terminate those temporary residual functions
as expeditiously as practicable, eliminating them without further
reference to CCS when in your opinion they serve no useful purposes.
All rights under the Armistice and Additional Conditions of Armistice
of 29 Sep 43 would still be held in reserve as set forth in para 1 of
FMN 487; the power of enforcement will in all cases remain with
SACMED as President of Allied Commission. Last two sentences of
para 2(a) of FMN 487 continue to apply.

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

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

(1) Navy, Army, Air Force Sub-Commissions shall
remain with Allied Commission.

(2) HQ Executive Branch and Establishment Section with
such Liaison Groups as may be required in the field. Size will

Confidential

Part II (cont'd)AND DRAFT M.T.

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

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

Education
Local Government and Patriots
Monuments, Fine Arts & Archives
Public Health
Public Works & Utilities
Legal (except as Adviser to the President)

(C) Sub-commissions whose functions, except as they pertain to military government in being, will be eliminated or transferred to other agencies including AMG

AS DRAFT ON M.T.

depend upon responsibilities still re

(3) Sub-commissions required for government in AMG Territories. These themselves only to subjects pertaining being and only to the extent they affect in being.

(4) Local Government Sub-Comm
(5) French and Russian Represent
authorized staffs will remain in AG.

(B) Sub-commissions whose functions as they pertain to military government in therein:

Education
Monuments, Fine Arts & Arch
Public Works & Utilities (a
which is transferred to
Public Health (except for m
are transferred to Sup
Legal (Legal Adviser to AG
will be retained).
Patriots Branch of Local G

(C) Sub-commissions whose functions to military government in being, will be agencies including AMG to the extent to

785017

Page 8.

AC DRAFT ON MET.

depend upon responsibilities still remaining in AC.

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

(4) Local Government Sub-Commission (less Patriots)

(5) French and Russian Representatives with their presently authorized staffs will remain in AC.

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

Education
Monuments, Fine Arts & Archives
Public Works & Utilities (except Electric Power Unit which is transferred to Supply Group).
Public Health (except for medical supply functions which are transferred to Supply Group)
Legal (Legal Advisor to AC and Reviewing Officers will be retained).
Patriots Branch of Local Govt S/C

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

Confidential

Part II (cont'd).AFRIC DRAFT M.I.T.

to the extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

Communications
Public Safety
War Materials and IPCW
Public Relations
Transportation (but see sub-para E below)
Finance (currency, combined billing, services to Armies and paras 10, 12 - 17 PAR 54.5)
Displaced Persons and Refugees.

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

Industry & Commerce (advisory functions)
Labour
Agriculture (advisory functions)
Finance (advisory functions and duties under PAR 585 except paras 10, 12 and 17).
Food (insofar as not concerned with imports).

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

Food, which should be reorganised into a supply sub-commission and include any functions of other economic sub-commissions relating to imports.

AC DRAFT FOR M.I.T.

are necessary to carrying out of policies laid

Communications
Public Safety
War Materials (less IPCW already)
Public Relations
Finance (currency, combined billing, Armies and para 10 of PAR of Chief Financial Advisor in AC who will be responsible agreement foreseen in paras.

(D) Sub-commissions whose functions are to be transferred to the United States and United Kingdom Embassies:

Industry (advisory functions)
Commerce (advisory functions). continue in AC to perform functions until other arrangements are made
Labour
Finance (advisory functions and duties under PAR 585 except paras 10, 12 and 17).

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

Displaced Persons. This will be handled by UNRRA.
Food & Agriculture.
Industry (except advisory functions)
Economic staff branches having administrative functions.

DRAFT MAT.

AC DRAFT FOR MAT.

1956
3407

consider their functions are

are necessary to carrying out of policies laid down by CCS:

of policies laid down by CCS:

Communications

Public Safety

War Materials (less IFCW already absorbed in Land Forces S/C)

Public Relations

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

ens

ty

is and IFCW

tions

ion (but see sub-para E below)

urrency, combined billing,

on to London and paras 10, 12

AF 583)

ersons and Refugees.

ions whose functions are to be

(D) Sub-commissions whose functions are to be transferred to

States and United Kingdom Em-

the United States and United Kingdom Embassies on (date)

ry personnel can be procured:

Industry (advisory functions)

Commerce (advisory functions). Commerce S/C will
continue in AC to perform functions under TAE 640
until other arrangements are made.

Commerce (advisory functions)

Labour

(advisory functions)

isary functions and duties under

Finance (advisory functions and duties under FAF 583

except paras 10, 12 and 17).

except paras 10, 12 and 17).

or as not concerned with imports).

ions whose functions are to be

(E) Sub-commissions whose functions are to be retained in AC

takes over:

until UNRRA takes over:

should be reorganised into a

Displaced Persons. This will be reduced to a small branch.

sub-commission and include any

Food & Agriculture.

of other economic sub-

Industry (except advisory functions)

ons relating to imports.

Economic staff branches having supply functions

Confidential

Part II (cont'd)AFHQ DRAFT M.T.

Transportation Sub-commission (bids for imported supplies and functions in respect to warehousing imported supplies).

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

4. As part of civilianization of AC, the Allied Financial Agency will be transferred from AC Finance Sub-commission and attached directly to AFHQ but you may retain Allied Financial Agency Headquarters in Rome if you so desire.

AC DRAFT OR M.T.

Transportation Sub-commission (warehousing problems and requirements and all with the imported supply system itself).

3. Either the United States or U
civilianize any of the posts in any sub-commission after consultation with you. The present sub-commissions whose functions are to be taken over by UNRRA and intended to transfer to UNRRA. Functions of these sub-commissions will be

AC DEPT FOR M.T.

Transportation Sub-Commission (Handling of transport and

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

5. Either the United States or United Kingdom Governments will

United States or United Kingdom

at their discretion any of the
remaining in AC except that per-
sonnel solely with military govern-
ment civilianized without previous con-
sultation. It would be advantageous if there were

civilianize any of the posts in any sub-commission remaining in AC
after consultation with you. The present process of introducing into the
sub-commissions whose functions are to be taken over by UNRRA. Any civilian
personnel who intended to transfer to UNRRA when the latter assumed the
functions of these sub-commissions will be continued.

missions whose functions are to be
civilian personnel who intended to
transfer assumed the functions of

civilianization of AC, the Allied
transferred from AC Finance Sub-
committee to APHQ but you may retain
quarters in Rome if you so desire.

Confidential

Part II (cont'd)

ARMY DRAFT M.T.

JO DRAFT ON M.T.

Prior to completion of civilisation of AG you should proceed with such measures as are necessary to establish, as authorized in LHM 692, a combined agency within ARHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to Italy under combined military responsibility.

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

AFHQ DRAFT M.T.

NO DELETION ON DRAFT.

5462

Page 11.

vilianisation of AS you should
as are necessary to establish, an
combined agency within AFHQ to take
on functions of accounting and
lies furnished to Italy under
ibility.

Confidential

Memorandum by U.S. Ambassador

CONFIDENTIAL

173

With the abolition and transfer of many of the functions of the Allied Commission as contemplated in LAM 719, there should be set up concurrently in Italy a Tripartite Economic Advisory Council. The United Kingdom, the United States and Italy would be represented on the Council, which would be necessary as a provisional advisory body to help in the development from Italy's past and present faulty economic system to a more normal status. The organization of the proposed Tripartite Economic Advisory Council would be along the following lines:

- 1) Representatives of the United Kingdom, the United States (who would report to their respective Ambassadors) and Italy would head the Council.
- 2) Acting only in an advisory capacity the heads of the Council would form a policy making body.
- 3) Personnel of the Council would be housed in one building and each of the three heads would deal directly with his own staff. Agriculture (including foods), labour, industry, commerce, finance, shipping and transportation would comprise the activities of the Council.
- 4) At least in the initial period the Allied Governments should provide staffs large enough to permit the United Kingdom and United States representatives to physically examine projects proposed by the Italians, prepare documentation as a basis for the Council's opinions, check on Italian Government statistics, etc.
- 5) Italian problems should be submitted to the Council in form sufficiently complete that they could be presented to the United Kingdom and United States Governments by their representatives on the Council through their respective Ambassadors.
- 6) Personnel of the Council would be civilian entirely.
- 7) Initially there would be in headquarters, Rome, only the three heads of the Council, their deputies and a limited staff, while the remainder of the personnel, which would be consolidated gradually, would operate in the regions at the outset.
- 8) Regular communication with the field regional officers would require the full time of the principal representative or his deputy, of which there would be one for each of the three representatives.
- 9) From time to time it may be necessary to attach specialists to certain regions and the regional representatives could be shifted about depending on general conditions.
- 10) Personnel for the staff of the American delegation would be drawn from the United States Embassy in Rome and A/EEB. Furthermore experts and specialists will be drawn from the United States on a temporary basis

would report to their respective Ambassadors) and Italy would head the Council.

- 2) Acting only in an advisory capacity the heads of the Council would form a policy making body.
- 3) Personnel of the Council would be housed in one building and each of the three heads would deal directly with his own staff. Agriculture (including foods), labour, industry, commerce, finance, shipping and transportation would comprise the activities of the Council.
- 4) At least in the initial period the Allied Governments should provide staffs large enough to permit the United Kingdom and United States representatives to physically examine projects proposed by the Italians, prepare documentation as a basis for the Council's opinions, check on Italian Government statistics, etc.
- 5) Italian problems should be submitted to the Council in form sufficiently complete that they could be presented to the United Kingdom and United States Governments by their representatives on the Council through their respective Ambassadors.
- 6) Personnel of the Council would be civilian entirely.
- 7) Initially there would be in headquarters, Rome, only the three heads of the Council, their deputies and a limited staff, while the remainder of the personnel, which would be consolidated gradually, would operate in the regions at the outset.
- 8) Regular communication with the field regional officers would require the full time of the principal representative or his deputy, of which there would be one for each of the three representatives.
- 9) From time to time it may be necessary to attach specialists to certain regions and the regional representatives could be shifted about depending on general conditions.
- 10) Personnel for the staff of the American delegation would be drawn from the United States Embassy in Rome and A.G./M.O. Furthermore experts and specialists will be drawn from the United States on a temporary basis as needed.
- 11) As the strength of the Italian Government increased the personnel the Council would gradually decrease and in the course it would be hoped that the Council could be disbanded. The Allied personnel which remained could thus be attached to the U.K. and U.S. Embassies, where they would assume the normal duties and responsibilities of Embassy attaches. Meanwhile there would have been a gradual shift from the regions to Rome headquarters of personnel.

U.S. Embassy,
Rome.
5 December 1945.

Document 'S'
Confidential (72)
SECRET

VAT PART II.

The Allied Commission will remain under SACRE as President and the Deputy President as Chief Commissioner until the Armistice regime is terminated. It is, however, desirable to continue the reduction of functions of the Allied Commission which should now be reorganized as follows.

As soon as the Northern Regions have been restored to Italian Government all Sub-Commissions with the exception of the Service Sub-Commissions and Communications Sub-Commission will be abolished.

The Allied Commission will then be established under the Chief Commissioner with Executive Branch. Under them will be:

Service Sub-Commissions

Communications Sub-Commission

Chief Financial Adviser and staff

Chief Legal Adviser with reviewing staff

Displaced Persons Branch

Public Relations

An Economic Section consisting of the presently organized Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions to be transferred to Embassies when staff is procured.

The Executive Branch will carry such technical staff officers as may be necessary to cover residual functions formerly carried out by Sub-Commission abolished and the technical control of AMG in UDRG and VENETIA GIULIA.

Small Liaison Groups in the field will be established at your

As soon as the Northern Regions have been restored to Italian Government all Sub-Commissions with the exception of the Service Sub-Commissions and Communications Sub-Commission will be abolished.

The Allied Commission will then be established under the Chief Commissioner with Executive Branch. Under them will be:

Service Sub-Commissions

Communications Sub-Commission

Chief Financial Adviser and staff

Chief Legal Adviser with reviewing staff

Displaced Persons Branch

Public Relations

An Economic Section consisting of the presently organized Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions to be transferred to Embassies when staff is procured.

The Executive Branch will carry such technical staff officers as may be necessary to cover residual functions formerly carried out by Sub-Commissions abolished and the technical control of UNR in UDRM and VENEZIA CIVILIA.

Small Liaison Groups in the field will be established at your discretion.

French and Russian Representatives to AC will remain.

Advisory functions will be continued to be taken over by the Embassies when staff is procurable. Supply and Displaced Persons functions will be taken over by UNRRA in due course.

5460

785017

600/CC

(71)

TO: Chief Commissioner.

I think it would be as well if you could point out during the discussions tomorrow that one of the principal functions of the Allied Commission has been to reconcile the needs of the military with the needs of the Italian civilian economy, and that if A.C. is removed as advocates for the needs of the Italian civilian economy their protection will be denied to them and they will in fact be subjected to a far more vigorous control than they have at present. This control will approach Military Government which it is the policy of the Allied Governments to remove.

With the removal of functions of A.C. to AFHQ it would also deny foreign members of the Allied Commission, other than US and British, the opportunity of observing the carrying out of these functions.

M. S. LUSH

MEL/RAC.
4 Dec 45.

5459

With the abolition and transfer of many of the functions of the Allied Commission as contemplated in TAM 719, there should be set up concurrently in Italy a Tripartite Economic Advisory Council. The United Kingdom, the United States and Italy would be represented on the Council, which would be necessary as a provisional advisory body to help in the development from Italy's past and present faulty economic system to a more normal status. The organization of the proposed Tripartite Economic Advisory Council would be along the following lines:

- 1) Representatives of the United Kingdom, the United States (who would report to their respective Ambassadors) and Italy would head the Council.
- 2) Acting only in an advisory capacity the heads of the Council would form a policy making body.
- 3) Personnel of the Council would be housed in one building and each of the three heads would deal directly with his own staff. Agriculture (including foods), labor, industry, commerce, finance, shipping and transportation would comprise the activities of the Council.
- 4) At least in the initial period the Allied Governments should provide staffs large enough to permit the United Kingdom and the United States representatives to physically examine projects proposed by the Italians, prepare documentation as a basis for the Council's opinions, check on Italian Government statistics, etc.
- 5) Italian problems should be submitted to the Council in form sufficiently complete that they could be presented to the United Kingdom and United States Governments by their representatives on the Council through their respective Ambassadors.
- 6) Personnel of the Council would be civilian entirely.
- 7) Initially there would be in headquarters, Rome, only the three heads of the Council, their deputies and a limited staff, while the remainder of the personnel, which would be consolidated gradually, would operate in the regions at the outset.

8) Regular

169

-2-

8) Regular communication with the field regional officers would require the full time of the principal representative or his deputy, of which there would be one for each of the three representatives.

9) From time to time it may be necessary to attach specialists to certain regions and the regional representatives could be shifted about depending on general conditions.

10) Personnel for the staff of the American delegation would be drawn from the United States Embassy in Rome and AC/AMO. Furthermore experts and specialists will be drawn from the United States on a temporary basis as needed.

11) As the strength of the Italian Government increased the personnel of the Council would gradually decrease and in due course it would be hoped that the Council could be disbanded. The Allied personnel which remained could thus be attached to the U.K. and U.S. Embassies, where they would assume the normal duties and responsibilities of Embassy attaches. Meanwhile there would have been a gradual shift from the regions to Rome headquarters of personnel.

785017

600

HEADQUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

5 Dec 45.

DEC 5 1945

SUBJECT : Conference on AC Reorganization. with AFHQ ect.
TO : Executive Commissioner.

As my DCLA, Col. Hannaford is more exclusively in charge with the Italian and International side of the Legal Sub-Commission, I would very much appreciate if he could be present with me at tomorrow's conference.

John K. Weber
JOHN K. WEBER,
Col. Infantry,
Chief Legal Advisor.

Approved. NSL

C. L. A. advised.

Ps. 5/12

3450

785017

FILE 600

(66)

AFHQ

8979

4 Dec 45

PRIORITY

CONFIDENTIAL PD

REPRODUCTION FOR FIVE FIVE TWO FIVE ONE OF THREE NOVEMBER PD

PARISH TO AFHQ CITY STONE FROM HQ ALUM CITY AOMXO PARISH

ALL LOCATED HOME AGREE PD CONFERENCE ROOM AND SECRETARIAT ARRANGED

Copy to: Chief Commissioner

Office of Home Commissioner

300

5455

Lt. Col.
Chief House

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: F 55251
Date/Time of Origin: 031338A

Message Centre No: G/4820
Date Time Rec'd: 031645
Precedence: PRIORITY
DEC 3 1945

FROM: AFHQ
TO: ALCOM ROME

CONFIDENTIAL.
SUGGEST A CONFERENCE IN ROME AT 0930 HOURS THURSDAY
6 DECEMBER 45 TO DISCUSS TAM 719 AND DRAFTED REPLY
NOW IN YOUR POSSESSION.
(SIGNED SACMED CITE PHCEG).
DESIRE FOLLOWING REPRESENTATION: ALCOM, US EMBASSY,
BR EMBASSY, UNRRA (US POLAND, BR RESMIN, CAO, G-5.)
PLEASE CONSULT THOSE LOCATED IN ROME, SIGNAL THAT ALL
AGREE, AND ARRANGE FOR CONFERENCE ROOM AND SECRETARIATE.

AC DIST
ACTION : EXECUTIVE COMMISSIONER
INFO : CHIEF COMMISSIONER
FILE

HEADQUARTERS
DEC 3 1945

ACTION

CONFIDENTIAL.

SUGGEST A CONFERENCE IN ROME AT 0930 HOURS THURSDAY
6 DECEMBER 45 TO DISCUSS TAM 719 AND DRAFTED REPLY
NOW IN YOUR POSSESSION.

(SIGNED SACMED CITE PHCEG).

DESIRE FOLLOWING REPRESENTATION: ALQUM, US EMBASSY,
BR EMBASSY, UNPRA (US POLAND, BR RESMIN, CAO, G-5.)
PLEASE CONSULT THOSE LOCATED IN ROME, SIGNAL THAT ALL
AGREE, AND ARRANGE FOR CONFERENCE ROOM AND SECRETARIATE.

AC DIST

ACTION : EXECUTIVE COMMISSIONER

INFO : CHIEF COMMISSIONER

FILE

RECEIVED
3 DEC 1945

ACTION

Ex. Com.

Sir,

This has just arrived. It may be of
interest to you in your meeting.

Mr. Hodgkiss Dep. Chief UNPRA
wounded. Will attend with
Mr. Soriano Dep. Chief Relief Services. If
Mr. Keane is back he will attend.

5454

5453

See 166

785017

FUTURE OF THE ALLIED COMMISSION
(Economic Section)

SUB-COMMISSION	DISPOSITION UNDER	
	CCAC Draft	EC. SECTION Proposal
1. Food and Agriculture	a) "Advisory" functions to <u>Embassies</u>	a) There are no advisory func- tions unconnect- ed with imported supplies.
	b) "Supply" functions remain AC until UNRRA takes over	b) Agreed - but this means <u>whole</u> func- tion is transferred to UNRRA
2. Industry and Utilities	a) <u>Industry</u> - "Advisory" to <u>Embassies</u> - "Supply" to UNRRA	a) <u>Industry</u> - "Advisory" function is <u>Industrial</u> Projects Staff, al- ready recommended to U.S. Embassy. "Supply" function to UNRRA.
	b) <u>Public Works</u> - abolished	b) <u>Public Works</u> - abolished.
	c) <u>Public Utilities</u> - "	c) <u>Public Utilities</u> - functions on allocat- ion and utilization of electric power must be maintained and transferred to UNRRA.
3. Transportation and Shipping	a) Transferred to AFM, <u>except</u>	Functions of Tn S/C are:
	b) Functions related to import- ed supplies, which go to UNRRA.	a) In operations on imported supplies b) Protection of Italians vs. Military c) Requirements and allocation of imported supplies for transport system. Functions a) and c) will go to UNRRA; function b) should re- main with AC until UNRRA takes over other functions, then is handled by Italians.

- 2 -

SUB-COMMISSION	DISPOSITION UNDER	
	CCAC Draft	EC. SECTION Proposal
4. Finance	a) <u>Accounting</u> - Set up ASAA under AFHQ, but attached to AC Rome for admin. b) AFA (currency issue, services to Armies) - transferred to AFHQ but remain in Rome. c) Negotiation of currency agreement - transferred to AFHQ. d) Policing of <u>FAN 583</u> (except currency agreement) - transferred to Embassies.	a) <u>Accounting</u> - ASAA already set up. b) <u>AFA</u> - CCAC proposal agreed. c) Negotiation of currency agreement - should remain in AC which has contacts, know-how, and Rome location. d) <u>Agreed</u>.
5. Commerce (Foreign Trade)	"Advisory" functions transferred to Embassies. No mention of other functions.	a) Negotiations with Ital. Govt. on reopening of private trade. Could be transferred to Embassies, though preferably not till after 1 Jan. 46. b) Policing of Italian export trade (para. 1(a) and (b) of TAM 640) - must be continued until CGS relieves AC of this responsibility.
6. Labor	Transferred to Embassies	Agreed - as of 3 weeks after AMD turnback.
7. GEM Branch (WMD S/C)	Transferred to AFHQ	Agreed, but not until 1 January 46.

SECRET & PERSONAL.

HEADQUARTERS ALLIED COMMISSION
APC 394
Confidential

Office of the Executive Commissioner

Ref: 600/EC.

3 Dec 1945.

SUBJECT: Reorganization of Allied Commission.

TO : A/VE, Economic Section.
A/VE, CA Section.
A/VP, East Section
Director, Navy S/C.
Director, Land Forces S/C.
Director, Air Forces S/C.
Director, Communications S/C.
Polad (A)
Polad (B)
Chief Legal Advisor
Chief Financial Advisor.

1. Reference this office letter 600/EC of 1 Dec 45 (not to last four addressees).

2. Attached are copies of TAM 749, draft reply by AFHQ received yesterday, and comments and suggested amendments to draft AFHQ MAT cable, to serve as basis of discussion for this afternoon's meeting.

3. Addressees please note, meeting will now be held at 1600 hours, today (Monday, 3 Dec) in the Chief Commissioner's Conference Room. Polads (A) and (B), Chief Legal Advisor and Chief Financial Advisor are requested to attend.

MSL/JG.

T.H. H. Green
for Brigadier,
Executive Commissioner.

SECRET.

COMMENTS ON TAW 719 and MAT 719
Confidential

1. Part I of TAW 719.

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

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

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

3. TAW 719 makes no reference to MSG.

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

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

(b) It is suggested that the words "Italian Government territory"

785017

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

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

3. TAM 719 makes no reference to AMG.

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

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

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

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

the AC which is the only authorized agency which give them legality. Separate service missions can have no legal status if they are diverted from AC unless it is proposed to impose new missions under the Armistice Terms or

5449

-2-

negotiate

/ the agreement of the Italian Government to this draft

Confidential

(a) It is suggested that the words "unless and until they form

the nucleus of separate service commissions" be omitted from Part

I (C) (Page 1) and Part II, 2(A)(1) (Page 3) of draft MAT.

5. TAM 749 makes no mention of the Deputy President. It is essential

that the President (in CASERTA) should have a Deputy in ROME to be in daily

contact with the Italian Government.

TAM 749 makes no mention of French and Russian Representatives on

the Allied Commission. It is presumed that they will be retained.

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

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

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

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

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

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

6. Neither TAM 749 nor draft MAT make any reference to liaison groups in the field in Italian Govt territory. CCS policy on this is not known although AFHQ have approved in principle with exception of Economic Group. We should get this matter settled.

(c) It is suggested that the following should be added to Part I (C)

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

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

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

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

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

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

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

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

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

"It is my policy also to retain small liaison groups in Italian Govt⁴⁴ territory numbering approximately 60 in all to maintain liaison between Allied military commanders and Italian local governments and keep me generally informed of situation".

-3-

- (b) It is suggested that following should be added to ~~the~~ ^{the} ~~Confidential~~ ^{Confidential} 2(2)(2) of draft MAT (Page 3):

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

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

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

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

(c) Public Health.

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

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

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

(e) The Local Adviser will be needed in the AC at ROME not only to the

President and Deputy President but to the residue of Sub-Commissions and

Residues in the Commission. He is particularly needed as adviser on AC

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

(c) Public Health.

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

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

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

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

Suggestions.

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

785017

Confidential

operation and defascism with which Allied Govts are closely interested:

latter to work on utilisation and allocation of electric power which is and present military needs closely connected with industrial import programme/and is in short supply".

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

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

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

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

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

8. DIX 719, para C.

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

Draft MAT Part I (E) (Page 1) and Part II para 2(C)(Page 3) suggest a temporising

/ modification leaving discretion to SLOMED. This is acceptable but following points should be made:

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

This Branch could pass to AFHQ by 1 Jan 46.

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

(c) Finance.

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

5446

Sub-Commission".

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

- (1) words "except electrical unit" be added to Public Works and Utilities"
- (2) words "except adviser to Allied Commission" be substituted for existing words in paren after "Legal".

8. TAM 719, para C.

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

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

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

This Branch could pass to AFHQ by 1 Jan 46.

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

(c) Finance.

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

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

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

The arguments regarding the ultimate disposition of the other Sub-

Commissions can be submitted to AFHQ in due course.

Suggestions.
(A) It is suggested that draft VAT Part I (E), third sentence, should

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

9. TUM 719, 2(D). Sub-Commissions whose functions are to be trans-
ferred to Ambassadors as soon as necessary personnel can be procured.

- (a) The phrase "as soon as necessary personnel can be procured" is indefinite and removes from AFHQ's hands the decision as to when these functions can be taken out of AC. A definite date would seem preferable.
- (b) Industry. Setting up of an Industrial Projects Staff has been proposed to the American Embassy and has been discussed informally with the British Embassy staff. If this proposal is adopted by the American Embassy, the function desired (which we are only just beginning to tackle) could be transferred to the Embassy, and possibly a limited number of personnel might appropriately be transferred as well.
- (c) Commerce. General negotiations with the Italian Govt. for the re-opening of private trade which have been spearheaded by the Economic Section of AC, could be transferred to the Embassies, preferably about a month from now, after some of the present arrangements have been completed. However, TAM 640 lays upon AC two very specific operating functions: The screening of Italy's export programs, and acting as the channel to the Combined Boards for the clearance of international commodity movements involving items on the Reserved Commodity List. The Economic Section is now developing recommendations as to how these operating functions can be

not substituted for an AD is corrected.

平

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

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

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

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

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

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

Confidential

functions which are appropriately be transferred to the Embassies.

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

Suggestions.

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

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

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

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

(2) Omit (Agriculture (advisory functions)
"Food (in so far as not concerned with imports"

10. PIA 719, para 2. Sub-commissions to be retained in AC until UNEFA takes over.

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

(b) Food. In these sub-commissions which are concerned with imported supplies (Food and Agriculture, Industry and Utilities) there can be no

3444

following addition:

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

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

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

10. TAM 719, para 3. Sub-commissions to be retained in AC until UNEGA takes over.

(a) Displaced Persons. We have recently submitted proposals to AFHQ whereby the Sub-Commission is transferred to UNEGA leaving a small branch to operate in VENEZIA, GIULIA, UDINE and POLZANO, and to supervise the administration of camps generally which AFHQ itself has laid down as an AC responsibility. The work is so connected with AMG and other residual functions of AC that it is strongly recommended that the proposal be adopted and no comment made on TAM 947.

3444

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

Confidential

-7-

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

(c) Transportation. Agreed with drafting amendments.

Suggestions.

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

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

small branch.

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

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

11. PAR 719, para 3.

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

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

"and would prefer prior consultation with AC".

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

"Either US or UK Govts will civilise any of the posts in any

Sub-Commissions remaining in AC after consultation with you. The

3441

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

11. AM 719, para 3.

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

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

"and would prefer prior consultation with AC".

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

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

12. AM 719, para 4. As noted above AC consists of one British officer. It would not appear that his attachment to AMHQ or otherwise would affect the civilisation of the AC.

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

Confidential

read:

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

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

3 December 1945.
MSL/JG.

MSL

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

5442

181/10.

SECRET

153
Confidential

AGREES for GDS

CABINET OFFICES for BRITISH CHIEFS OF STAFF

This is WAT

Ref your W-89740 - TAN 719 dated 29 Nov 45.

Part I. Discussion.

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

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

C. It is agreed that the Service sub-commissions should remain in AC unless or until they form the nucleus of separate service missions. Agree that Wg Ex Branch and Establishment Section should remain.

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

E. The effectiveness of the sub-commissions listed in your para 2 c. would be greatly lessened if removed from Rome. If they were to be placed

5441

to the provision of AMG requirements.

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

C. It is agreed that the Service sub-commissions should remain in AC unless or until they form the nucleus of separate service missions. Agree that Hq Ex Branch and Establishment Section should remain.

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

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

SECRET

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

785017

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

functions.

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

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

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

I. Your para 4 is agreed.

Part II.

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

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining a

on a rational basis a reconsideration of this reorganization would be required.

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

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

I. Your para 4 is agreed.

Part II.

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

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

SECRET

SECRET

Confidential¹⁵²

as set forth in para 1 of F.A. 187; the power of enforcement will in all cases remain with SACRED as President of Allied Commission.

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

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

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

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

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

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

Education

Local Government and Patriotic

Monuments, Fine Arts and Archives

Public Health

Public Works and Utilities

Legal (except as advisor to the President).

(C) Sub-commissions whose functions, except as they pertain

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

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

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

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

Education

Local Government and Patriots

Monuments, Fine Arts and Archives

Public Health

Public Works and Utilities

Legal (except as Advisor to the President).

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

Communications

Public Safety

War Materails and IPOV

SECRET

SECRET

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

Public Relations

Transportation (but see subpara E below)

Finance (currency, combined billing, services to

Armies and paras 10, 12 - 17 FAN 583)

Displaced Persons and Refugees.

(D) Sub-commissions whose functions are to be transferred

to the United States and United Kingdom Embassies as soon as necessary personnel can be procured:

Industry and Commerce (advisory functions)

Labor

Agriculture (advisory functions)

Finance (advisory functions and duties under FAN 583

except paras 10, 12 and 17)

Food (insofar as not concerned with imports).

(E) Sub-commissions whose functions are to be retained

in AC until WFRG takes over:

Food, which should be reorganized into a supply sub-

commission and include any functions of other

economic sub-commission relating to imports

Transportation Sub-commission (bids for imported

supplies and functions in respect to warehouse-

(iv) Imported supplies).

3. Either the United States or United Kingdom Governments will civilize at their discretion any of the posts in any sub-commission remaining in AC except that personnel in sub-commissions dealing solely with military government territory will not be civilialized without

to the United States and United Kingdom Embassies as soon as necessary personnel can be procured:

Industry and Commerce (advisory functions)

Labor

Agriculture (advisory functions)

Finance (advisory functions and duties under P.N. 563 except items 10, 12 and 17)

Food (insofar as not concerned with imports).

(E) Sub-commissions whose functions are to be retained

in AC until UNRRA takes over:

Food, which should be reorganized into a supply sub-commission and include any functions of other economic sub-commission relating to imports

Transportation Sub-commission (bids for imported supplies and functions in respect to warehousing imported supplies).

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

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

SECRET

151
Confidential

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

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

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

5439

SECRET

SECRET

FROM : AFHQ FROM U.S.

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

150
Confidential

This is TAM 719.

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

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

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

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

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

2. Hq Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining with A.C.

(B) Subcommissions whose functions are to be abolished:

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

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

Communications
Public Safety
Air Materials and IPO?
Public Relations
Transportation (but see subpara 3 below)
Finance (currency, combined billing etcetera, services to Armies and paragraphs 10, 12 - 17 FAN 593).

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

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

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

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

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

(B) Subcommissions whose functions are to be abolished:

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

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

Communications
Public Safety
War Materials and IPO
Public Relations
Transportation (but see subpara E below)
Finance (currency, combined billing etcetera, services to Armies and paragraphs 10, 12 - 17 F.N. 583).

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

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

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

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

SECRET

SECRET

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

3. Either the UNITED STATES or UNITED KINGDOM Governments will civilize at their discretion any of the posts in any subcommittee remaining in A.C. It would be advantageous if there were introduced into the relative subcommittees any civilian personnel (of UNITED STATES or UNITED KINGDOM nationality) who intend to transfer to UNRRA when the latter takes over.
4. A part of civilization of Allied Commission, the Allied Financial Agency will be transferred from Allied Commission Finance Subcommittee and attached directly to AFHQ but you may retain Allied Financial Agency Headquarters in HQE if you so desire. Prior to completion of civilization of Allied Commission you should proceed with such measures as are necessary to establish, as authorized in T.M. 692, a combined agency within AFHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to Italy under combined military responsibility."
5. As very early action on lines of above is desired your comments on above draft directive urgently requested in H.I.F. series.

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

of Allied Commission you should proceed with such measures as are necessary to establish, as authorized in T.A. 692, a combined agency within AFHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to IT.IV under combined military responsibility."

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

SECRET

785017

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

SECRET

HC/sc

Tel: 550

1 December 1945

Ref: ES/

SUBJECT: Future of the Allied Commission

TO : Chief Commissioner
Executive Commissioner

1. In accordance with your 600/EC, 1 December 1945, following are paragraph-by-paragraph comments on TAM 719 of 30 November 1945:

Para One No comment.

Para Two General. General comments on the plan presented by CCAC seem to be pertinent: (a) I suppose the presumption is that the reorganization plan would go into effect after the AMG areas of the North are turned back to the Italian Government. We should, I think, make this presumption specific in our reply to CCAC. (b) TAM 719 appears to be based on rather out-of-date information as to the set-up and functions of particular sub-commissions of AC; therefore, in addition to commenting on each paragraph of the reorganization plan, I would suggest we make a totally new draft, detailing what we think should happen to each section and each sub-commission.

A. No comment.

B. "Sub-Commissions whose functions are to be abolished":

1. Archives Some provision will presumably have to be made for a continuation of the archives function, so that the historical material now included in AC's files may not be dissipated and lost.

2. Public Health If Public Health Sub-Commission is abolished, we would have to set up in our Supply Group a small medical supply unit to deal with medical equipment and pharmaceutical requirements.

3. Public Works and Utilities Agreed; with the exception that we shall continue to need (until the end of AC and into the UNRRA period) a unit working on allocation and utilization of electrical power. Electricity is now in short supply in all parts of the Italian Peninsula, including the North, and the utilization of electrical power is, therefore, so tied up with the industrial program as a whole and the use to which imported fuel oil and coal are put, that we must be in a position to continue to cover this function.

SECRET

5437

- 2 -

SECRET

148

C. "Sub-Commissions whose functions are to be transferred to AFHQ to extent to which you consider their functions are necessary to carrying out of policies laid down by CCAC":

1. War Materials and IPCW We should inform CCAC that the war materials functions of this sub-commission have already been transferred to the Economic Section, and reduced in status to that of Captured Enemy Materials Branch. It is agreed that the functions of this branch can be transferred to AFHQ. However, this transfer should not be effective before 1 January 1946.

2. Transportation The functions of the Transportation Sub-Commission can be broadly summarized as follows: (a) Handling of operating problems connected with imported supplies; and (b) Protecting Italian transport system against the military; (c) Screening of requirements and participation in allocation and distribution plans with respect to import requirements of the transportation system (for example, gasoline).

Functions (a) and (c) are connected with imported supplies and will pass to UNRRA (this is provided for under 2 (e) of the directive), but in such too restrictive language. Transfer of remaining functions (b) to AFHQ would be nonsense, since by its very nature it would disappear the moment it was taken over by military headquarters. It is recommended that this function continue to be performed by AC, at least as long as the other transportation functions remain in AC, and that thereafter the Italians will simply have to intervene in their own behalf where the military priority cuts into essential civil transport needs. Under this arrangement there would be no transportation function to be transferred to AFHQ, now or in the future.

3. Finance Our present finance functions can be summarized as follows:

(a) Accounting In this field we have already implemented TAM 692 and set up an Allied Supply Accounting Agency, responsible to AFHQ and attached to AC Finance Sub-Commission for administration.

(b) Currency Functions of Allied Financial Agency. The function of issuing and accounting for All lira is now being done by one officer who is not only head of AFA, but is AFA. He also performs the "services to armies" referred to in the draft directive. This function should remain physically in Rome, but could easily be transferred to AFHQ and remain attached to Finance Sub-Commission for administration for the time being, using the pattern already established in the case of the Allied Supply Accounting Agency.

(c) Negotiation of the currency agreement under paragraphs 13, 14, and 15 of FAW 583. It would be a great mistake to transfer negotiation of this agreement to AFHQ, which has not been "in the picture" on it. These negotiations should remain the province of the Chief Financial Adviser.

SECRET

5436

SECRET

147

- 3 -

(d) "General financial advice to the Chief Commissioner and the President of AC." This function will need to be performed somehow, as long as there is an armistice regime, and financial problems arising under the armistice regime. It is therefore suggested that this advisory function not be transferred to the US and UK Embassies as suggested in Paragraph 4 (d) of the draft directive; and that the position of Chief Financial Adviser be retained.

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

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

(a) The phrase "as soon as necessary personnel can be procured" is a catch phrase and seems to take out of AC's hands the decision as to when Embassy-type functions will be transferred out of AC. It would, I think, be preferable for this phrase to be deleted and a definite transfer date to be substituted.

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

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

(d) Labor It is agreed that this function should be transferred to an embassy basis as soon as AMG is finished in the North.

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

(f) Finance (Already dealt with in the preceding paragraph.)

SECRET

785017

SECRET
Confidential 146

- 4 -

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

(a) Displaced persons and refugees. Agreed as far as Economic Section is concerned.

(b) "Food which should be reorganized into a supply sub-commission and include any functions of other economic sub-commissions relating to imports." This sentence reveals that the drafters of the directive do not fully understand the nature of the functions being performed by the Economic Section or the significance of the recent reorganization of that section. In those sub-commissions which are concerned with imported supplies (Food and Agriculture, Industry and Utilities) there can be no distinction drawn between supply functions and advisory functions. All of the work which we do with the Italian Government in these fields is related in one way or another with the fact that we are the Rome end of Italy's basic supply pipeline. All functions which are tied to supply in this way have already been drawn together into the Supply Group of the Economic Section. Thus we have already done what the directive calls for, but on a somewhat higher administrative level and with a somewhat broader conception of the meaning of the word "supply" than contemplated in the draft directive itself.

(c) Transportation. (Already dealt with under paragraph 2 C. above.)

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

The process described in above paragraph is already under way. Further civilianization on an AC basis is impractical in view of the short life remaining under this directive. However, steps are being taken to (a) canvas individual officers and men who, it is believed, would be useful in the UNRRA operation; (b) start processing papers on some of these officers, especially in cases where the military personnel in question will be lost to the operation if immediate action is not taken; and (c) begin the processing of papers on those British and American civilians who are appropriate to stay on in the Supply Operation on an UNRRA basis.

This process has not gone very far yet, though most of the procedures have been set up in cooperation with UNRRA for doing it. Even when papers are actually put into the UNRRA mill, they will not be allowed to go through to completion (except where we would otherwise lose the individual concerned) until UNRRA is certain of the money which will make its 1946 Italy program possible.

SECRET

5434

- 5 -

~~SECRET~~ Confidential

Para Four The points on AFA and the Allied Supply Accounting Agency in this paragraph have already been dealt with in the comments above.

2. We will attempt as soon as possible to draft a proposed economic part of a new draft directive, if you believe that a draft of this sort should be submitted as part of our comments to AFHQ and CCS.

Harlan Cleveland
HARLAN CLEVELAND
Acting Vice President

1 Incl: Ltr. per para. D (b).

SECRET

5432

HEADQUARTERS ALLIED COMMISSION
ECONOMIC SECTION
ROME

5 November 1945

My dear Mr. Ambassador:

This will summarize and confirm our conversation of 4 November regarding the need for the establishment, when the Economic Section of Allied Commission is liquidated, of an Industrial Projects Staff under the aegis of the American Embassy.

The functions of the staff which we discussed might be summarized as follows:

- a) Development and review of projects for the rehabilitation and reconstruction of utilities (including railroads) and industrial production, as a guide to reconstruction financing authorities (e.g., Export-Import Bank, International Bank for Reconstruction and Development, etc.);
- b) Advice to the Italian Government on programs and projects for utility or industrial rehabilitation, and guidance to American private enterprise, with respect to participation in these programs and projects.

During the next two or three months this work will be developed within the framework of the Industry and Utilities Sub-Commission of Allied Commission's Economic Section, along with the industrial phase of our present supply program and the planning for the future UNRRA supply program. The Industrial Projects could be established at the same time as the supply functions are transferred to UNRRA; however, it would, of course, fall within the Embassy orbit rather than that of UNRRA.

The staff involved would, of course, be required whether or not a tripartite economic council of the type you have recommended to the Department were established to carry forward some of the functions now performed by the Economic Section of Allied Commission.

The key person in the planning for this staff is Mr. A. H. Sullivan, who is Director of Industry and Commerce Sub-Commission of Allied Commission. He is interested in continuing during the next year or two the type of work contemplated for the Industrial Projects Staff. In accordance with your suggestion, therefore, it is recommended that Mr. Sullivan be transferred to the Auxiliary Foreign Service of the State Department. While the effective date of his appointment to the

- 2 -

Auxiliary Service could be earlier than the end of the year, he would not be able to transfer to the Embassy staff until approximately 1 January. Mr. Sullivan's present classification is CAF-15, salary \$8,750. Mr. Sullivan's experience record is attached. It shows how well qualified he is for the type of work contemplated in the above description of functions of the proposed Industrial Projects Staff.

Sincerely yours,

HARLAN CLEVELAND
Acting Vice President

1 Incl: Record m/a

The Honorable Alexander Kirk
The American Ambassador
119 Via Vittorio Veneto
ROME

SECRET

Comments on TAV 749

INTRODUCTION

DEC 6 1944

It is perhaps desirable to consider the functions of Civil Affairs, to determine which of those functions still exist and how they can best be performed.

Civil Affairs was created to keep the people from interfering whether directly or indirectly with the operations of the Army. This it did by controlling and administering the population seeing that they were fed, that their movements were controlled, that disease did not break out and by punishing them and punishing crime.

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

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

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

What of this work continues.

IN ALLIED MILITARY GOVERNMENT TERRITORY

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

785017

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

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

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

What of this work continues.

IN ALLIED MILITARY GOVERNMENT TERRITORY

In XIII Corps area the freeing of the Army from necessity to concern itself with the control of the population is still necessary. If any trouble developed there, AMG becomes immediately of prime importance. It is not a function which can then be organized - it is one which must be ready to relieve the army from the word GO. This is not a duty which can be achieved by attaching a G-3 Group to XIII Corps HQ. Rome must still be scrutinized. It is still necessary to keep in contact with the Ministry of Interior which controls the prefectural system, with the Police heads who control the Carabinieri, with the Ministry of Justice which finds the personnel for the Italian Courts, with the Ministry of Food which determines the ration scale. It is also necessary to be at the centre of information, to gather political information and information as to clandestine and subversive movements. While XIII Corps functions therefore an effective HQ in Rome is necessary.

IN ITALIAN ADMINISTERED TERRITORY

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

CONFIDENTIAL

CENTRAL GOVERNMENTAL FUNCTIONS

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

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

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

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

Now to revert to the actual proposals.

CIVIL AFFAIRS SECTION

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

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

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

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

Further, so long as service and other organizations retain Italian Archives for exploitation, some liaison officer to safeguard Italian interests and to make

785017

information, but because they know the ways and can make reasonable suggestions. This necessity may be emphasized by pointing out the unreliability of police intelligence which has been forwarded to this HQ by AFHQ.

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

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

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

Now to revert to the actual proposals.

CIVIL AFFAIRS SECTION

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

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

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

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

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

EDUCATION S/C. It is a fact that knowledge of advances in Education thought have been kept from the Italian people. They are ignorant of modern ideas. If Italian teaching (and future Italian thought and action depends thereon) is to be educated in modern advances, it will need contact with British and Italian Educators. This is not essentially at AC, but it is desirable that contact be maintained through AC until other satisfactory arrangements are made. 3429

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

785017

Confidential

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

SUMMARY OF CIVIL AFFAIRS SECTION

Legal	}	should continue
Local Govt		
Public Safety		
MPA & A	}	need not continue as such but some special arrangements appear desirable and it may be desirable that for nominal continuation until the special arrangements are made - this need not take long - appropriate personnel could be attached to the embassies as advisers.
Education		
Public Health		a minimum staff for liaison and advice and control of HQ.
DP & R	}	should both be transferred to AFHQ.
IPW		

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

CIVILIANISATION

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

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

It is considered that the nucleus of Allied Commission which should remain

is considered that the nucleus of the Italians as much as for ourselves (after

785017

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

a minimum staff for liaison and advice and control of HE.

should both be transferred to AFHQ.

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

CIVILIANISATION

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

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

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

542

785017

Confidential (B2)

HEADQUARTERS ALLIED COMMISSION
APO 394

2 December 1945

SUBJECT: Future of Allied Commission

TO : Executive Commissioners.

(25)

Reference your 600/57 dated 1 Dec 45.

1. I am in agreement with the recommendations contained in A.P.H.Q. signal G/4657 of 30 Nov with the following exceptions.

(a) Para. 2 (C) which deals with Sub Commissions whose functions it is proposed to transfer to A.P.H.Q.

As it is the intention that A.C. should continue it is not apparent what advantage would be gained by reducing the number of Sub Commissions in A.C. if it means a corresponding increase in commitments and personnel to carry out precisely the same functions at A.P.H.Q.

Therefore, of those Sub Commissions listed in para. 2 (C) of A.P.H.Q. signal I recommend that Communications, Public Safety, Transportation and Finance Sub Commissions be retained in A.C. for as long as the Commission is in being.

Of the remaining Sub Commissions mentioned in the para., namely P.H.Q. and I.E.W. I am of opinion that they could with advantage be grafted on to the existing equivalent at A.P.H.Q., as with the cessation of A.C. in the greater part of Italy there appears to be no special reason for the continuation of these branches in both A.P.H.Q. and A.C.

(b) No mention is made of the channels of command which would exist between specialist officer personnel with the Liaison Groups should certain Sub Commissions be transferred to A.P.H.Q. This mainly affects Public Safety, many of whose officers will be operating in the field after War. Regions have been handed back to the Italian Government. If Public Safety is to be transferred to A.P.H.Q. it is to be assumed that Public Safety officers will have direct communication with A.P.H.Q., while senior Liaison Officers refer other matters to A.C., R.

2. Para. 3 of A.P.H.Q. signal. Based on past experience it is not anticipated that progress in civilisation by introduction of British civilians with the necessary qualifications will be rapid as the appropriate speech of V.C. has made determined efforts to arrange for civilians with technical experience to join this Commission during the past 12 months with little success.

3. No mention is made of Liaison Sub Commission. I propose

Reference your 6/5/57 dated 1 Dec 45.

2. I am in agreement with the recommendations contained in A.P.H.Q. signal 3/4557 of 30 Nov with the following exceptions.

- (a) Para. 2 (C) which deals with Sub Commissions whose functions it is proposed to transfer to A.P.H.Q. As it is the intention that A.C. should continue to be not apparent want advantage would be gained by reducing the number of Sub Commissions in A.C. if it means a corresponding increase in consultants and personnel to carry out precisely the same functions at A.P.H.Q.
- Therefore, of those Sub Commissions listed in para. 2 (C) of A.P.H.Q. signal I recommend that Communications, Public Safety, Transportation and Finance Sub Commissions be retained in A.C. for as long as the Commission is in being.
- Of the remaining Sub Commissions mentioned in the para., namely P.H.Q. III and I.P.H. I am of opinion that they could with advantage be grafted on to the existing equivalent at A.P.H.Q., as with the cessation of A.C. in the greater part of Italy there appears to be no special reason for the continuation of these branches in both A.P.H.Q. and A.C.
- (b) No mention is made of the channels of command which would exist between specialist officer personnel with the liaison groups should certain Sub Commissions be transferred to A.P.H.Q. This mainly affects Public Safety, many of whose officers will be operating in the field after Northern Regions have been handed back to the Italian Government. If Public Safety is to be transferred to A.P.H.Q. it is to be assumed that Public Safety officers will have direct communication with A.P.H.Q., while senior liaison officers refer other matters to A.C., H.Q.

2. Para. 3 of A.P.H.Q. signal. Based on past experience it is not anticipated that progress in civilisation by introduction of British civilians with the necessary qualifications will be rapid as the appropriate Branch of H.Q. has made determined efforts to arrange for civilians with technical experience to join this Commission during the past 12 months with little success.

3. No mention is made of Legal Sub Commission. I presume it is intended to abolish it. If so I consider a legal adviser would be required by Chief Commissioner, A.C.

J. L. Jones

Executive Officer (B)

5427

785017

HEADQUARTERS ALLIED COMMISSION
APO 394
Communications Sub-Commission

Confidential
HHS/ams

ADM/198/57

1st December 1945

Subject: Future of the Allied Commission.

To : Executive Commissioner.

1. In accordance with memo of December 1st 1945 reference 600/EC herewith preliminary comments on TAM 719.
2. The draft directive proposes ^{To} ~~the~~ transfer to A.F.H.Q. the functions of the Communications Sub-Commission to the extent which it is considered its functions are necessary to carrying out the policies laid down by Combined Chiefs of Staff.
3. The fact that transfer is proposed to A.F.H.Q. implies that at the time of transfer there will still be Allied Military Units in Italy and that there will therefore remain the need for contact between Civilian Authorities and Military on communication matters. As long as such need exists it is felt that continuance of the Communications Sub-Commission as a part of Allied Commission offers the greatest advantages.
4. One of the primary functions of the Communications Sub-Commission is to act as an interpreter of Military requirements to the civilian authorities and vice versa.
5. The detached and unbiased outlook necessary to an objective consideration necessary to proper fulfillment of the role of interpreter can best be obtained as part of an organisation such as A.C. Incorporation in a

AM/198/57
continued.

Confidential

purely Military organisation such as A.F.H.Q. is bound to result in undue consideration being given to the military aspect resulting in a retardation, rather than the desired acceleration, of return of Italian telecommunications and posts to civilian control.

6. The proposed strength of the Communications Sub-Commission has staff is only 2 Officers (1 Telecommunications 1 Postal) with 6 Officers in the field. The number of Officers in the field will be reduced to 3, one month after the turn-over to Italian Government of the northern Regions.

7. It is not believed that there would be any economy in Officer strength by transfer to A.F.H.Q. as the functions to be performed will remain the same as long as there is any appreciable demand for communication facilities by the Allied Military in Italy.

8. It is therefore recommended that the Communications Sub-Commission remain as a part of A.C. so long as A.C. continues to exist.

H. H. Souder
H. H. SOUDER
Colonel, Sig.C.
Director.

785017

SECRET & REFUGION

Confidential

6/6

Dec 42

DEC 1 1945

To:

Executive Commissioner

Reference your 60/45 dated 1 Dec. My comments on what concerns my sub-commission are as follows:-

Para two A (i)

I agree that "Army sub-commission should remain with Allied Commission". For "Army" read "Land Forces".

I do not understand the meaning of "unless or until they form nucleus of separate service missions". It is considered that Land Forces Sub-commission forms nucleus of a separate service mission in respect of its functions as an "Allied Military Mission to the Italian Army". If so, the inference of the word "unless" is that Land Forces Sub-commission is NOT to be "retained in Allied Commission" - which it must be, on practical grounds and if the Army and Air Force Sub-Commissions are retained in Allied Commission.

It seems to me that the new Allied Commission may have new functions, but it will still be the only authorized legal instrument of the Allies, controlling their under the Armistice terms which can only be replaced by a Peace Treaty. Civil aspects can be handed back to the Italian Government, but the Allied Commission must still retain control of military (in its widest sense) aspects through its military sub-commissions.

Para two C.

I do not see how one can have "Public Safety" under AFHQ at CASERTA and the 20.22 aspect under Land Forces Sub-commission in ROME. Pending the authorization and organization of a "Police Mission" dealing with all Italian Police Forces under Land Forces Sub-commission (or independently under Allied Commission) it seems that "Public Safety" should stay in Allied Commission and come under the category of para two A (i). "Public Safety" is so linked with 20.22 and military (in its widest sense) matters, that it should not be divorced from them under AFHQ.

EPCA.

This is now under Land Forces Sub-commission and is very closely linked with Italian Ministry of War activities, all IWW being ex-soldiers. The IWW Section AG with me has contacts with several Italian Govt. Depts e.g. the Ministry of Post-war Assistance, the Ministry of War, etc., as well as the Vatican. Therefore it should be included in Land Forces Sub-commission in ROME under Allied Commission.

5427

Para two A (1)

I agree that "Army sub-commission should remain with Allied Commission". For "Army" read "Land Forces". I do not understand the meaning of "unless or until they form nucleus of separate service missions". Is it considered that Land Forces Sub-commission form nucleus of a separate service mission in respect of its functions as an "Allied Military Mission to the Italian Army"? If so, the inference of the word "unless" is that Land Forces Sub-commission is NOT to be "retained in Allied Commission" - which it must be, on practical grounds as is the Navy and Air Forces Sub-commissions are retained in Allied Commission. It seems to me that the new Allied Commission may have new functions, but it will still be the only authorized legal instrument of the Allies, controlling them under the Armistice terms which can only be replaced by a Peace Treaty. Civil aspects can be handed back to the Italian Government, but the Allied Commission must still retain control of military (in its widest sense) aspects through its military sub-commissions.

Para two C.

I do not see how one can have "Public Safety" under ARMA at Caserta and the ARMA aspect under Land Forces Sub-commission in RMZ. Pending the authorization and organization of a "Police Mission" dealing with all Italian Police Forces under Land Forces Sub-commission (or independently under Allied Commission) it seems that "Public Safety" should stay in Allied Commission and come under the category of para two A (1). "Public Safety" is so linked with ARMA and military (in its widest sense) matters, that it should NOT be divorced from them under ARMA.

IPOM.

5423
This is not under Land Forces Sub-commission and is very closely linked with Italian Ministry of War activities, all IPOM being ex-soldiers. The IPOM Section as with me has contacts with several Italian Govt. Dept's e.g. the Ministry of Post-war Assistance, the Ministry of War, etc., as well as the VATICAN. Therefore it should be abolished in Land Forces Sub-commission in RMZ under Allied Commission.

Para 1.

At end of first sentence add "except Service Sub-commissions".

a. Downing

Major-General
Land Forces Sub-Commission A.C., (ARMA).

785017

126

HEADQUARTERS ALLIED COMMISSION
Navy Sub-Commission APO 394

Confidential
1 December 1945.

DEC 1 1945

SECRET & PERSONAL

From: Navy Sub-Commission, Hq. Allied Commission.
To: Executive Commissioner, Allied Commission.

Subject: Future of the Allied Commission.

1. In reply to Executive Commissioner letter 600/EC of 1 December 1945, no comments are submitted by the Navy Sub-Commission, AC.

W. L. Lamm

REAR ADMIRAL
CHIEF, NAVY SUB-COMMISSION, AC.

5422

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

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

Confidential

Ref: 600/RL

1 December 1945

SUBJECT: Future of the Allied Commission.

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

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

MEL/JC.

Brigadier,
Executive Commissioner.

Copies of cable handed to

Pol AD (A)

Pol AD (B)

Copy for CMA

5421

785017

SECRET

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

124

Originator's Reference: War 85740

Message Centre No: G/4657

Date/Time of Origin:

Date/Time Rec'd 301205

Priority ROUTINE

FROM: AFHQ

TO: ACTION ALOOM

SECRET.

This is TAM 719 (To MORGAN for FHGEG from OOS cite OCAO repeated information AMSSO for BCS). There follows draft directive which OCAO proposes submitting to OOS for approval:

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

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

- A. Subcommissions whose functions are to be retained in Allied Commission:
 - EX (1) Navy, Army, Air Force Subcommissions should remain with Allied Commission unless or until they form nucleus of separate service missions.
 - (11) HQ Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining with Allied Commission.
- B. Subcommissions repeat Subcommissions whose functions are to be abolished:
 - Education.
 - Local Government and Patriots.
 - Monuments Fine Arts and Archives.
 - Public Health.

Cont'd Page 2.

5420

Public Works and Utilities.

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

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

Communications.

Public Safety.

War Materials and IPOW.

Public Relations.

Transportation (but see sub para E. below).

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

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

Industry and Commerce (Advisory Functions).

Labour.

Agriculture (Advisory Functions).

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

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

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

Displaced Persons and Refugees.

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

Transportation Subcommission (bids for imported supplies and

-3-

(122)

functions in respect to warehousing imported supplies).

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

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

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

DISTRIBUTION:

ACTION - Exec Commissioner

INFO - Chief Commissioners

5417

SECRET

0 5 5 6