

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

ACC

10000/109/610

LIQ
DEC

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

10000/109/610

LIQUIDATION OF ASAA, AFA, VENEZIA GIULIA
DEC. 1946, JAN. 1947

0127

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

E.C.

26

207 Ed 1877 have been

reads

23 Jan 47

W. W. Wood
Col. 241
C. E. D.

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

5002

5-

Ex Comm.

In accordance with your draft letter at 4 4 submitted for signature.

H.S. 16/12

8-

Ex Comm.

4 7 for info. H.S. 23/12
ML 24/12

13-

Ex Comm.

4 12 for info. H.S. 23/12-ML 27/12

21-

Chief Commissioner

Photos 20 A to 179 are submitted for information.
If possible I should like again to see because of the Legal Division and Financial
Adviser should see these papers.

19/1/47.

Mr. C. R. Bayard
C.C.

JAN 21 1947

Ex Comm.

13.

4 12 for info. H.L. 23/12-1947/12

21

Chief Commissioner

For lot 20 A to 179 are submitted for information.

If possible I should like again for because of the Legal Division and Financial Adviser should receive papers.

JAN 21 1947

Mr. C. R. Bayard
E.C.

19/1/47.

E.C.

Noted

W.A.

5081

21/1/47

25.

Legal Division
Financial Adviser.

To see 20A + 18A. Please

has quietly Mr. C. R. Bayard
21/1/47
E.C.

2625-40

JAN 20 1947 24

FX 74351
JAN. HFT

H/9202
- JAN. 181100
ROUTINE

AFHQ SIGNED SACRED CITE FHQSG.

AGWAR WASHINGTON FOR CCS FOR CCAG INFO: MINISTRY OF DEFENSE BOND
ON FOR BCS AND ALCOM ROME FOR ASAA

~~RESTRICTED~~

RESTRICTED.

23.

This is MAT 1056. REUR TAM 781 dated 26 July 1946 Dtg 171000A.

1. American Embassy prepared to accept for temporary storage accounting documents of Pea Dollars 100,000,000 programme when the programme has been closed.
2. Instructions are requested as to whether the-se records should be micro-filmed before being deposited.

~~RESTRICTED~~

AC DIST

INFO ACTION
INFO

A.S.A.A.
CHIEF COMMISSIONER
EX COMM
PCLAD (A)
" (B)
FILE
SKELETON

See LACAB/2625/1k B

5680

1A 26
HFT

Cap 9 K.

C
O
P
Y

23

FROM: (Originator)

CCS CITE CCAC

SECURITY CLASSIFICATION
RESTRICTED

ACTION TO:

MORGAN FOR FHGEG

ALCOM FOR ALLIED SUPPLY ACCOUNTING
AGENCY ~~INFO~~ FOR INFO.

INFORMATION TO:

WARX 95647 PD THIS IS TAM 781PD

REFER JUNE FOEX 67623 (DISPOSAL OF RECORDS ON COMPLETION OF
FEA ONE MILLION DOLLAR YB (YOKO BAKER) IMPORT PROGRAM) PENDING
FURTHER INSTRUCTIONS REGARDING METHOD OF SETTLEMENT WITH ITAL-
IAN GOVERNMENT SUGGEST YOU WORK OUT ARRANGEMENTS WITH AMERICAN
EMBASSY ROME FOR TEMPORARY STORAGE OF SUBJECT DOCUMENTS PD END

5679

0155

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~~SECRET~~ 26259
~~CONFIDENTIAL~~

ALLIED FORCH HEADQUARTERS
G-5 Section
APO 612

4935
Ex Comm

ALH/ogh.
20

G-5: 902.40

15 January 1947

SUBJECT: Post Treaty Liquidation of ALGOM/AMS Functions.

TO : Senior Civil Affairs Officer,
Venetia Giulia.

18A

1. Reference your letter above subject file VG/AMS/240 dated 2 January 1947. The following documents, which further inform you in connection with the turn-over of your functions have recently been forwarded to you.

1. Instruments for Provisional Regime TPT.
2. Peace Treaty Article 4, (Boundary) and Article 5.
3. General Provisions concerning the status of TPT.
4. Property and Debt Provisions relating to TPT.
5. Technical Guarantees.
6. Permanent Statute of TPT.
7. Instrument for the Free Port Trieste.
8. Map - French Line.
9. Map - Boundaries of TPT.

2. You have already been furnished the following letters pertaining to this subject:

1. Evacuation of Italians from Yugoslav to Italian Territory - file, G-5: 902.40, dated 3 January 1947. \ N.R.
2. Evacuation of Italians from Territory to be ceded to Yugoslavia, file, G-5: 902.40, dated 3 January 1947. \ N.R.
3. Copy of RAF 1256, dated 31 December 1946, addressed to the GCS is attached hereto. \ 19
4. So far as practicable, the paragraphs of your VG/AMS/240 are considered separately, and numbered in agreement with the letter. \ 18A

18A

3. Agreed, but it is doubtful if the present committee is briefed or interested in many of the problems confronting you. It is interested only in TPT and not in the overall AMS finances. In this connection see paper noted in para 1 (4).

18A

4. The security grading of planning papers must conform to instructions from higher authority. Most of these papers come from ALGOM already classified. GMA, GMP, has made recommendations in connection with security classification which do not conform to your views of down grading. As this Headquarters has the same problem, you can be assured that down grading will be accomplished as expeditiously as practicable.

eso.

CONFIDENTIAL See H.2526

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-2-

Presumably these
are the sub. war fr
5 at RB

20-B

5. It will be assumed that Venezia Giulia Police will not function in any territory including Pola after "R" Day, which is to be turned over to either Italy or Yugoslavia. While it is probable that present members of Venezia Giulia Police will operate in TPT after "R" Day, they will operate as TPT Police and not as Venezia Giulia Police. A new oath presumably will be required. The suggestions in 5d - 5e - 5f - and 5g are agreed. No machinery for discussing details with the Jugoslavs has however been set up. This matter will be further studied at AFHQ.

6. If prison warders do not elect to stay, they must be evacuated with the police. Pola can be no exception. 19

7. This para has been partially answered. NAF 1256 refers. So far as is known, there is no possibility that Allied Troops will remain in Pola after "R" Day. Unless the CCS reply to contrary affect, to NAF 1256, it may be assumed that the Allies will not be responsible for the evacuation of Italians except as covered in our Signal PX 74181 of 8 January, if the Italian Government desires to procure a ship, it will be assumed that it will so indicate to proper authorities. It is considered that no action should be taken by the Allied Military authorities to sponsor the evacuation of Italians or their goods from Pola by train. No such request has been received from official Italian sources. In any event, it is extremely doubtful if the Jugoslavs would clear such a train even if the passengers and freight were covered by AMS permits. However, while you should not at this time sponsor such trains, you should not prevent any evacuation made on any trains unless such evacuation may result in your having to care for or maintain the evacuees. You will not set up facilities for this purpose. In this connection your attention is invited to Section VI Article 13 of the proposed Peace Treaty. This Section does not contemplate mass migration. Until reply is received to NAF 1256 the attitude of the CCS will not be known.

8. Your remarks concerning paras 1, 4 & 8 of our C-5: 910.13 3P of 8 Dec. 1946 are noted. Any information secured from the Finance Commission now assembling in your Area, in connection with para 4, should be promptly furnished this Headquarters. RD

9. The basis of your recommendation contained in para 8 concerning maintenance of present AMS territory appears to be that the CCS is responsible for the maintenance of TPT. Such a premise cannot be accepted. TPT is the responsibility of United Nations. The question of shipment of CCAC supplies is being raised with the CCS. It will be recommended that advance shipments covering a possible three months needs be sent in time so that distribution could be completed prior to "R" Day. In case that is not practicable, it will be recommended that no shipments shall be made which cannot be distributed prior to "R" Day. The CCS will be notified that we will assume that United Nations will make proper provision for TPT. In connection with your para 8 (d), your attention is invited to para C of Annex IX (Technical Guarantees). 5076

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20^c

10. Reference your para 8 (Legal). The fundamental policy with regard to all records is that they should so far as practicable, remain in situ. As will be noted in Annex on property and debts, it is contemplated that records and archives are to be transferred between Governments after IPT is set up. It is apparently not contemplated that all records shall be finally disposed of prior to "G" Day. In any case, no duplication of records will be undertaken which is beyond the capabilities of completion by your reduced strength in personnel prior to "R" Day. The CCS have been queried as to the continued validity of our sentences after "R" Day. You will be informed of the decision. Your hasty opinion is agreed. Your intentions concerning review of Court cases are agreed. Reviews should be initiated without delay so that executive action to effect changes in sentences can be implemented expeditiously.

11. The following remarks pertain to your planning Notes (no date) which accompanied such letter. Ref para 1(c) (i) of the Problem. So far as is known here, there are not two problems involved. Pola is in the same category as the remainder of the territory to be ceded Yugoslavia. See Para 7 above. /17A

12. Ref your para 3. — 17C

(a) The question is not fully understood. The physical transfer is made to the representative of the New Government at each locality where an AMG officer remains on "R" day. Wherever AMG officers and Venezia Giulia Police can be removed from a community to leave the control of that community in the hands of the civil authorities prior to "R" Day such removals should be made. In general, records should remain in situ.

(b) See (a) immediately above. Handover must take place not later than R Day.

(c) Transfers of sovereignty all take place on "R" Day. Withdrawal of AMG and Venezia Giulia police personnel may be made prior to "R" Day if in opinion law and order can be maintained.

(d) This appears to be a rhetorical question. Your example is agreed. 17E

13. Until you have had a chance to study the recent documents furnished you, no decision will be given the recommendations made in your para 5. It appears however, that such changes are contrary to the spirits (and so far as IPT is concerned, perhaps the letter) of the Peace Treaty and its complimentary papers. Furthermore, the British Chiefs of Staff have signalled to their Washington Staff that the taking over of civil administration by the Italians and the Yugoslavs from AMG must in the first place be agreed between Governments and it is then for SACRED to implement. It is therefore unwise to take steps which might well contravene the actions of the Governments.

5074

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179

20^D

14. Your para 6(a), (b), (c). Such action is premature. Instructions have already been issued that no lists would be prepared by AMG on possible evacuees.

15. It is desired that this Headquarters be kept up to date on your planning, and that you submit for decisions any questions beyond your authority to act.

BY COMMAND OF GENERAL MORGAN:

/s/ A.L.H.

A. L. RAMBLEH,
Colonel, G.S.C.
Assistant Chief of Staff, G-5/

Copies to: GHQ, G-5/
ALCOM

- With AMG letter referred to, and its enclosures.

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

NO 001 505

to which I am to facilitate operation of any mutual arrangements which may be made either before or after ratification of Treaty and that I be instructed as to extent Italian and Yugoslav Governments regarding migration of persons and property desirable that early agreement be made through diplomatic channels between the two countries of any such arrangements will be necessary. It is therefore their, in two territory for migrants, their property and needs. Earliest possible notice of any such arrangements will be necessary. It is therefore Government will immediately require transit facilities, and permission to operate officially sponsored migration is to take place prior to ratification, Italian location of Treaty with which I will be unable to cope. In addition, if safeguard their interests, a situation may arise between signature and ratification of the Treaty concerning of the arrangements which are being made to unless early action is taken on a Governmental level to inform Italian position migration arising out of the Peace Treaty. On the other hand, I feel that Allied Military Authorities should undertake responsibility for organizing any movement, although territories concerned are under AMG, I do not consider that possibility of Italian Government to protect interests of its own nationals. to move to Italian soil with their movable property. In my view it is desirable to safeguard interests of Italians in territory desired to be ceded to JUGOSLAVIA, particularly POJA. Anticipated that many such people will desire of safeguarding interests of Italians in territory desired to be ceded to

2. New subject. Italian Prime Minister has enquired as to means of safeguarding interests of Italians in territory desired to be ceded to JUGOSLAVIA, particularly POJA. Anticipated that many such people will desire to move to Italian soil with their movable property. In my view it is desirable to safeguard interests of Italians in territory desired to be ceded to JUGOSLAVIA, particularly POJA. Anticipated that many such people will desire of safeguarding interests of Italians in territory desired to be ceded to

1. As a condition of returning territory to Italian Government, I have previously required certain understandings, including legalizing acts of AMG and continuing sentences of AMG Courts. These that understandings are investigated upon ratification of Peace Treaty. No handover documents will therefore be submitted for territory now under AMG, which is to be returned to Italian control when Treaty comes into force, unless so directed by you. Some problem is involved in territory to be ceded to ITALY, JUGOSLAVIA and THOSE Free State. Each state is presumably free to invalidate AMG Court sentences and other acts performed under armistice regime. Request confirms that above assumptions are correct.

INFO : CHD CHD : CHD CHD
REF NO : EX 74039 : SACHED
SIGNED : SACHED
CITE : PHONG

TO FOR ACTION : AGRAN WASHINGTON FOR COMBINED CHIEFS OF STAFF
CABINET OFFICES WITHIN/MAIL FOR BRITISH CHIEFS OF STAFF

CONFIDENTIAL
PRIORITY

0158

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

COPY

~~CONFIDENTIAL~~ PRIORITY

19

TO FOR ACTION : ACHIEVE WASHINGTON FOR COMBINED CHIEFS OF STAFF
CABINET OFFICES WHITEHALL FOR BRITISH CHIEFS OF STAFF

INFO : GHQ CMF CINC MED

REF NO : FX 74039

SIGNED : SACRED

CITE : FHGRG

This is NAF 1256.

DISSEMINATION : C-3 (V) C-3 (V) C-3 (V) C-3 (V)

Subject is implementation of Italian Peace Treaty.

1. As a condition of returning territory to Italian Government, I have previously required certain understandings, including legalising acts of AMG and confirming sentences of AMG Courts. Presume that undertakings are invalidated upon ratification of Peace Treaty. No handover documents will therefore be submitted for territory now under AMG, which is to be returned to Italian control when Treaty comes into force, unless so directed by you. Same problem is involved in territory to be ceded to FRANCE, JUGOSLAVIA and TRIESTE Free State. Each state is presumably free to invalidate AMG Court sentences and other acts performed under armistice regime. Request confirmation that above presumptions are correct.
2. New subject. Italian Prime Minister has enquired as to means of safeguarding interests of Italians in territory destined to be ceded to JUGOSLAVIA, particularly FOLA. Anticipated that many such people will desire to move to Italian soil with their moveable property. In my view it is responsibility of Italian Government to protect interests of its own nationals. Moreover, although territories concerned are under AMG, I do NOT consider that Allied Military Authorities should undertake responsibility for organising any migration arising out of the Peace Treaty. On the other hand, I feel that, unless early action is taken on a governmental level to inform Italian populations of the areas concerned of the arrangements which are being made to safeguard their interests, a situation may arise between signature and ratification of Treaty with which I will be unable to cope. In addition, if officially sponsored migration is to take place prior to ratification, Italian Government will presumably require transit facilities, and permission to operate them, in AMG Territory for emigrants, their property and needs. Earliest possible notice of any such requirements will be necessary. It is therefore desirable that early agreement be made through diplomatic channels between Italian and Yugoslav Governments regarding migration of persons and property either before or after ratification of Treaty and that I be instructed as to extent to which I am to facilitate operation of any mutual arrangements which may be made.

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NO 021 202

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3. Migration of governmental employees must be controlled. Probable most public servants will migrate to ITALY to protect their pensions or to avoid victimization on account of having assisted A.G. Important from viewpoint of both A.G. and successor administration that mass migration of such persons does NOT take place prior to ratification of Treaty. In order to prevent complete breakdown of law and order and public facilities, recommend that arrangements to protect their interests be made on a governmental level and that they be made known as early as possible.

4. Question of movement of industrial plant and facilities also arises. Under authority of your PAN 636, such movement is at present permitted between one part of Zone "A" of VENEZIA GIULIA and another. From annexure 3 of draft Peace Treaty, dated 18 July 1946, it appears that there is to be NO restriction on the movement of any property from territory to be ceded by ITALY to other states except state and para-statal property. If this is so, recommend that arrangements be made through diplomatic channels whereby, effective from date of signature of Treaty, existing restrictions will be lifted and movement to any destination will be permitted of any property the removal of which is to be allowed under its terms.

5. I am anxious to have an orderly turnover of my responsibilities. As I shall be without authority over the agencies which assume sovereignty over territory in which I now have an interest under the armistice terms, I desire assurance that the handover procedure will be arranged through diplomatic agencies and that I be given guidance as to any responsibilities which I may have for affecting negotiations between the various interested states.

6. The questions raised are intimately connected with my phase out planning. I shall be grateful therefore for early guidance on any one of them even though all answers may NOT be immediately available.

ORIGINATOR : G-5

AUTH : A K CROFT, Major

INFORMATION: SACS G/S MTO G-2 G-3(MTO) G-3(AFHQ)
 JPNLS VERAPLO US POLAD BRIT POLAD **

STORED : STICKED CTIR : LKBC
 REF NO : BY JY023
 INFO : CNO CNA CNO AND

GIVEN

OVERSIGHT OFFICER AUTHORITY FOR BRILLIANT CHIEF OF

MG OUT 505 31 Dec 46 SECRET 20354 REF NO FX 74039

jvd/B

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

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BV
FX 74352
JAN. NPT.

H/9203
JAN. 181130
ROUTINE.

AFHQ SIGNED SACRED SITE PHOEG.
AGWAR WASHINGTON FOR CCS FOR CCAC.
INFO: MINISTRY OF DEFENSE LONDON FOR ECS ALCOM ROME
FOR ASAA.

~~SECRET~~ NO
NR

SECRET.

THIS IS MAT 1055.

AN EARLY REPLY TO OUR LETTER OF 28 OCTOBER 1946 WOULD BE
APPRECIATED IN ORDER TO FACILITATE CLOSING DOWN AS MANY FUNCTIONS
AS POSSIBLE OF ASAA PRIOR TO PEACE TREATY COMING INTO FORCE.
OUR MAT 1053 REFERS.

File 2622 July 9.

SECRET.

AC. DIST

INFO ACT: A.S.A.A.
INFO: C. COMM.
EX. COMM.
ECON. DIV.
FILE.
SKELETON.

CONFIDENTIAL

~~SECRET~~

Cont K

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1A 25
KJ

HEADQUARTERS

ALLIED MILITARY GOVERNMENT
VENEZIA GIULIA

See M 2526

VG/ AMG/240

S E C R E T

2nd January 1947.

SUBJECT: Post Treaty Liquidation of ALCOM/AMG Functions.

TO : A.F.H.Q.
G-5 Section.

Reference your letter G-5 910.13/3P of 8th December 1946. The Delay is very much regretted but the Planning Committee has only recently been set up.

1. Planning Committee.

A Planning Committee under the chairmanship of the D/S.C.A.O. has been formed and all matters appertaining to the handover and the termination of Allied Military Government, Venezia Giulia, will be investigated and examined. Reports on the findings of the Committee will be forwarded to you together with recommendations and when it is considered your approval is required this fact will be stated.

2. Planning Notes.

In this connection I attach herewith the Preamble and Part 1 of the Planning Notes.

You will note that your approval is required for the division of Trieste and Gorizia Provinces prior to Ratification Day in order to create a territorial situation which it is considered will facilitate the transfer of the different Areas to the Taking Over Governments.

3. (Finance Problems)

It is known that a Finance Commission is arriving here shortly, and it is wiser to leave all finance problems to be handled by this Commission. The appropriate officers of Allied Military Government will naturally work hand in hand with the Commission and you will be kept in touch with the situation. It is also hoped that the Finance Commission will be able to give us

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It is known that a Finance Commission is arriving here shortly, and it is wiser to leave all Finance problems to be handled by this Commission. The appropriate officers of Allied Military Government will naturally work hand in hand with the Commission and you will be kept in touch with the situation. It is also hoped that the Finance Commission will be able to give us a lead on Economic problems. In this connection your attention is drawn to this headquarters letter No. VO/AMG/23/315 dated 17th December 1946.

4. Grading of Planning correspondence.

One of the difficulties which the Planning Committee is encountering is the fact that up to date all correspondence dealing with the future of Zone "A" is either Top Secret or Secret and as such becomes practically impossible to consult civilian officials on matters which need the cooperation of the interested Governments and also of Local Government officials.

It is felt the time has now come when all Planning correspondence (except matters appertaining to the Forces) should be graded as unclassified. Everybody is well aware of the decision arrived at by the Big Four and the sooner unrestricted consultations can take place with the representatives of the Governments concerned many of the Planning difficulties will be obviated.

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
VENEZIA GIULIA

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5. Police Force.

Up to date, considerable planning has been carried out in respect of the transfer of the Venezia Giulia Police Force to the Free Territory of Trieste but no action has been taken regarding the Public Order plans in those Areas of Zone "A" which are being handed over to Italy and Jugoslavia.

It is presumed that the Venezia Giulia Police Force will not continue to operate after "R" Day in any part of Zone "A" with the exception of the Area becoming the Free Territory and possibly Pola. It is therefore essential that plans are now drawn up for the withdrawal of the Venezia Giulia Police Force from those Areas to be handed over to Italy and Jugoslavia and that the Taking Over Governments make the necessary plans for the policing of their respective Areas on the withdrawal of the Venezia Giulia Police Force.

It is not anticipated that there will be any difficulty in handing over Public Order duties to the Italians but the handover to Jugoslavia may produce complications.

It is suggested that a few days prior to "R" Day the Venezia Giulia Police Force personnel situated in Zone "A" outside the Free Territory are thinned out as much as possible and only essential police remain.

In the case of Italy, small Carabinieri advance parties can be sent to all different police stations prior to "R" Day so that the Italian police are established when the main part of the Venezia Giulia Police Force moves out on "R" Day. In the case of the Jugoslav Area it is felt that it would be unwise for the Jugoslav police to arrive in their new Area until "R" Day itself or on whatever day the Venezia Giulia Police withdraw.

It is therefore suggested that in the Jugoslav Area the Venezia Giulia Police personnel are concentrated at the larger stations just prior to "R" Day under the command of an Allied Police Officer or a Civil Affairs Officer who will be made responsible for their withdrawal as soon as the Jugoslav police arrive and take over. The exact details of the police handover can be fixed with

not continue to operate after the day of the handover. The exception of the Area becoming the Free Territory and possibly Pola. It is therefore essential that plans are now drawn up for the withdrawal of the Venezia Giulia Police Force from those Areas to be handed over to Italy and Yugoslavia and that the Taking Over Governments make the necessary plans for the policing of their respective Areas on the withdrawal of the Venezia Giulia Police Force.

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In the case of Italy, small Carabinieri advance parties can be sent to all different police stations prior to "R" Day so that the Italian police are established when the main part of the Venezia Giulia Police Force moves out on "R" Day. In the case of the Yugoslav Area it is felt that it would be unwise for the Yugoslav police to arrive in their new Area until "R" Day itself or on whatever day the Venezia Giulia Police withdraw.

It is therefore suggested that in the Yugoslav Area the Venezia Giulia Police personnel are concentrated at the larger stations just prior to "R" Day under the command of an Allied Police Officer or a Civil Affairs Officer who will be made responsible for their withdrawal as soon as the Yugoslav police arrive and take over. The exact details of the police handover can be fixed with the Taking Over representatives when discussing the handing over matters (see Part I, Planning Notes.)

It is emphasized that there should be no Venezia Giulia Police in either the Italian or Yugoslav Area after the withdrawal of the troops.

6. Prisons.

The question of prisoners is still under consideration. Also see para 8 (Legal) below.

Prison warders are part of the Venezia Giulia Police Force and presumably should be withdrawn at the same time as the police. This may not however, be practicable especially in the case of Pola.

18c
HEADQUARTERS
ALLIED MILITARY GOVERNMENT
Venezia Giulia

-3-

With the exception of Pola there are no prisons being transferred to Jugoslavia. There is one prison situated in Gorizia being transferred to Italy.

It is suggested that the same procedure as for the police can be adopted in the case of Prison Warders in Gorizia but the question of Prison Warders in Pola must be left for further consideration.

7. Pola.

Your attention is drawn to this headquarters letter number VG/AMG/211/1/70 dated 5th December 1946 which it is understood is now under your consideration.

There is a Dott. Manegonie living in Venice who is acting as the Italian Government representative for the evacuation of Pola. Several conversations have been held with this official.

The following impressions have been gained from conversations with Dott. Manegonie and other Italian officials:

- (a) The Italian Government has made the necessary plans for the reception of evacuees from Pola.
- (b) It is everybody's hope however, that the evacuation of Pola will be postponed until the Spring no matter what date the Peace Treaty is ratified and that the Allied Troops will remain in Pola after "R" Day and until such time as the evacuation is completed.
- (c) That the Allies will loan or rent a ship or ships of the Landing Craft type for the transport of fittings and furniture.
- (d) That the evacuees of Pola can be divided into two classes:
 - (1) Those who have homes or friends in Italy ready to accommodate them and their furniture.

0188

Your attention is drawn to this headquarters letter number Va/AMG/211/1/70 dated 5th December 1946 which it is understood is now under your consideration.

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- (c) That the Allies will loan or rent a ship or ships of the Landing Craft type for the transport of fittings and furniture.
- (d) That the evacuees of Pola can be divided into two classes:
 - (i) Those who have homes or friends in Italy ready to accommodate them and their furniture.
 - (ii) Those who have no homes in Italy and will have to therefore, be temporarily accommodated in Evacuee Camps in Italy and their furniture warehoused.

(iii) That daily special Box Wagon trains be commenced immediately to handle the furnishing of those evacuees coming under (i) above.

It is understood the Italian Government is quite prepared to pay the cost of these train journeys. Approximately 2000 families will be involved necessitating a daily train of 18 Box Wagons for about a month.

(iv) It is strongly urged that the running of these trains be approved.

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
VENEZIA GIULIA

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8. Replies to your specific questions numbers 1.2.3.4 and 8 in the list attached to your letter G-5 810.13/3P of 8th December 1946.

1.4 and 8: Finance Officer reports as follows:

Nothing can be done regarding these matters until the Policy laid down by the Foreign Ministers is disclosed. The present information is that so far they have not decided on a Policy.

Maintenance of present A.M.G. Territory:

(a) It is felt that C.C.A.C. supplies should not cease before the new Government review the supply programme now in effect and has expressed its desire to modify or abandon this present programme. It is essential that the civilian population be fed and that the essential supplies necessary to continue the most important services and industry continue.

(b) Supplies arriving after "R" Day should become the property of the Government of the Free Territory and be handled by agencies of the New Government. For a short period certain items now being imported may be in excess of the needs of the Territory but such supplies can be deducted from future demands and deliveries. It is true some Territory now maintained will become Italian and Jugoslav but the respective Governments should be expected to furnish these supplies of the new Territory retained or ceded to them.

(c) Unless otherwise governed by items of the Peace Treaty it is suggested that financial responsibilities for supplies arriving in the Free Territory after "R" Day become the responsibility of the New Government through previous arrangements with C.C.A.C. or C.C.S. There should be no interruption of shipments of supplies at any time. Interruption would most certainly produce unrest and disease. It would also produce a complete break down in transportation, communications, Commerce, Industry and Food.

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(d) At present, Trieste is dependent on Italy for a large part of its indigenous supplies. Recent actions by Italian Provinces indicate that most of these indigenous supplies may be completely cut off. Some agreement should be concluded if possible from both Italy and Yugoslavia guaranteeing the continued flow of these goods.

Legal:

(a) Court records of Allied Military Government cases will go into Military Archives with such certified copies of pertinent papers as are necessary to enable prison officials to continue with the detention of the accused where such is practicable.

(b) The above would also apply in cases of sentences by the Territorial Courts, the Italian Government to retain the records and make a copy of records in cases of continued detention in Pola and Trieste prisons.

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
Venezia Giulia

-5-

(c) A very complete review of all cases, Allied Military Government and Territorial Courts should be undertaken prior to "H" Day to eliminate a large number of prisoners to be detained. Such review and sentence in excess of two years to be the responsibility of Allied Commission. It is suggested that Allied Commission submit an opinion as to whether any Allied Military Government sentences would have effect after termination of Allied Military Government. It is a hasty opinion that the sentence is advisory to the Government concerned.

(d) Territorial Court prisoners being sentenced by the then Sovereign Italy should be transferred to Gorizia or other Italian prison. However, Legal Division wishes to reserve its opinion on this to consider a transfer to the Free State or permit prisoners to elect transfer to Gorizia, Pola or Trieste.

(e) The procedure in Rome was that no records would be handed over to the Italian Government but would go in Archives and from part of the Military records. Up to date Allied Commission continue to supervise Allied Military Government cases and from constant review have cut down the cases to a very small number. It is the opinion of the Legal Division that there will be 30 or more cases of long sentences (murder etc) in which no pardon can be given. Allied Commission has been considering this point and their views should be sought.

It is suggested that when the date is known for the handover that all officers should be put on to reviewing the outstanding prison sentences. Their suggested duties to be as follows:

- (i) To review all sentences on the assumption that the detainee part must be eliminated.
- (ii) To review cases on a peace time basis making allowances for first offenders.
- (iii) To give adequate and generous reductions for good conduct.

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- (i) To review all sentences on the assumption that the detainee part must be eliminated.
- (ii) To review cases on a peace time basis making allowances for first offenders.
- (iii) To give adequate and generous reductions for good conduct.
- (iv) To grant conditional liberty.
- (v) Put into effect a form of amnesty without treating it as such.
- (f) So far as this headquarters is concerned we are only concerned with cases up to two years. Those above two years are in the hands of Allied Commission. A rough guide of the sentences imposed is as follows:

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HEADQUARTERS
ALLIED MILITARY GOVERNMENT
VENETIA GIULIA

-6-

Highest sentence is 8 years

	No. of cases.
8 years (Abduction)	1
7 years (Abduction)	4
5 years (Abduction)	4
5 years (Theft of WD property-trucks)	2
3 years (Theft of WD property-trucks)	4
3 years (possession of arms)	4/5
2 years (possession of arms)	many
1 year (possession of arms)	many

It will be seen that the cases to be determined by this Headquarters are in the main petty crime and possession of arms and ammunition.

SPFR/r1

Encl:

H.P.P. ROBERTSON,
Colonel,
D/S.C.A.O.

5 years (Theft of WD property - trucks) 2
 3 years (Theft of WD property - trucks) 4
 3 years (possession of arms) 4/5
 2 years (possession of arms) many
 1 year (possession of arms) many

It will be seen that the cases to be determined by this Headquarters are in the main petty crime and possession of arms and ammunition.

S.P.P.R./r1

Encl:

H.P.P. ROBERTSON,
 Colonel,
 D/S.C.A.O.

5005

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

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
VENEZIA GIULIA

S E C R E T

PLANNING NOTES

PREAMBLE:

1. In the compilation of these Planning Notes it is proposed to divide the work into 6 Parts as follows:

Part 1 The problem and main issues in connection with the transfer of the Territories (excluding Pola).

Part 2 Pola.

Part 3 The Free Territory.

Part 4 Examination and investigation of Finance and Economic problems including Supplies and Public Works.

Part 5 Police Force, Prisons, Schools, Evacuees, and Legal aspects.

Part 6 Termination of Allied Military Government and any other matters.

2. The Notes will be in the form of suggestions, proposals and recommendations. Where it is considered that a recommendation should be put into effect immediately but that approval of Higher Authority is necessary a statement to this effect will be inserted at the end of each Part.

3. Appendices where considered necessary will be attached to the different Parts.

4. Modification or change of plans found necessary after a

the transfer of the Territories (excluding Pola).

- Part 2 Pola.
- Part 3 The Free Territory.
- Part 4 Examination and investigation of Finance and Economic problems including Supplies and Public Works.
- Part 5 Police Force, Prisons, Schools, Evacuees, and Legal aspects.
- Part 6 Termination of Allied Military Government and any other matters.

2. The Notes will be in the form of suggestions, proposals and recommendations. Where it is considered that a recommendation should be put into effect immediately but that approval of Higher Authority is necessary a statement to this effect will be inserted at the end of each Part.

3. Appendices where considered necessary will be attached to the different Parts.

4. Modification or change of plans found necessary after a Part has been issued will take the form of a supplement and ⁵⁰¹¹⁴ each case refer to the Part and paragraph to which the supplement applies.

5. Where a matter has been discussed in previous correspondence reference will be made to it and if necessary a copy of the correspondence will be attached in the form of an Appendix.

6. (a) Certain terms at present in use by the Allied Military Government in Zone "A" which it is thought might lead to a misunderstanding have been changed as follows:

Area Commissioners are referred to as Provincial Com-

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missioners.

Trieste and Gorizia areas are referred to as Trieste and Gorizia Provinces. Unless the word "Province" is specifically mentioned, reference is made to the town only.

Pola Area is referred to as Pola.

(b) The word "Area" is used in its proper meaning "Area".

(c) For easy reading the following terms are used:

"Italian Area" refers to the whole of the area of Zone "A" to be handed back to Italy.

"Jugoslav Area" refers to the whole of the area of Zone "A" less Pola being ceded to Jugoslavia.

"Italian Area" or "Jugoslav Area" followed by Trieste Province or Gorizia Province refers to that part of the area which is being transferred and which lies within the Province.

When reference is made to the "Free Territory of Trieste" it infers that part of the Free Territory of Trieste. If and when it is intended to mention the whole of the Free Territory both Zone "A" and Zone "B" this fact will be specifically mentioned.

to be handed back to Italy.

"Jugoslav Area" refers to the whole of the area of Zone "A" less Pola being ceded to Yugoslavia.

"Italian Area" or "Jugoslav Area" followed by Trieste Province or Gorizia Province refers to that part of the area which is being transferred and which lies within the Province.

When reference is made to the "Free Territory of Trieste" it infers that part of the Free Territory situated within Zone "A". If and when it is intended to mention the whole of the Free Territory both Zone "A" and Zone "B" this fact will be specifically mentioned.

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PART 1

The Problem:

1. In general, the particular problem involved is the termination of the Allied Military Government, Venezia Giulia and the transfer of territory at present administered by the Allied Military Government, Venezia Giulia to the new administrators.

2. In detail the problem falls under the following different headings:

(a) The termination of the Allied Military Government in that part of Zone "A" which is to become the Free Territory and the handover by the Allied Military Government to the new Government of the Free Territory.

(b) The termination of the Allied Military Government in that part of Zone "A" which is being returned to Italy and the handover of this territory to Italy.

(c) The termination of the Allied Military Government in that part of Zone "A" which is to be transferred to Yugoslavia and the handover of that territory to Yugoslavia.

Under this heading there are two separate and distinct problems:

(1) The transfer of Pola which has a 90% Italian population many of whom will have to be evacuated to Italy prior to the handover, the welfare of the evacuees being an Allied Military Government responsibility until handed over to Italian Evacuation Organization

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

...by the Allied Military Government to the ... of the ...

(b) The possession of the Allied Military Government in the ... of the ...

(c) The possession of the Allied Military Government in the ... of the ...

... the ...

(d) The transfer of ... which has a ... population ... of about ...

... the ... of the ... of the ...

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(c) Should the different transfers as enumerated in para 2 above in para 2 above be carried out simultaneously or should the transfers take place in sequence as and when considered most convenient.

(d) What has the Allied Military Government created during its Administration which it intends to hand over or does not intend to hand over to one or any of the Governments taking over. (Example: Police Force. Intention is to transfer the Force in its entirety to the Free Territory and not to either Italy or Jugoslavia).

(e) There are three distinct handovers to be considered:

(i) That Area of Zone "A" which is being handed back to its original Government (Italy).

(ii) That Area of Zone "A" which is being handed over to a successor Government (Jugoslavia).

(iii) That Area of Zone "A" which is to be handed over to a Government the constitution of which has not yet been established (Free Territory)

(f) In (i) and (ii) above, the respective Areas to be transferred to Italy and Jugoslavia in both cases cover part of two Provinces administered from Centres of Local Government in the two Provincial capitals Trieste and Gorizia.

In the case of (iii) the Area is part of only one Province administered from a Centre of Local Government in the Provincial capital Trieste.

(g) The Centre of Governmental administration of the three Territories to be transferred is the Allied Military Government with its Headquarters in Trieste.

(h) The Area to be handed back to Italy lying partly in Gorizia Province and partly in Trieste Province includes the capital of Gorizia.

to its original Government (Italy).

(ii) That Area of Zone "A" which is being handed over to a successor Government (Yugoslavia).

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In the case of (iii) the Area is part of only one Province administered from a Centre of Local Government in the Provincial capital Trieste.

(g) The Centre of Governmental administration of the three Territories to be transferred is the Allied Military Government with its Headquarters in Trieste.

(h) The Area to be handed back to Italy lying partly in Gorizia Province and partly in Trieste Province includes the capital of Gorizia Province (seat of Local Government) but does not include the capital of Trieste Province (seat of Local Government).

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(i) The Territory to be ceded to Yugoslavia lying partly in Gorizia Province and partly in Trieste Province does not include either of the capitals of the Provinces (seats of Local Government). (Other considerations in connection with the handing over of the Areas:

-3-

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4. (a). The carving up of Zone "A" has been a bone of contention between the countries concerned for some considerable time and the fact that some of the Territory is to become a separate Free State has not helped to diminish the discontent felt not only by the Governments taking over but also by many of the people living in the Areas to be transferred.

(b) At first glance it might appear that the most practical places of affecting the transfer of the different Areas would be at the Centre of Administration of the Areas concerned.

On further reflection however, it is considered that the assembly together in the same localities of the Taking Over Representatives of the Governments concerned might lead to public disorders, complications and confusion of the issues. This would especially be the case in Trieste where there is the added complication of the Free Territory.

(c) It is obvious that the general broad principles in connection with the different transfers and the examination of Economic, Financial and other problems must be handled at the Headquarters of the Allied Military Government. But the actual physical handing over of the different Areas can be more conveniently accomplished in the most suitable or adaptable town in the Areas concerned.

Recommendations for the handover of the different Areas:

5. (a) To Italy. The actual handover of the Areas of both Gorizia and Trieste Provinces to take place in Gorizia. The Italian Government to be requested to send or nominate Taking Over

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Recommendations for the handover of the different Areas:

5. (a) To Italy. The actual handover of the Areas of both Gorizia and Trieste Provinces to take place in Gorizia. The Italian Government to be requested to send or nominate Taking Over Representatives to be in Gorizia at an appropriate date well in advance of Ratification Day in order to discuss and examine all local handover problems with the Allied Military Government representatives.

(b) To Yugoslavia. The actual handover of the Areas of both Trieste and Gorizia Provinces to take place in the most suitable town of the Area. It is considered that SESANA is the most likely place. Although not centrally situated in relation to the Area being handed over, it is easily accessible from Trieste, it is the largest town in the Area and has a reasonable sized municipal building.

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The Yugoslav Government to be requested to send or nominate Taking Over Representatives to be in SESAMA at an appropriate date well in advance of Pacification Day in order to discuss and examine all local handover problems with the Allied Military Government representatives. (see also (c) (iii) below).

(c) To the Free Territory.

(i) All necessary planning for the establishment of the new Government will naturally take place in Trieste City.

(ii) It is not possible at this stage to visualise how the Governmental transfer from the Allied Military Government administration to the Free Territory administration will be effected and this question will be considered in a subsequent Part of these Notes.

(iii) It must however, be remembered that the Allied Military Government is a Caretaker Provisional Government and the actual handover of the Free Territory is really a matter between Italy and the Free Territory of Trieste. The Italian Government will, no doubt wish to send a Commission to look after Italian interests not only in the Free Territory but also in the Area of Zone "A" being ceded Yugoslavia. It is recommended however, that this Commission confine its activities to Trieste City and deal with Headquarters, Allied Military Government direct on all problems affecting the Areas being transferred out of Italy.

(iv) It is emphasized that Allied Military Government is the

Governmental transfer from the Allied Military Government administration to the Free Territory administration will be effected and this question will be considered in a subsequent Part of these Notes.

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(iv) It is emphasized that Allied Military Government is the responsible body for the handing over of the different Areas and every care must be taken to prevent the Government of the Free Territory becoming involved in handing over problems except those of the Free Territory itself.

(v) The Allied Military Government must therefore set up a machinery and have it ready to put into motion at short notice so the Local Government of Trieste Province is freed of all responsibility of administration in those parts of Trieste Province, Zone "A" not in the Free Territory Area.

17 6

(d) In order to achieve the above situation it will be necessary for Allied Military Government at an appropriate date between the signing of the Peace Treaty and Ratification Day to:-

(i) Transfer that part of Trieste Province being handed back to Italy from Local Government administration at Trieste to Local Government administration at Gorizia.

(ii) Build up a new Local Government Centre at SESANA and transfer that part of Trieste Province, being handed over to Jugoslavia, from Local Government administration at Trieste to the new Local Government Centre at SESANA.

(iii) Transfer that part of Gorizia Province, being handed over to Jugoslavia, from Local Government administration at Gorizia to the new Local Government Centre at SESANA.

Action to be taken now by Allied Military Government in anticipation of approval being given to the above proposals.

6. By Area Commissioners Trieste and Gorizia.

(a) Make the necessary arrangements in their respective Local Government headquarters for the parcelling together of all registers, records, deeds and other material documents appertaining to the Areas being divorced from their headquarters, which should be kept ready for transfer as and when required.

In the case of Trieste - for transfer to Gorizia and Sesana.

In the case of Gorizia - for transfer to Sesana.

(b) earmark suitable accommodation and offices in Gorizia and Sesana for the representatives of the Taking Over Governments.

(c) In conjunction with the appropriate Chiefs of Divisions of Headquarters, Allied Military Government prepare lists of all

Public Works projects not likely to be completed by the time of

(iii) Build up a new Local Government Centre at SESANA and transfer that part of Trieste Province, being handed over to Jugoslavia, from Local Government administration at Trieste to the new Local Government Centre at SESANA.

(iii) Transfer that part of Gorizia Province, being handed over to Jugoslavia, from Local Government administration at Gorizia to the new Local Government Centre at SESANA.

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In the case of Trieste - for transfer to Gorizia and Sesana.

In the case of Gorizia - for transfer to Sesana.

(b) earmark suitable accommodation and offices in Gorizia and Sesana for the representatives of the Taking Over Governments.

(c) In conjunction with the appropriate Chiefs of Divisions of Headquarters, Allied Military Government prepare lists of all Public Works projects not likely to be completed by the time of handing over and have these lists ready for transfer as in

(a) above.

(d) Prepare lists of all inhabitants wishing to evacuate their homes prior to Ratification Day and have these lists ready for transfer as in (a) above.

(e) Provincial Commissioner, Trieste, to make the necessary plans for the conversion and organization of the Municipio in Sesana into a small sized Prefettura.

Request for approval:

7. The approval of Higher Authority is required for the achievement of the situation as set out in para 5(d) above. Also the suggested date that this situation should be put into effect.

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

26258Y
INCOMING MESSAGE
H..., Allied Commission

COPY

16

Originator's Reference: EX 74232

Message Centre No. H/9059

Date/Time of Origin JAN 102005

Date Time Recd. JAN 130900

FROM: AFHQ SIGNED SACRED CITE PHCEG
TO : AGWAR WASHINGTON FOR CCS, INFO: MINISTRY OF DEFENCE LONDON FOR BOS GHQ
CMF ALCON ROME AMG VENEZIA GIULIA C IN C MED

CONFIDENTIAL:

Reur cal 1580 not to all, this is NAF 1264. Subject is future maintenance of present AMG territory.

1. After "R" day no Allied machinery or authority will exist for the allocation of food and other disease and unrest supplies now being furnished by the CCS to Udine Province and zone A, Venezia Giulia it is therefore essential that all shipments designated for AMG territory shall arrive in time so that distribution can be completed by "R" day.
2. It is my view that after "R" day I have no responsibility for feeding or otherwise maintaining any civil territory. It is my opinion however that the territory now being maintained by CCS will suffer want unless a substantial supply of essentials remains in the various areas at the time sovereignty passes. This is particularly applicable to TFT. The free state has practically no indigenous supplies, and unless provisioning is arranged for, and actually on hand, at turnover, it will get off to a very bad start. Allied Troops will be stationed in Udine Province for a considerable period after "R" day. While I have every confidence that Italy and Urra will do their best to fill the gap it would be a bad publicity for us to leave bare larder. AMG territory has lived a hand to mouth existence from the beginning. There is now no reserve stock of food. Coal is practically exhausted and industries are closing down for lack thereof.
3. I have already called forward the Jan-March requirements by EX 73824 of 18 December. I recommend that the April-June requirements be forwarded without delay, so that the 6 months supply shall arrive by 15 March 47. This will permit distribution prior to 1 April 47 which for the purpose at hand I estimate as "R" day.
4. In view of the interest I have in Trieste while UK/US Troops are stationed there and particularly during AMG period prior to assumption of office by Governor I would like assurances that food and other essential supplies including coal to prevent disease and unrest are being provided from some source.

AC DIST

INFO ACTION - EX COMR
INFO - CHIEF COMMISSIONER
POLAD(A)
POLAD(B)
ECON DIV 3
FILE
SKELETON

Original in file 2627/EX
Copies - 2622/EX
505 7029/EX

2625

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: C 68156

Date/Time of Origin: DEC. 30 1115A

Message Centre No: H/8843

Date Time Rec'd: DEC. 30 1600

Precedence: PRIORITY

FROM: AFHQ G-5

TO: CHQ CMF RAC INFO: 88TH DIVISION AMG VENEZIA GIULIA ALCON HOME
MIL ATTACHE AM EMBASSY BELGRADE

UNCLASSIFIED.

1. Further to our C 68135 of 29 December reference visit 4 power financial mission to TFT. Desire that while commission is in GHQ area arrangements including accommodation, movement, escort and welfare be responsibility of GHQ. GHQ to call upon 88 Division, and appropriate British formations for assistance as needed.
2. Commission may make to trips to Rome and Belgrade, and may travel briefly in TFT outside Trieste. GHQ will coordinate and facilitate such trips. For RAC, while Commission is in Rome, RAC will have responsibilities as above.
3. For U.S. Mil Attache Belgrade. WCL 40236 of 28 December 46 from ACWAR refers. Presume Sacmed has no responsibility for commission while in Yugoslavia and that national Embassies will take charge.

INFO - ACTION

AC DIST

INFO ACTION
INFO

EX COMM

CHIEF COMMISSIONER

A.S.A.A.

A.F.A

ECON DIV 3

FOAD A

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

UNCLASSIFIED.

- 13
1. Further to our C 68135 of 29 December reference visit 4 power financial mission to TFT. Desire that while commission is in GHQ area arrangements including accommodation, movement, escort and welfare be responsibility of GHQ. GHQ to call upon 88 Division, and appropriate British formations for assistance as needed.
 2. Commission may make to trips to Rome and Belgrade, and may travel briefly in TFT outside Trieste. GHQ will coordinate and facilitate such trips. For RAC, while Commission is in Rome, RAC will have responsibilities as above.
 3. For U.S. Mil Attache Belgrade, WCL 40236 of 26 December 45 from AGHAR refers. Presume Sacmed has no responsibility for commission while in Yugoslavia and that national Embassies will take charge.

INFO - ACTION

INFO ACTION	AC DIST
INFO	EX COMM
	CHIEF COMMISSIONER
	A.S.A.A.
	A.F.A
	ECON DIV 3
	POLAD A
	POLAD B
	FILE
	FLCAT

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2625
DEC 30 1946

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Message Centre No: H/8827
Date Time Rec'd: DEC. 30 1030
Precedence: ROUTINE

Originator's Reference: C 68145
Date/Time of Origin: DEC. 29 1645A

FROM: AFHQ G-5.

TO: AGWAR WASHINGTON FOR CCS INFO: CABINET OFFICES FOR BCS ALCON ROME
GHQ CMP AMG VENEZIA GIULIA 88TH DIVISION

Del

UNCLASSIFIED.

This is MAT 1054. NR

1. TAM 801 acknowledged. Full assistance will be given commission in all respects. Request earliest details as to composition of party; Eto, means travel, and personalities to permit proper reception, accommodation and intra theater travel. On receipt of questions will gather data. Best available experts will be on hand to discuss technical question.

AC DET
INFO ACTION EX COMM
INFO CHIEF COMMISSIONER
FLOAT
FILE

INFO-ACTION

DEC 30 1946

0192

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

UNCLASSIFIED.

This is MAT 1B54. NR

1. TAM 801 acknowledged. Full assistance will be given commiss on in all respects. Request earliest details as to composition of Party; Eta, near travel, and personalities to permit proper reception, accommodation and intro theater travel. On receipt of questions will gather data. Best available experts will be on hand to discuss technical question.

du

AC DEST
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EX COMM
CHIEF COMMISSIONER
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UTC 30 1946

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Rf. 3/12

CJO

AMERICAN COUNCIL ON EDUCATION

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

2625
INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: C 68135

Date/Time of Origin: DEC. 29 1305A

Message Centre No: H/8828

Date Time Rec'd: DEC. 30 0930

Precedence: ROUTINE

FROM: AFHQ G5

TO: AMG VENEZIA GIULIA INFO ALCOM ROME GHQ CMF 88H DIVISION

UNCLASSIFIED.

1. A commission of 25 or 30 members representing four powers of CFM is expected to arrive in Trieste about 5 January 47 to investigate financial posting and prospects of proposed Trieste free territory. Estimate 1 month to complete work.

Commission will make recommendation not later than 20 Feb 47 on questions involved in setting up free state including separate currency and customs with particular references to initial difficulties between time peace treaty and 1947.

Commission will visit Rome and Belgrade and TFT outside Trieste.

2. All assistance will be given commission. Assure that AMG and ALCOM experts in subjects being investigated are available.

3. For ALCOM. Inform (RAC), US/UK Embassies, ASAA and AFA. Direct colonel sears report AMG Venezia Giulia immediately and then return CASERTA on or before 4 Jan 47.

4. Further details will issue when known.

AC DIST

INFO - ACTION

INFO ACTION
INFO

EX COMM
CHIEF COMMISSIONER

A.S.A.A.
A.F.A.

ECON DIV 3

POLAD (A)

FILE (B)

FLOAT

5054

Informed Col. Butterfield Inform RAC
that he will probably be
signed and should be available DEC 30 1946
CFO

2625 4/12
ALLIED FINANCIAL AGENCY

Branch of
Allied Force HQ
G-5 Section CMF

Postal Address:
APO 794 US Army

FA/O.09

23 Dec 46

SUBJECT: Post Treaty Liquidation of Alcom/AMG Functions.

TO : The Assistant Chief of Staff
G-5 Section A.F.H.Q.

1. Reference is made to your G-5:910.13-3P of 5 Dec 46.

2. The problems to be solved before this Agency may be finally deactivated were dealt with at length in our letter of the 21 Sept 46, same reference, subject "Run Down of CMF of A.F.A. Closing" to which was attached the "1st Key Plan for the Closing of A.F.A."

3. The main functions mentioned in the plan may be broadly divided into three Groups viz.,

- (1) Those which should terminate on "R" day;
(2) Those which should fade out during the 90 day period;
(3) Those remaining after 90 day period:-

Group 1

- (a) Provision of funds to Allied Armed Forces and duties attendant thereto,
(b) Preparation of statistical returns of reported disbursements by Allied Armed Forces and of AM Lire in circulation,
(c) Custodian of :
 (i) POW/SEP funds & valuables,
 (ii) Loot and Booty,
 (iii) Gold bullion,
 (iv) Confiscated Monies & Valuables.
(d) "Blocked" accounts, assegni, etc.

Group 2

- (a) Provision of funds to AC/AMG Accounting Officers
(b) Payment of "house-keeping" expenses of AC/AMG

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5058 12/27
Sent by C.C. - MC 27/12

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FA/O.09, Post Treaty Liquidation of Alcom/AMG Functions, 23/12/46

Group 3

- (a) Payment of "outstanding" bills incurred by AC/AMG
- (b) Responsibility for final disposition of new AM Lire in safe custody with the Banca d'Italia to order of A.F.A.
- (c) Auditing the accounts of A.F.A. Sub-accountants with AC/AMG (including Venezia-Giulia)
- (d) Preparation and submission of final accounts of A.F.A.
- (e) Preparation and submission of final accounts of AMG Venezia Giulia receipts and expenditure of AFA funds.

4. Our comments on these Groups are:-

Group 1

(a)&(b) The cessation of these functions is dependent upon the Pay Services returning to normal banking procedure which, it is believed is already under consideration by D.P.I.C. and Fiscal Director.

(c) Disposal instructions given by C.C.S will be implemented as soon as the American & British POW Accounts Office submit their respective claims.

(d)&(e) Will pass to Italian Government.

Group 2

(a)&(b) During the 90 day period of "clearing up", AC/AMG remains essentially an Allied responsibility. It is not yet known how funds are to be provided for necessary operations but, from whatever source these funds may come, it is considered that A.F.A. should administer the same.

Group 3

(a) Our experience is that, notwithstanding the instructions that all accounts must be cleared prior to the closing of any Section of AC/AMG, bills for goods and/or services are invariably received at a later date.

(b) It is assumed that the "unissued" new AM Lire will be handed to the Banca d'Italia. Tentative enquires to the Bank in regard to this hand-over elicited the response that it would require the notes be counted in the presence of Allied officials. There are 6639 boxes in safe custody.

-3-

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PA/O.09, Post Treaty Liquidation of Alcom/AMG Functions, 23/12/46

To open and check one box takes at least 30 minutes. So, if the Bank insists on this, the handing-over process will take several weeks.

(c)(d)&(e) TAM 69 states, inter alia, "Upon the termination of AMG in a given area, AFA will wind up the affairs of the Sub-Agency of AFA located therein and transfer the record thereof to AFA HQ, in due course"

"Later on when the Control Commission ends, all assets and liabilities of AFA will be transferred to the Italian Govt' under terms and arrangements to be agreed upon between the Allied and Italian Government. There should be no transfer of the said assets and liabilities in advance of the above-mentioned arrangements"

5. In giving effect to this it should be stated that the processing of accounts takes some time after receipt of the same by this Agency. AFA's "Statement of Receipts and Disbursements" is about two month's behind and the similar statement for AMG Venezia Giulia is about three month's behind. This cannot be avoided.

6. It is clear, therefore, that certain functions will remain after the 90 day period. These, it has been suggested should pass to the Embassies. It is very doubtful if the Embassies would be willing to assume this responsibility and, on careful consideration of all the implications written above, it is recommended that:-

(i) A.F.A. goes "In Liquidation" on "R" Day thus ceasing all activities in Group 1, and liquidating as soon as possible all those items mentioned in Group 3. The residual matters of ASAA could be absorbed, if necessary;

(ii) That A.F.A. be furnished with funds and maintain separate accounts covering items in Group 2 for Allied Account, during the 90 day period;

(iii) That an extension be requested of (say) one month after the 90 day period to wind up "AFA In Liquidation" and the Allied Accounts.

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PA/O.09, Post Treaty Liquidation of Aloom/AMG Functions, 23/12/46.

7. The present military strength of the Agency is 3 Officers 3 EMs (A) and 3 Officers 5 ORs (B). We plan for a gradual reduction in numbers up to close of the Agency and our recommendations are made subject to no releases of military personnel without our approval.

8. Chief Commissioner A.C. (C.C.A.O.-A.M.G.) concurs in the foregoing.

(Signed) L. R. BATTENSBY

L.R. BATTENSBY,
Colonel, G.L.
Director
Allied Financial Agency

Copy to: HQ. A.C.
Office of the
Executive Commissioner. ✓

LRB/mfw

5050

INCOMING MESSAGE

ADQUARTERS ALLIED COMMISS

Original's Reference: EX 73885

Date/Time of Origin: DEC 230900

Message Centre No: 5/3725

Date Time Rec'd: DEC 230900

Precedence: IMPORTANT

FROM: AFHQ SIGNED SACHED CITE RHGG

TO: ACTION AMG VENEZIA GULLIA

INFO ALCOM ROME

GHQ CMF 88 DIVISION

SECRET.

~~CONFIDENTIAL~~

ASSUME THAT AMG ON ALLIED BRITISH AND US BASIS WILL BE CONTINUED IN THAT PART OF TRIESTE FREE STATE NOW UNDER AMG WITH NO CONTROL OVER TERRITORY NOW IN ZONE B WHICH IS X SLATED TO BECOME PART OF TPS. DESIRE YOUR ESTIMATE OF ALLIED (US AND BRITISH) OFFICERS AND OR/EM REQUIRED TO ADMINISTER. GIVE GENERAL BREAKDOWN BY DUTIES AND THE ASSUMPTIONS ON WHICH ESTIMATES BASED. SUBMIT COPY LETTER TO GHQ CMF ESTIMATE WILL ONLY BE USED FOR PURPOSE DETERMINING ALLOCATION TROOP SPACES FOR AMG REQUIREMENTS.

AU DISF

INFO ACT: EX. COMB.

INFO: C. COMB.

EX O (A)

EX O (B)

INFO ACTION

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

INFO ALCON ROME

GHQ CMT 88 DIVISION

SECRET.

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AG DIST

INFO ACT: EX. COMN.

INFO: C. COMN.

EX O (A)

EX O (B)

FILE

SKELETON

INFO - ACTION

SECRET

C50

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

0200

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

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H.R.E./pa.

13697/PA

Post Treaty Liquidation of ALXN/NEO
Functions,
The Assistant Chief of Staff, G-5
A.F.H.C.

24 December 1946

We wish to notify you of the following amendments to our report
of 9 December 1946. These amendments are made at the request of the
Chief Commissioner, Allied Commission.

Page 2. For.

"In general it can be stated that it will not be possible
to close down this Agency" etc.

Read

"In general it can be stated that it will not be possible
to terminate the functions of this Agency, etc."

Final Para For.

"That this Agency will supply to these Embassies such staff
in a military or civilian capacity, as will be competent
to deal with all outstanding matters.

Read

"That this Agency will assist in finding such staff etc".

H. R. Edward

H. R. EDWARD
Major R.A.S.C.
Chief Accountant.

Copies to:- Executive Commissioner Allied Commission.
Economic Adviser, British Embassy.
Economic Adviser, American Embassy.
Financial Adviser A.C.

HS 17/12
C50
See Mr EIC.

5048

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

4

File

Ref. : 2625/A/30

17 December 1946

SUBJECT: Post Treaty Liquidation
ASA/AS Functions.

TO : AFHQ,
Attention: C-5 Section.

1. I refer to your unofficial request that I should give consideration to the liquidation plans of ASA, Venezuela Giulia, ASIA and APA.

2. I have studied the plan submitted by ASAA under their 13697PA of 13th December 1946 and am in general agreement with the recommendations contained therein.

As regards the recommendations made, it appears to me that if the functions of ASAA are not to lapse it will be necessary for the British and American Delegation to receive from their respective Governments, instructions that they must assume, prior to the end of the 90 day period, responsibility for the residual functions of ASAA.

ELLERY WINTONE
HARRY W. WINTONE
Rear Admiral, USCG
Chief Commissioner.

Copies to:

~~Point A~~
~~B~~ } Not sent.
ASAA
APA

5047

2628
ALLIED SUPPLY ACCOUNTING AGENCY
APO 794

DEC 13 1946

3

Ref : 13657 PA
H.R.2./11
13 December 1946.

To : The Assistant Chief of Staff,
G-2, A.P.H.Q.

Subject : Post Treaty Liquidation of Alcom/AMC.
Functions.

In accordance with the directive contained in your letter of 5 Dec, 1946, 940.13 - 3 P, we submitted a list of commitments of this Agency to the British and American Embassies and we enclose a copy of the Chief Accountant's draft letter of commitments and recommendations.

The Economic Adviser at the American Embassy was interviewed by Major Jobe, Deputy Chief Accountant and the Economic Adviser at the British Embassy was interviewed by the Chief Accountant. The result of the interview was as follows :-

American.

The American Embassy state that they have no trained personnel to carry out an accounting mission of the nature involved. They state that the function would appear to be one of War Department and no funds exist to pay civilian employees, office rental etc. They also state that arrangements should be made to retain in Rome a sufficient number of military personnel to complete the mission of the unit.

British.

The Economic Adviser stated that as it was quite impossible for military personnel to be attached to the Embassy the only solution to the problem would be to seek the goodwill of the Italian Government in obtaining permission to retain in Rome a small number of military personnel to complete the functions of APA and ASAA.

It would appear that the Embassies are not willing to have the unit attached to them and it is obvious that some other solution must be found. The Chief Accountant based his recommendations on the belief that all personnel in uniform would be out of the theatre by

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It would appear that the Embassies are not willing to have the unit attached to them and it is obvious that some other solution must be found. The Chief Accountant based his recommendations on the belief that all personnel in uniform would be out of the theatre by R plus 90 days and did not take into account the possibilities mentioned by both Embassies - that the unit should remain to carry out its functions. At this stage and in view of the difficulties arising from the military angle it would be as well to remember that on the British Establishment all posts may be held by civilians.

Edmund

H. R. Edward,
Major, R.A.S.C.
Chief Accountant.

Copies: Executive Commissioner AC.
: Finance Adviser. AC

See 44

CSU

ALLIED SUPPLY ACCOUNTING AGENCY
APO 794

Your reference: 940.43- 3 P.

To : The Assistant Chief of Staff,
G-5, A.F.H.Q.

Subject : Post Treaty Liquidation of Alecom/AMC
Functions.

H.R.E./11

9 December 1946.

This Agency has the following commitments to meet before it can be closed down :-

Belgium.

Final quantitative accounts including deliveries to the Government of Greece, Jugoslavia and Albania, handover of the balance of stocks in these countries and H.E. stockpile to UNRRA, and the preparation of lend lease analysis, are in the hands of CCAO/E and cost data is now awaited from them.

E.E.A. / 100.000.000 Program.

Program completed and final reconciliation will be completed this week, documents will then be prepared for handing over to American Embassy and subject to Washington accepting the figures submitted by ASAA this program will close on 31 Jan. 1947.

Venezia Giulia and Udine Accounting and Billing.

The preparation of consolidated quantitative supply accounts for these two areas is a continuing function, and as cut off date is not yet known it is impossible to forecast when the final accounts can be produced. It is thought extremely unlikely that final accounts can be produced within the three months of "H" day.

Italian Armed Forces Accounting and Billing.

ASAA is responsible for recording all information relative to all issues made to the Italian Army.

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

This Agency has the following commitments to meet before it can be closed down :-

Balkans.

Final quantitative accounts including deliveries to the Government of Greece, Jugoslavia and Albania, handover of the balance of stocks in those countries and M.E. stockpiles to UNRRA, and the preparation of lend lease analysis, are in the hands of CCAC/B and cost data is now awaited from them.

P.E.A. / 100,000,000 Program.

Program completed and final reconciliation will be completed this week, documents will then be prepared for handing over to American Embassy and subject to Washington accepting the figures submitted by ASAA this program will close on 31 Jan. 1947.

Venezia Giulia and Udine Accounting and Billing.

The preparation of consolidated quantitative supply accounts for these two areas is a continuing function, and as cut off date is not yet known it is impossible to forecast when the final accounts can be produced. It is thought extremely unlikely that final accounts can be produced within the three months of "R" day.

Italian Armed Forces Accounting and Billing.

ASAA is responsible for recording all information relative to all issues made to the Italian Armed Forces with a view to ascertaining the amount of indebtedness of the Italian Government to the Governments of U.S. and U.K. Accounts in this respect are maintained both quantitatively and by values (where known). However as this function is likely to continue for some considerable time action has been initiated with a view to handing over the accounting to the Armies concerned as from 1 Jan. 1947. After this it is estimated that it will take two months to finalize the accounts to 31 Dec. 1946, provided the relative cost data is received from Washington.

Military Exports - Maintenance of Centralized Record.

ASAA is responsible for recording the quantities of military exports by U.S. and British Armies in accordance with A.P.H.Q., Administrative Memorandum No. 8 of 25 Apr, 1946. The records are up to date and no difficulty should be experienced in closing down this account promptly.

Charges Assessable to the Italian Government.

ASAA is responsible for maintaining the records of such charges in accordance with A.P.H.Q. letter AG 313/054 GEC-O of 19 Jan. 1945 and OCS cable TAN 340 of 6 Oct. 1944. This can also be closed down immediately.

Exports from Italy to Allied Countries.

C.C.S. cable TAN 640 calls for a return of exports by AC to Allied Countries through 31 July 1945. Accounts are complete in this respect but the return called for cannot be compiled until receipt of the final statements from U.K.C.G. and U.S.C.G. already promised by C.C.S.

Bill to the Italian Government for Civilian Supplies Imported into Italy from date of Occupation to 30 November 1945.

This bill is virtually complete with the exception of a few queries outstanding with London and Washington. All necessary action has been taken to finalize the account and we now await the final decisions of the British and American Governments. When the information is complete the bill will be presented within two to three weeks.

In general it can be stated that it will not be possible to close down this Agency within ninety days of "R" day, the reasons being:-

1: The final information required in the Theatre for the preparation of the final accounts will not be available until the various functions actually close.

2: The continued delay in Washington replying to our various queries has now the effect that if all the answers came to hand it would create such a "bottleneck" of work at this end that it would be some time before all subjects could be dealt with. Similarly the failure to implement fully the very reduced war establishment of this Agency has the effect of slowing down

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2: The continued delay in Washington replying to our various queries has now the effect that if all the answers came to hand it would create such a "bottleneck" of work at this end that it would be some time before all subjects could be dealt with. Similarly the failure to implement fully the very reduced war establishment of this Agency has the effect of slowing down its operations.

The Chief Accountant recommends that every effort be made to wind up the affairs of this Agency by "R plus ninety" day. That the functions remaining afterwards be transferred to the economic sections of the American and British Embassies. That this Agency will supply to these Embassies such staff, in a military or civilian capacity, as will be competent to deal with all outstanding matters.

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