

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

785017

ACC

10000/109/733
(VOL. II)

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

785017

10000/109/733
(VOL. II)

NEW DEAL FOR ITALY
JAN. - MAY 1945

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

The Chantrelle 210

719

206Executive Commissioner:

To see folio 205, the Minister of Foreign Affairs' reply to the Chief Commissioner's letter at folio 194 relative to the necessity of the Italian Government keeping the Commission informed as to any negotiations they undertake with other governments. This was also referred to in the Chief Commissioner's letter to the Chief Administrative Officer, 1942, on PAN 487 (folio 200, para 1b (1)).

2 May 45

para underlined
in blue on p 200
refer.

G. 4/5.


207

Chief Commissioner

I consider p 205 at most inadequate and offensive!
We must be kept constantly informed by official means.
You may wish to speak to de Gasperi when you next see him.

MS/L/S

CSO

208

Draft letter accordingly

MS/L/S

718

210Executive Commissioner:

The attached letter to the Prime Minister is submitted for your approval and the CC's signature in accordance with preceding minute (minute 208)

21 May 45



203.

Ex. Com.

At 166 is AFHQ's economic directive on FAN 467. A meeting to discuss this directive was held yesterday under the chairmanship of Brig. Gen. McKinley, but I have not yet seen the Minutes.

At 170 is a letter from General Robertson asking for an interim report, covering the period up to 31 March, upon the steps which have been taken to implement FAN 467.

At 200 is our reply which was largely coordinated and worked on by Major Stearns who did an excellent job, and indirectly receives commendation from the Acting President (page 202) and from the OC (Minute 201).

25 April 1945.

Mr. 2/14

C. S. C.

171

A/Ex-Comm.

1. To please see Folio 170 from C.A.O., 1754., which asks for an interim report up to the 31 Mar on PAN 457.
2. As regards CAO para 2A we can send our directive on the abolition of the Political Section.
3. As regards para 2B (1) (11) and (iii) I would ask Major Stearns to check.
4. As regards para 2D, 2F, and 2G I have asked for C.A. Sections comments. in 172
5. As regards para 2 J. (Para 3C) I have extracted the para and sent to 173. Establishment Section for Action.
6. As regards para 2 k. (Para 3D) at the bottom of page 168 this is really a nasty one, I think the answer is to be found in the last sentence of the first para of page 167 where CAO suggests that we might delegate a greater measure of responsibility to the officers in charge of AGO with Armies. I think we can say we have done that and perhaps we could refer in general terms to the 4 Corps Plan of having full provincial teams attached to it.

1 April 45.

Major.

174.Chief Commissioner:

Please see 170. Data are being assembled for the preparation of a reply. Draft will be submitted to you in time to make full reply before 10 April, the date set for para. 2.1. (Pan 487, para. 3 c).

2/4/45

N. A. R.

Exec. Comm.

Noted

715

1 April 45.

Major.

174.

Chief Commissioner:

APP 3 RECD
cc ops

Please see 170. Data are being assembled for the preparation of a reply. Draft will be submitted to you in time to make full reply before 10 April, the date set for Para. E.J. (Para 487, para. 3 c).

7

H. B. P.

1/2/45

Exec. Comm.

Noted

End

cc

715

Ref. letter at folio 200.

201.

716

A very good letter

End

cc

244 notes. 7

139 seen by Ex Com for 13/2

141

Ex Com

140 tells us what we know

FEB 26 RECD

48 has a name also

St 123/2 CC 586

Yes - but it is nice to be present!
132
7/23/12

157

Ex Com has seen up to 156

St 1/3

MAR 28 RECD
CC 761

162

So to CC

How CC get considered the
draft at 160?

St 23/3

(NOTE: SEE FOLIO 163)

CC 773

less - but it is mine to see (7/23/72

157

Examine has seen up to 156.

8/14/73

MAR 22 1973
CC 777

162

So to CC

Has CC yet considered the
draft but 160

8/23/73

(Note: See FOLIO 163)

164

CC 777
MAR 24 1973

So to CC

Special (draft approved by CC table
from 163) attached to cover Independent
Spec. in first sentence. Submitted
for signature of CC.

8/24/73

Signed & initialed - see 163.

PA 164

785017

121.

Chief Commissioner.

1. I submit draft letter (Polio 115-120) to G-5 ASHQ on the new CCS directive (Polio 86) together with "the Denmore memorandum" (Polio 110-115) addressed to the Prime Minister with a few amendments.
2. The draft directive for the withdrawal of officers from Italian Government territory is on Polio 22 of File 7002/303 attached. Regional Commissioners are aware of the policy and are taking tentative steps to initiate it. Regional Commissioner, STOLLY, asks for the retention of 12 officers as against our 6: Regional Commissioner, BARDINIA, asks for the retention of 2 officers as against our NIL: Regional Commissioner, SOUTHERN Region is in agreement with the plan.
3. I think we must stick to our original figures and not be led astray by demands to retain more officers.
4. May I have your concurrence to the issue of the letter to G-5 as soon as possible.

MRL

Brigadier,
Chief of Staff.

15. Feb. 45

Copy to: File 7002/303.

WEL

Resubmission recommended for review

J. G. K.

122.

PA/ Please read through my amendments
 (S 115-112 & if they hang together, now type)
 with letter to AFHQ. All take ready to be
 taken by C.C. to AFHQ 20/2. (signed 15/2)

15/18/2

713

with the plan.

3. I think we must stick to our original figures and not be led astray by demands to retain more officers.

4. May I have your concurrence to the issue of the letter to G-5 as soon as possible.

15. Feb. 45

Copy to: File 7002/203.

MRL

Brigadier,
Chief of Staff.

MC

Recommendation

122

for

PA/

Please read through my amendment

to 115-112 & if they hang together can type with letter to AFHQ. All 186 ready to be

taken by C.S. to AFHQ 25/2 (signed 15/2)

115 122

713

126

Ref. minutes 121 and 122 above, see folios 123-135 which is final letter to G-5, AFHQ with amendments as follows:

Folios 133-135

- Letter to G-5 setting out the action which the G-5 propose to take on F.M. 57.

Folios 129-132

- Ann 'A' - Draft directive on the withdrawal of AC officers from 1.3. territory

Folios 124-128

- Ann 'B' - Draft letter to Prime Minister.

Folio 123

- Ann 'C' - Memorandum showing some of the functions of the AC which will result in withdrawal of AC officers from 1.3. territory

for 12.

COS

To see what's going on
92 90 and 91 also refer.
Feb 3 1962

Chief Commissioner.

93.

4th February 1962.

I think we should have an Extraordinary Meeting of the Vice-Presidents to discuss the new directive and its implications. For this purpose I propose to send copies of the Directive to Heads of Sections and Independent and Service Sub-Commissions, in spite of the fact that G-5 have asked us not to circulate the document until it has been released publicly.

We must trust our Heads of Sections and we cannot carry on business in this matter, and I suggest your meeting should be held on Tuesday, February 6th, in order that you may be able to submit the views of your advisers to the Acting President on his return.

Dayrell
JW
See 826

MSL

Brigadier,
Chief of Staff.

712

C.S.O.

100

Want to get on with our draft with you
BUTLAC tells me the directive is coming down
under cover of a direction from AFHQ (This is true) Please

We must trust our Heads of Sections and we cannot carry on business in this matter, and I suggest your meeting should be held on Tuesday, February 6th, in order that you may be able to submit the views of your advisers to the Acting President on his return.

712

Chloride

7544

Brigadier.
Chief of Staff.

670

o. I want to get on with our draft with you. I am in course down

But CAC tells me the directive is clear under cover of a direction from A.E.H.Q. (Tain receive will write) Please whole question of A. President. I wish to tell them that our engine from C.S. as to situation still there that we have our in hand in our place. J.S. (#12)

1972

Ram after 5.15 - Cor
may be ready by 12/12
the end of the week

22. (see table 15)

87

cos

86 is the New Deal directive
I have not read it through carefully
as I'm sure you will wish to see it
at once. There are a number
of new points mostly on the
Economic Side. Status of POW is
also dealt with.

Σ 2/4 = 18/5 hrs.

0483

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

4004/209/EC.

25 May 1945

My dear Mr. Prime Minister:

On 18 April in my letter 4004/EC, I invited Your Excellency's attention to paragraph three of the aide-memoire left with you on 24 February by Mr. Macmillan and myself. This paragraph required that the Italian Government keep the Allied Commission informed of any negotiations in which it might engage with other governments and suggested that a periodic summary be furnished of all negotiations completed and pending with other governments.

In reply I received a letter from your Minister of Foreign Affairs (reference I/685, dated 30 April), which stated that all discussions of an economic character pass directly through the Allied Commission sub-commission concerned and Allied Commission was thus perfectly well informed. In addition it was stated that negotiations of a political character are published in the official communiqués and newspapers at the time they are completed.

This summary handling of the problem is not satisfactory. I must request that in compliance with the intent of the aide-memoire which you and your Government agreed, the Commission is to be kept continually and directly informed of all negotiations either concluded or pending and, further, that the information be passed on directly to this office. The Commission does not expect to accumulate this intelligence through perusal of the official communiqués and published newspaper announcements. This is an obligation of the Italian Government to the Commission, and I must request that it be carried out in a correct and formal manner.

Yours very truly,

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

709

His Excellency Ivanoe Bonomi
The President of the Council of Ministers
Italian Government
Rome

cc: Pol Adv (A)
Pol Adv (B)

BU, Notes
[Handwritten signatures and initials]

785017

Translation

The Minister of Foreign Affairs

Paris

Paris, 30 April 1945

Dear Admiral,

MAY 1 RECD

In your note n. 4001/45 of April 18th, you asked me for the President of the Council for a summary of all the negotiations concluded or still under way with other governments, in conformity with the declared independence of February 20th.

I will briefly sum up the situation.

All the discussions of an economic character go through the competent sub-commission of the A.C. which is therefore perfectly well informed.

In political matters, the only negotiation brought forward was that with France, about the recognition of current realizations, and the regime of the Italians in Tunisia. Official communiqués were at that time published in all the newspapers.

Conferences are being held for the resumption of relations with Yugoslavia, and conversations are taking place for the relief of interned Italians in Poland and Albania.

I want to remind you that the Allies have, as you know, four codes, and are therefore perfectly well informed about all the above mentioned initiatives.

I remain, my dear Admiral,

Sincerely yours,

W. D. D'Amico

General Henry G. Stone
Chief of the Allied Commission
E. G. H. C.

c.c.

See Minutes 206 207

EC 11-17 - 1 MAY 1945

Action: Ex Comm

INFO: Chief Clerk

Pol. Adv (A)

Pol. Adv (B)

Ministero degli Affari Esteri

Roma,

21 Aprile 1945

Caro Ammiraglio,

Con sua nota n. 4001/EC del 18 aprile Ella ha chiesto a S.E. il Presidente del Consiglio un sommario di tutti i negoziati conclusi o in pendenza con gli altri Governi, in conformità al promemoria Mac Millan del 24 febbraio.

Riassumo brevemente la situazione.

Tutte le discussioni di carattere economico passano attraverso la Sottocommissione competente dell'A.C., la quale è per conseguenza perfettamente informata al riguardo.

In materia politica il solo negoziato condotto a termine è quello con la Francia, relativo alla ripresa dei rapporti diretti e al regime degli italiani in Tunisia. Comunicati ufficiali in proposito sono stati, a suo tempo, pubblicati da tutta la stampa.

Sondaggi sono in corso per la ripresa delle relazioni con la Jugoslavia e conversazioni per l'assistenza degli internati italiani in Polonia e in Albania.

Le ricordo, ad ogni buon fine, che gli Alleati possiedono, con Ella sa, i nostri cifrari e che sono in possesso

Caro Ammiraglio,

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Rispondo brevemente la situazione.

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Sondaggi sono in corso per la ripresa delle relazioni con la Jugoslavia e conversazioni per l'assistenza degli internati italiani in Polonia e in Albania.

La ricordo, ad ogni buon fine, che gli Alleati possiedono, com'Ella sa, i nostri cifrari e che sono in conseguenza perfettamente al corrente di tutte le iniziative predette.

Mi creda, caro Ammiraglio, cordialmente

Hammy

All'Ammiraglio Ellery W. Stone
Capo della Commissione Alleata

R O M A

H. QUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

A.P.O. 394

202

Ref. 4001/202/EC

19 April 45

To: A/President

From: Chief Commissioner

Report on the carrying out of the
new Italian Directive

In reference to your note of the 16th on this subject,
you will be interested to know that the completed report, as
called for by General Robertson in his letter on FAX 487, has
been sent forward this date.

[Signature]
E. V. S.

Thank you. A very good document 705

HAR

203

20/4

[Signature]
JAC

26.10

~~SECRET~~

200
175

4002/43

18 April 1945

SUBJECT: PAR 457

TO : Chief Administrative Officer, AFSC

Reference your letter dated 29 March 1945, subject as above.

1. As requested in paragraph 2 thereof, the following confirmations and answers are submitted:

a. Para 2 a. The United States and British Ambassadors have nominated their representatives to the Commission. Ambassador Kirk has designated Mr. W. C. Cowling and Mr. Robert Morrison to act during his absence as political advisers to the Chief Commissioner. In their letter 57.122/45 of 5 March 1945 the British Embassy have nominated Mr. W. L. d'A. Hopkinson and Mr. J. E. Hallford as political advisers to the Chief Commissioner in the absence of the Ambassador.

File 100/10

b. Para 2 b.

(1) (11) While the Italian Government has given oral assurance that they will keep the Commission advised of any negotiations in which they may engage with other governments, I am not wholly satisfied that the Commission is being fully informed. Accordingly, we are now taking steps to correct this situation with the Prime Minister.

See
John 100/10

(2) (12) The Italian Government has officially appointed as its Ambassador to France Signor Giuseppe Bernini, who is expected to arrive at his new post not later than 20 April 1945. My political advisers inform me that according to information received at the American and British Embassies, the Italian Government have so far made no official approach to either the Yugoslav or Greek Governments with a view to restoring direct relations. Similarly, neither the Yugoslav nor the Greek Governments have made any approach to the Italian Government to the same end.

See
John 100/10

703

c. Para 2 c.

(1) The only effective alteration in document "A" is the deletion of the previous Article 7 which required

~~SECRET~~

AT 101 AD, 4001/00
Sub: PAN 487
For: AFMC

~~SECRET~~

consent of SACRED to the removal of Italian officials hitherto appointed by AMG. The deletion of this clause does not, in the opinion of Allied Commission, involve the necessity for any other alteration to the terms of the document.

- (2) The wording of Article 14 of Document "A" has been simplified because all those provisions requiring repetition on the occasion of each successive restoration have now been made applicable by specific decrees to all future restorations, and therefore it is the opinion of the Allied Commission that the Italian Government need only be required on this occasion to issue the form of decree defining the territory plus the President of Council's proclamation. This is in accordance with the policy of simplification as originally planned.
- (3) Document "B" is substantially unaltered.
- (4) Document "C" is substantially unaltered.
- (5) Paragraph 3 of the Proclamation recognizes as legal, valid and binding all appointments to and removals from offices effected by the Allied Military Government; this clause is obviously necessary to protect officials who have acted under AMG authority, and in the case of appointments made by AMG and expressed by them to be temporary, does not oblige the Italian Government to continue the office-holders in office. In any case, this clause is not affected by the proposed change in the terms of restoration since the recognition of the legal, valid and binding nature of the appointments could not be varied by any subsequent consent of SACRED to the removal of the officials concerned.
- (6) No document is required for the purpose of preserving the right of veto of military appointments since this right, which springs from an agreement between Lt. Gen. Mason MacFarlane and Marshal Badoglio dated 13 March 1944, is preserved by the Aide Memoire of 24 February 1945 for the appointments concerned.

4. PAN 487

- (1) Negotiations are already taking place between the Italian Government, the British Council, and the C.M.I., with regard to the matters mentioned in para 27 of PAN 487.

~~SECRET~~

0470

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

Ltr BE AD, AGO/AD.
Sub: PAS 487
To: AFM

~~SECRET~~

198

CONFIDENTIAL

(2) As far as this Commission is concerned, the Minister of Public Instruction is most anxious for an interchange of knowledge and learning and he has set up the following Committees to formulate plans to put before the Allied Commissions:

(a) Two Committees to consider the interchange of professors and students between Italy and the United Nations. These Committees have been asked to report on the facilities that can be made available to foreign students and professors in Italian universities and also on the facilities which they would like to receive from the United Nations.

The Minister has asked that the United Nations might also begin formulating plans.

(b) A third Committee is formulating a plan to facilitate the exchange of books and periodicals between the United Nations and Italy. In the first place this Committee will confine its attention to scholarly publications published during the war years, when the interchange was interrupted.

This Committee will also prepare lists of former foreign subscribers to Italian periodicals with a view to asking these subscribers to resume their subscriptions; the Committee will also furnish a list of Italian bodies which formerly subscribed to United Nations publications, with a view to resuming their subscription.

(3) In the field of medical science discussions are only at a preliminary stage and the Italian Government is considering the formulation of proposals for an interchange of scientific journals and also of medical representatives. The Italian Government have already requested the presence of Dr. Hackett of the Rockefeller Foundation this summer to make a survey of Italian Public Health administrative methods and to make a recommendation for improvement.

(4) Italian Scout Organizations are already in contact with the International, British and American Scout Organizations and Lady Baden Powell has expressed the desire to visit Italy this summer with a view to reviving the Italian Girl Guide movement.

~~SECRET~~

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Ltr HQ AG, 4007/30
 Sub: PAR 437
 To: AGHQ

~~SECRET~~

197

- (5) A number of educational books of the United Nations are already being translated and printed in Italian.

e. Para 2 g.

(1) Italian Government Territory:

- (a) A Decree-Law of 28 September 1944 and a Ministerial Decree of 18 October 1944 have been made by the Italian Government and provide for the compilation of electoral lists or registers of voters. The preparation of the registers is proceeding. The Government state that the earliest date on which the registers can be completed is about 15 May 1945.
- (b) The Italian Government are preparing a Decree as to the conduct of local elections. They intend to revive the pre-Fascist law. It appears that the electoral procedure proposed to be re-introduced is in several respects not adapted to ensure freedom and security of voting. It has been decided to tender advice to the Italian Government as to the improvements that might be made.

(2) Military Government Territory:

- (a) Comment has been given to the taking in Military Government Territory of the measures preliminary to the compilation of electoral lists. Firstly, the instructions have been given for the revision of the "anagrafe" or population registers. Secondly, the forms, regulations and other matter for use in compiling the lists have been distributed to Provincial Capitals. Allied Commission having provided the transport.
- (b) At the suggestion of the Allied Commission, the Italian Government have agreed to amend the decrees referred to in para. (1)(a) above so as to permit the preparation of electoral lists to be commenced on dates to be fixed by AG.

698

- f. Para 2 h. The Commission is prepared to segregate officers of Headquarters, Allied Commission, dealing with AG functions from those dealing only with AC functions, insofar as it may be practicable. There are obvious

~~SECRET~~

Ltr HQ AG, 10X1/50
 SMC: YAN AS7
 IS: 10X1

~~SECRET~~

CONFIDENTIAL

196

difficulties in this separation, particularly with respect to duplication of personnel which would be necessary if the headquarters is separated. The Commission is not so short of personnel that in the interest of conservation of manpower, it is essential that this duplication be avoided. This is particularly necessary in the more important subcommissions of the Economic Section which, as YAN AS7 so rightly points out, are concerned with supply programs in which Italy must be treated as a whole.

The particular subcommissions which you mentioned in the above-cited paragraph as forming a part of AG Headquarters, as being almost solely concerned with AG territory, do nevertheless have certain important functions with respect to the Italian Government which they could not perform if not located at the Headquarters of the Commission. For example:

LOCAL GOVERNMENT SUBCOMMISSION. The primary function of this Subcommission is to provide Prefects and other officials for provinces in AG territory. This necessitates almost daily consultation with the personnel officials of the Ministry of the Interior, and it is quite impracticable for the Headquarters of the Subcommission to be located other than in Rome.

Discussions are at present going on with the Government as to the organization of elections and the most up-to-date methods of ensuring an independent, free and secret vote.

LABOR SUBCOMMISSION. Labor Subcommission is concerned with labor needs of armed Forces and to that extent is largely decentralized to the Regional Labor Officers in AG territory. The HQ staff dealing exclusively with such questions is at the minimum.

The Subcommission also deals with labor relationships, organization, wage charges and industrial unrest. On these questions it has a general interest covering the whole of Italy and it is essential that there should be unity as far

~~SECRET~~

Ltr HQ AC, 4001/33
Sub: FAR 437
To: AFHQ

~~SECRET~~

CONFIDENTIAL

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as possible. Here again the task action is decentralized to Regional Labor Officers in AMG territory but the direction is centralized at HQ AC. The approach to these questions in Italian Government territory necessarily differs from the approach in AMG territory but the policy is the same.

MONUMENTS, FINE ARTS, AND EDUCATION SUBCOMMISSIONS
Representation of the Monuments, Fine Arts, and the Education Subcommission at HQ AC will be reduced to the absolute minimum necessary to handle Italian Government consultation with on problems of restoration financing, textbook issuance, and the arranging for appointment of educational officials in AMG territory.

Nevertheless, as soon as operations permit, the Commission will establish an advance Headquarters in Military Government territory where all matters affecting military government will be dealt with, excepting those that require consultation with the Italian Government or with the Commission itself.

HARRY W. STONE
Rear Admiral, USN
Chief Coordinator

3 Incls:
Documents "A", "B", "C"

Copies to: G-5, AFHQ (with incls)
CC
CAS
Economic Sec
Establishment Sec (with incls) + copy of memo dated 12 Apr 45
A/President.
Pol Adv (A)
Pol Adv (B)

695

170

~~SECRET~~

Ref: 1001/10.

18 April 1943.

My dear Mr. Prime Minister:

You will remember that in the Aide-Memoire left with you on 24 February by Mr. Macmillan and myself paragraph 3 required of the Italian Government that it keep the Allied Commission informed of any negotiations in which it might engage with other governments, and it was suggested that a periodic summary should be furnished of all negotiations completed and pending with other governments.

While it is understood that your Government accepted this proposal, this Commission has in fact never been informed of any such negotiations, nor has it received the suggested summary.

I therefore would ask you, my dear Prime Minister, to give this matter your attention so that I may be kept promptly informed of negotiations in line with paragraph 3 of the above-mentioned Aide-Memoire, and to give your confirmation of your acceptance of this procedure.

Yours very truly,

/s/ Emory W. Stone

EMORY W. STONE
Rear Admiral, USNR
Chief Commissioner

His Excellency Ivanoe Bonomi
The President of the Council of Ministers
Italian Government
Rome

Copy to: Political adviser (A)
(B)

694

B/ 10 1/2
L. 10 1/2

203

HEADQUARTERS ALLIED COMMISSION

APC 394

Office of the Executive Commissioner

193

14 April 1945

Chief Commissioner:

You no doubt have verbal assurance from the Prime Minister that the Italian Government will adhere to the policy of keeping you fully informed as to negotiations with other governments.

May we so inform AFHQ?

7

N. E. F.

See (194)

693

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

14 April 45

TO: Executive Commissioner

Extract from AFHQ Chief Administrative Officer letter,
subject "FAN 487", dated 29 March 45:

Paragraph 2b: "Para 2 B."

- (11) Please confirm that the Italian Government has assented to your request to keep you advised of any negotiation in which they may engage with other Governments, and that you are satisfied with the Italian Government's intentions in this matter."

In regard to the paragraph as extracted above there is no written record in this Headquarters either in the CC's files or those of the Executive Commissioner wherein the Italian Govt has agreed to keep the Commission fully informed as to any negotiations in which they may engage with other governments. So far as can be ascertained no direct request has ever been made to the Italian Govt that they confirm in writing this policy as originally outlined in para 3 of the Acting President's aide-memoire for communication to the Italian Govt on the functions of the AC dated 24 Feb. Accordingly, in order that the above extracted paragraph may be properly answered it is suggested that either (a) a letter be drafted for the CC's signature to the Prime Minister requesting agreement to this practice or (b) that the CC indicate that he is satisfied that the Italian Govt is adhering to the above policy.

See 193-194
692
P. W. Starns
Chief Staff Officer
To Acting Executive Commissioner *May*

(Note by Mr Braine given
to Maj Rively on 17th Apr.)

FAN #87.

Labour Sub Commission.

L.S.C. is concerned with labour needs of Armed Forces
~~in that~~ and to that extent is largely decentralised to the
Regional Labour Offices in Amto territory.
The H.Q. staff dealing exclusively with such questions
is at the minimum.

The Sub Commission also deals with labour
relationships, organisation, wage changes &
industrial unrest. On these questions it has a
general interest covering the whole of Italy and it is
essential that there should be uniformity so far
as possible. Here again the Amto scheme is
decentralised to Regional Labour Offices in
Amto territory but the direction is controlled
at H.Q. H.Q. The approach to these questions
in Italian Government territory necessarily differs
from the approach in Amto territory but the
policy is the same.

691

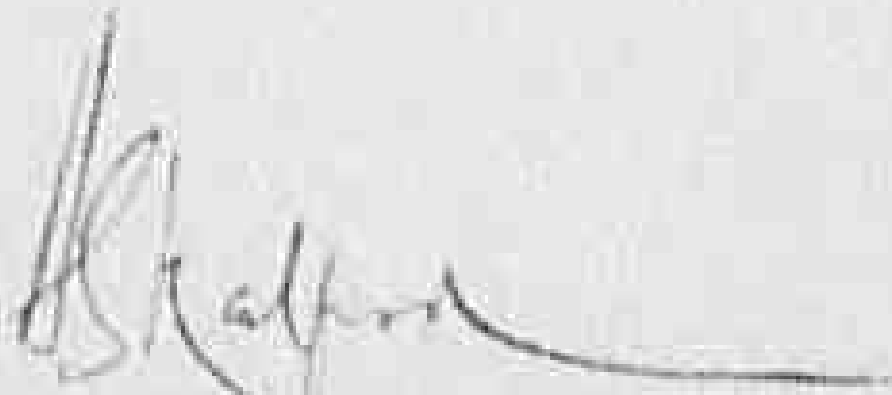
The Allied presence is small (Chief & Officer)
The civilisation of H.Q. L.S.C. is almost complete
(only one military Officer) and the separation of
a further number of staff from H.Q. cannot be envisaged.

Major Stearns,
Office of the Executive Commissioner.

Reference paragraph 2b (iii) of AFHQ letter to the Chief
Commissioner dated March 29th. *attached*

Although various prominent Italians have from time to time
expressed the view that Italy wished to resume ~~free~~ relations
with Yugoslavia and Greece, the Italian Government have so far
made no official approach to either the Yugoslav or the Greek
Government with the view of resuming direct relations. Similarly
neither the Yugoslav nor the Greek Government have made any approach
to the Italian Government to the same end.

16.4.45

friendly

Asst. Political Adviser (SR)

Copy to American Political Adviser

690

Col. Fiske.

EWS

HEADQUARTERS ALLIED COMMISSION

Office of the President

APO 394 *1001*

CC 1212
APR 16 REC'D

189

To: Chief Commissioner.

From: Mr. Macmillan.

APR 16 Rec'd

Report on the carrying out of the
new Italian Directive.

General Spofford tells me that he is waiting for some information from A.C. in order to complete the draft report. I am anxious that we should get something to the C.C.S. in order to forestall any complaint from there. We have a good case as to the candour and success with which we have carried out the new directive.

15th April, 1945.

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~~SECRET~~

HEADQUARTERS ALLIED COMMISSION
AFC 394
CIVIL AFFAIRS SECTION

W/32A/CA

16 April, 1945

APR 16 1945

SUBJECT: PAN. 487

TO: Executive Commissioner

1. Reference your 4001/172/EC dated 1 April 1945.

2. The following comments are submitted on paras. 2D, 2F, 2G and 3D of PAN. 487:

3. Para. 2D:

a) The only effective alteration in Document "A" is the deletion of the previous Article 7 which required consent of SACRED to the removal of Italian officials. The deletion of this clause does not, in the opinion of Allied Commission, involve the necessity for any other alteration to the terms of the document.

b) The wording of Article 14 of Document "A" has been simplified because all those provisions requiring repetition on the occasion of each successive restoration have now been made applicable by specific decrees to all future restorations, and therefore it is the opinion of the Allied Commission that the Italian Government need only be required on this occasion to issue the form of decree defining the territory plus the President of Council's proclamation. This is in accordance with the policy of simplification as originally planned.

c) Document "B" is substantially unaltered.

d) Document "C" is substantially unaltered.

e) Paragraph 3 of the Proclamation recognises as legal, valid and binding all appointments to and removals from offices effected by the Allied Military Government; this clause is obviously necessary to protect officials who have acted under AMG authority, and in the case of appointments made by AMG and expressed by them to be temporary, does not bind the Italian Government to continue the office-holders in

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b) The wording of Article 14 of Document "A" has been simplified because all those provisions requiring repetition on the occasion of each successive restoration have now been made applicable by specific decrees to all future restorations, and therefore it is the opinion of the Allied Commission that the Italian Government need only be required on this occasion to issue the form of decrees defining the territory plus the President of Council's proclamation. This is in accordance with the policy of simplification as originally planned.

c) Document "B" is substantially unaltered.

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e) Paragraph 3 of the Proclamation recognises as legal, valid and binding all appointments to and removals from offices effected by the Allied Military Government; this clause is obviously necessary to protect officials who have acted under AMG authority, and in the case of appointments made by AMG and expressed by them to be temporary, does not bind the Italian Government to continue the office-holders in office. In any case, this clause is not affected by the proposed change in the terms of restoration since the recognition of the legal, valid and binding nature of the appointments could not be varied by any subsequent consent of SACRED to the removal of the officials concerned.

f) No document is required for the purpose of preserving the right of veto of military appointments since this right, which springs from an agreement between Lt.Gen. Mason MacFarlane and Marshal Badoglio dated 13 March 1944, is preserved by the Aide Memoire of 24 Feb 45 for the appointments concerned.

/ Para. 2F

2.

Para. 23 :

- a) Negotiations are already taking place between the Italian Government, The British Council, and the O.W.I., with regard to the matters mentioned in para. 22 of FAN 487.
- b) So far as this Commission is concerned, the Ministry of Public Instruction is most anxious for an interchange of knowledge and learning and he has set up the following Committees to formulate plans to put before the Allied Commission :

- i) Two Committees to consider the interchange of professors and students between Italy and the United Nations. These Committees have been asked to report on the facilities that can be made available to foreign students and professors in Italian universities and also on the facilities which they would like to receive from the United Nations.

The Minister has asked that the United Nations might also begin formulating plans.

- ii) A third Committee is formulating a plan to facilitate the exchange of books and periodicals between the United Nations and Italy. In the first place this Committee will confine its attention to scholarly publications published during the war years, when the interchange was interrupted.

This Committee will also prepare lists of former foreign subscribers to Italian periodicals with a view to asking these subscribers to resume their subscriptions; the Committee will also furnish a list of Italian bodies which formerly subscribed to United Nations publications, with a view to resuming their subscription.

- c) In the field of medical science discussions are only at a preliminary stage and the Italian Government is considering the formulation of proposals for an interchange of scientific journals and also of medical representatives. The Italian Government have already requested the presence of Dr. Hackett of the Rockefeller Foundation this summer to make a survey of Italian Public Health administrative methods and to make a recommendation for improvement.

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- 11) A third Committee is formulating a plan to facilitate the exchange of books and periodicals between the United Nations and Italy. In the first place this Committee will confine its attention to scholarly publications published during the war years, when the interchange was interrupted.

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- d) Italian Scout Organisations are already in contact with the International, British and American Scout Organisations and Lady Baden Powell has expressed the desire, much appreciated by this Commission, to visit Italy this summer with a view to reviving the Italian Girl Guide movement.

- e) A number of educational books of the United Nations are already being translated and printed in Italian.

/ Para. 2 C

3.

Para. 2 G :

a) Italian Government Territory:

i) A Decree-Law of 28 September 1944, and a Ministerial Decree of 18 October 1944 have been made by the Italian Government and provide for the compilation of electoral lists or registers of voters. The preparation of the registers is proceeding. The Government state that the earliest date on which the registers can be completed is about 15 May 1945.

ii) The Italian Government are preparing a decree as to the conduct of local elections: they intend to revive the pre-Fascist law. It appears that the electoral procedure proposed to be re-introduced is in several respects not adapted to ensure freedom and secrecy of voting. It has been decided to tender advice to the Italian Government as to the improvements that might be made.

b) Military Government Territory:

i) Consent has been given to the taking in Military Government Territory of two measures preliminary to the compilation of electoral lists. Firstly, instructions have been given for the revision of the "anagrafe" or population registers. Secondly, the forms, regulations and other matter for use in compiling the lists have been distributed to Provincial Capitals, Allied Commission having provided the transport.

ii) At the suggestion of the Allied Commission, the Italian Government have agreed to amend the decrees referred to in para. a (i) above so as to permit the preparation of electoral lists to be commenced on dates to be fixed by AMG.

Para. 3 D :

a) This Section remains of opinion that it is not feasible to segregate officers of AC. HQ dealing with AMG functions.

b) In the case of Local Government, Monuments & Fine Arts, and Education Sub-Commissions, all of which deal primarily with AMG territory and only when requested to do so advise the Italian Government, it might be thought that such segregation would be possible, but, in fact, this is not so, as the following illustration will show :

i) LOCAL GOVERNMENT SUB-COMMISSION. The primary function of this Sub-Commission is to provide Prefects and other officials for Provinces in AMG territory.

5.

6.

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11) At the suggestion of the Allied Commission, the Italian Government have agreed to amend the decrees referred to in para. a (i) above so as to permit the preparation of electoral lists to be commenced on dates to be fixed by AMG.

6. Para. 3 D :

a) This Section remains of opinion that it is not feasible to segregate officers of AC HQ dealing with AMG functions.

b) In the case of Local Government, Monuments & Fine Arts, and Education Sub-Commissions, all of which deal primarily with AMG territory and only when requested to do so advise the Italian Government, it might be thought that such segregation would be possible, but, in fact, this is not so, as the following illustration will show :

1) LOCAL GOVERNMENT SUB-COMMISSION. The primary function of this Sub-Commission is to provide Prefects and other officials for Provinces in AMG territory. This necessitates almost daily consultation with the personnel officials of the Ministry of the Interior, and it is quite impracticable for the Headquarters of the Sub-Commission to be located otherwise than in ROME.

Furthermore, elaborate discussions are at present going on between the Sub-Commission and the Government as to the organization of elections and the Sub-Commission is advising the Government on the most up-to-date methods of ensuring an independent, free and secret vote.

/ a (14)

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4.

11) MONUMENTS & FINE ARTS SUB-COMMISSION. The actual work of restoration is now carried on exclusively in AMG territory, but here again it is essential that the Headquarters of the Sub-Commission should remain in ROME, for they frequently have to consult the Government on problems affecting work in AMG territory. Such problems include the provision of finance for restoration work, the provision of new superintendents in AMG territory and the regulation of priority for repair work.

111) EDUCATION SUB-COMMISSION. Here again, frequent consultation is necessary with the Government over the policy in issuing text books, arranging for a supply of educational officials in AMG territory and so forth.

c) Thus, although on the face of it these three Sub-Commissions deal primarily with AMG territory, their segregation into Headquarters in such territory, e.g. in FLORENCE, would entail a vast amount of travelling to and from ROME, without securing any corresponding advantages.

d) With regard to the remaining Sub-Commissions of this Section, for the same reasons stated above, close contact with the Italian Government is essential and no advantage is to be gained by moving these Sub-Commissions from Allied Commission Headquarters.

e) It must also be stressed that it would be impracticable to divide the Headquarters of any of these Sub-Commissions into two, e.g. a part at Allied Commission Headquarters and a part in AMG territory; such an arrangement would involve enormous duplication and inconvenience and would have no corresponding advantages.

G. P. Upjohn
G. P. UPJOHN, BRIG.
VP CA SECTION.

DOCUMENT "A"

TERMS OF RESTORATION OF
ADDITIONAL ITALIAN TERRITORY.

WHEREAS, successively on the 11th February 1944, on the 20th July 1944, on the 15th August 1944 and on the 16th October 1944, certain territory in Italy previously occupied by the Allied Forces has been restored to the jurisdiction of the Italian Government, and

WHEREAS, since said last mentioned date additional territory in Italy has been liberated from German domination, and

WHEREAS, the Italian Government has requested that certain additional areas now occupied by the Allied Forces be restored to the jurisdiction of the Italian Government, and

WHEREAS, it is the desire of the United Nations to comply with this request in so far as may be compatible with the successful prosecution of the war, and

WHEREAS, it is necessary for the successful prosecution of the war that certain rights, powers and immunities in all Italian territory which has been liberated from German domination be retained by the Allied Forces

NOW, THEREFORE, I, SIR HAROLD R. L. G. ALEXANDER, G.C.B., C.S.I., D.S.O., M.C., A.D.C., Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby terminate Allied Military Government in the territory described below. The Italian Government will resume the Government of that territory, subject to the terms and conditions hereinafter set forth.

Territory Restored: That portion of Italy comprising the Provinces of

Terms of Restoration: Without prejudice to any rights, powers and immunities of the United Nations under the Armistice terms heretofore granted to the Italian Government, all of which remain in full force and effect throughout all Italian territory, there are hereby reserved to the United Nations and to the Supreme Allied Commander, Mediterranean Theater and to such officers or other representatives, including the Allied Commission, as he may designate, the rights, powers and immunities described below, in any part of the said territory and in all other Italian territory which has been liberated from German domination and is now under the jurisdiction of the Italian Government. Hereinafter referred

the jurisdiction of the Italian Government, and

WHEREAS, it is the desire of the United Nations to comply with this request in so far as may be compatible with the successful prosecution of the war, and

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1. There will be made available to the Allied Forces such facilities, utilities and installations as may be required by the Supreme Allied Commander, Mediterranean Theater or his agents for such dispositions, use or operation as may be determined.
2. The right to maintain and quarter troops in such parts of the Unoccupied Territory as they may see fit.
3. The right to hold or require the Italian Government to hold in custody prisoners of war and civilian internees as may be directed by the Supreme Allied Commander, Mediterranean Theater.

/The right to declare.....

- 183
4. The right to declare any area to be a Military Zone and to exercise therein the rights of an occupying power or enforce such other controls as may be determined by the Supreme Allied Commander, Mediterranean Theater.
 5. The right to convene Allied Military Tribunals for the trial of any person violating any order or regulation issued by the Allied Military Authorities and of any person otherwise doing any act hostile to the Allied Forces or any member thereof in any part of the Unoccupied Territory, and to inflict such punishment upon such person as such Tribunals may direct.
 6. The right to conduct and carry to ultimate conclusion the trial by Allied Military Tribunals of any person charged with an offence heretofore committed and cognizable under any proclamation or order heretofore ~~committed~~ issued by or on behalf of the Allied Military Governor.
 7. The right to requisition private and public property and services.
 8. The right to reoccupy the whole or any part of the Unoccupied Territory at any time or to take such other steps or exercise such other powers in any part of such territory as may from time to time be deemed necessary for the proper prosecution of the war.
 9. The right to import and export and to control and supervise the distribution to the civilian population of such civilian supplies as the Allied Forces may determine without the payment of any impost, tax, charge or duty of any kind whatsoever either to the Italian Government or to any of its political subdivisions or agencies except as may from time to time be agreed by the Supreme Allied Commander, Mediterranean Theater.
 10. The right to engage in such operations and import and export such military or other supplies or property of any nature as may be deemed necessary for the proper prosecution of the war free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political subdivisions or agencies.
- 683

and cognizable under any proclamation or order issued before submitted issued by or on behalf of the Allied Military Governor.

7. The right to requisition private and public property and services.
8. The right to reoccupy the whole or any part of the Unoccupied Territory at any time or to take such other steps or exercise such other powers in any part of such territory as may from time to time be deemed necessary for the proper prosecution of the war.
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10. The right to engage in such operations and import and export such military or other supplies or property of any nature as may be deemed necessary for the proper prosecution of the war free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political sub-divisions or agencies.
11. Any official or other representative or, in respect of any activities for official account, any agent of the United Nations, civilian or military, may enter and remain within the Unoccupied Territory free from the imposition of any impost, tax, charge or duty of any kind whatsoever by the Italian Government or any of its political sub-divisions or agencies.
12. No member of the Allied Forces or any official or other representative or agent of the United Nations, civilian or military, shall be brought to trial in any Italian Court for any cause whatsoever either civil or criminal without the consent of the Supreme Allied Commander, Mediterranean Theater.

/ 13. All expenses.....

3.

13. All expenses and costs arising from the maintenance of Allied troops or other personnel within the Unoccupied Territory will be chargeable to the Italian Government as a part of the cost of occupation.

14. As in the case of prior restorations of territory to its jurisdiction, the Italian Government will duly and promptly issue such decrees and proclamations as require repetition in such a form and manner as to be applicable to the additional territory now being restored.

Field Marshal
Supreme Allied Commander, Mediterranean
Theater and Military Governor.

I have read the above terms and on behalf of the Italian Government agree to accept the territory to be restored on such terms. I further undertake to execute and publish a Proclamation by the Italian Government (hereto annexed as Document "C").

I also agree that the said restoration shall take place on

Witness:

Witness:

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~~SECRET~~

DOCUMENT "B"

Allied Military Government of Occupied Territory

PROCLAMATION NO. 16 (D).

WHEREAS, I assumed all powers of government and jurisdiction in the territory of Italy occupied by my troops and over its inhabitants and military government was established to exercise those powers in such territory under my direction, and

WHEREAS, in the exercise of such powers, Proclamations and Orders have been issued from time to time by me or my predecessor or under my or his authority throughout such territory, and

WHEREAS, the United Nations have consented at the request of the Italian Government to restore as much of the said occupied territory to the jurisdiction of the Italian Government as may be compatible with military exigencies;

NOW, THEREFORE, I, SIR HAROLD R.L.G. ALEXANDER, G.C.B., G.S.I., D.S.O., M.C., A.D.C., Field Marshal, Supreme Allied Commander, Mediterranean Theater and Military Governor, hereby proclaim as follows :

Allied Military Government established by me or my predecessor and all Proclamations and Orders heretofore issued by me or by him or under my or his authority in that portion of Italy comprising the Provinces of

are hereby terminated as of 0001 hours on the day of 1945. The Italian Government will thereafter administer the above territory, subject to all powers, rights and immunities of the United Nations and of the Supreme Allied Commander, Mediterranean Theater and the Allied Commission.

Field Marshal,

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WHEREAS, I assumed all powers of government and jurisdiction in the territory of Italy occupied by my troops and over its inhabitants and military government was established to exercise those powers in such territory under my direction, and

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Field Marshal,
Supreme Allied Commander, Mediterranean
Theater and Military Governor.

Dated:

SECRET

DOCUMENT "C"

Proclamation by the Italian Government to be
signed by the President of the Council

P R O C L A M A T I O N

To the Italian people:

The United Nations have acceded to the request of the Italian Government that further territory, in addition to that already restored, be restored to Italian Government administration as of today's date, in accordance with the terms and conditions necessary for the conduct of the war.

The provisions hereof concern the Provinces of

The restoration is subject to the following conditions:

1. Military Government in the territory restored as of this date having been terminated by the Allied Military Government, all powers of government and jurisdiction in the territory restored and over its inhabitants, and final administrative responsibility, subject only to the rights reserved to the United Nations, are vested in the Government of Italy.
2. All Proclamations and Orders heretofore issued by the Military Governor or under his authority by his delegates in the said territory and which have been terminated therein by the Military Governor as upon its restoration, are hereby recognized by the Italian Government as having been validly issued during the time they were operative and are declared to be of the same legal effect as if they had been issued by the Italian Government in accordance with Italian law, and they will be so recognized by all Italian courts and officials.
3. All acts done by any member of the Allied Forces in pursuance of such Proclamations or Orders, and all official action of any nature taken by the Allied Military Government in pursuance thereof including all appointments to and removals from any office, public or private, will be recognized by all Italian courts and officials as legal, valid and binding.

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2. All Proclamations and Orders heretofore issued by the Military Governor or under his authority by his delegates in the said territory and which have been terminated therein by the Military Governor as upon its restoration, are hereby recognized by the Italian Government as having been validly issued during the time they were operative and are declared to be of the same legal effect as if they had been issued by the Italian Government in accordance with Italian law, and they will be so recognized by all Italian courts and officials.

3. All acts done by any member of the Allied Forces in pursuance of such Proclamations or Orders, and all official action of any nature taken by the Allied Military Government in pursuance thereof including all appointments to and removals from any office, public or private, will be recognized by all Italian courts and officials as legal, valid and binding.

4. All sentences imposed by Allied Military Courts are hereby recognized by the Italian Government as valid and legal and of the same effect as if imposed by an Italian court and will be so recognized by all Italian courts and Italian officials unless set aside or modified by or with the consent of the Allied Commission.

President of the Council of Ministers.

B O F O M I

Page.

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2. All Proclamations and Orders heretofore issued by the Military Governor or under his authority by his delegates in the said territory and which have been terminated therein by the Military Governor as upon its restoration, are hereby recognized by the Italian Government as having been validly issued during the time they were operative and are declared to be of the same legal effect as if they had been issued by the Italian Government in accordance with Italian law, and they will be so recognized by all Italian courts and officials.

3. All acts done by any member of the Allied Forces in pursuance of such Proclamations or Orders, and all official action of any nature taken by the Allied Military Government in pursuance thereof including all appointments to and removals from any office, public or private, will be recognized by all Italian courts and officials as legal, valid and binding.

4. All sentences imposed by Allied Military Courts are hereby recognized by the Italian Government as valid and legal and of the same effect as if imposed by an Italian court and will be so recognized by all Italian courts and Italian officials unless set aside or modified by or with the consent of the Allied Commission.

Rose.

President of the Council of Ministers.

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4-0-07

SECRET

Rec'd 10th Apr. 1945

HEADQUARTERS ALLIED COMMISSION

APO 394

Establishment Section

50/77/EST

SUBJECT: Progress Report on Civilianization, Allied Commission.

TO : Executive Commissioner, Allied Commission.

1. Reference is made to your 4001/173/50, of 1 April 1945.

2. Attention is invited to signal, APHQ PX 46584, of 20 March 1945, to signal, AC, 3342, 21 March 1945, and to letter this Headquarters, 50/EST, of 26 February 1945.

3. Attached hereto, (Incl #1) is a schedule showing, as at 2 April 1945, the status of civilianization in Allied Commission -- the numbers of civilians now assigned to the Commission, a tabular scheme of the positions occupied by them, and a tabular scheme of the military personnel thus released.

4. The Commission's plan for the further infiltration of civilians is dependent upon two main factors:

(1) The commitments of the Commission with respect to military government work, in view of which civilian personnel cannot be used to best advantage.

(2) The availability of suitable civilians for the posts into which it is intended that civilians be infiltrated.

5. Certain of the details of planned progress toward civilian infiltration are contained in the terms of the APHQ signal PX 46584 of the 20th of March. At the present time, American Army officers of the Commission are being quizzed as to their willingness to accept, if qualified therefor, positions with the Commission in a civilian status. Positions capable of being filled by civilians for which personnel cannot be procured by this means, i.e., the decommissioning of American officer personnel, will be filled by subsequent recruitment of suitably qualified civilians in the United States. (See Incls 2 & 3).

6. The Commission's plan for further infiltration, in general, may be stated as that of infiltrating civilians into Allied Commission activities as rapidly as suitably qualified

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this Headquarters, 50/337, of 26 February 1945.

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3. Attached hereto, (Incl #1) is a schedule showing, as at 2 April 1945, the status of civilianization in Allied Com-mision -- the numbers of civilians now assigned to the Com-mision, a tabular scheme of the positions occupied by them, and a tabular scheme of the military personnel thus released.

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(1) The commitments of the Commission with respect to military government work, in much of which civilian person-nel cannot be used to best advantage.

(2) The availability of suitable civilians for the posts into which it is intended that civilians be infiltrated.

5. Certain of the details of planned progress toward civilian infiltration are contained in the terms of the AFHQ signal PX 46684 of the 20th of March. At the present time, American Army officers of the Commission are being quitted as to their willingness to accept, if qualified therefor, positions with the Commission in a civilian status. Positions capable of being filled by civilians for which personnel cannot be procured by this means, i.e., the decommissioning of American officer per-sonnel, will be filled by subsequent recruitment of suitably qualified civilians in the United States. (See Incls 2 & 3).

6. The Commission's plan for further infiltration, in general, may be stated as that of infiltrating civilians into Allied Commission activities as rapidly as suitably qualified personnel can be recruited. In this connection, the plan under which civilian recruitment is proceeding is set forth in the above-cited letter of 26 February. The principal pro-grams made since that date has been in the successful recruit-ment of several key executives, and in the initiation of the program of recruitment from American officer sources. The specific comments of the Economic and Civil Affairs Sections are reproduced below, for your information:

a. Economic Section:

"The Economic Section's immediate plan for fur-ther infiltration of civilians is contained in the letter ad-dressed to you by the Economic Section under date of 20 Feb-ruary 1945, Ref. E.OE/EC (the substance of which is incorpo-rated in our 50/337 of 26 February).

Ref: 50/337

"No delay is anticipated in the recruitment of the American personnel.

~~SECRET~~

- 2 -

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Ltr File 50/77/EST dtd 9 Apr 45, to Exec Comm

"With particular reference to (v) of the extract letter attached to your letter, there are no phases of civilianization, except as set forth above. With reference to (vi) of said extract of letter, there is to be no priority of recruitment except that the personnel called for in the letter of the Economic Section dated 20 February, above referred to, is to be recruited immediately. In the first instance, by decommencing and subsequently by recruitment in Washington of the unfilled balance."

b. Civil Affairs Section:

"Insofar as this Section is concerned, Education, Monuments, Fine Arts and Archives Sub-Commission, Local Government, and Public Health Sub-Commissions, are now engaged exclusively in military government and no further infiltration... can take place at present."

"No order of priority is necessary as these appointments will be filled as soon as the civilian personnel are available."

"None of our Sub-Commissions can civilianize any further at present. In fact, difficulties are being experienced in obtaining the right type of civilian for the different appointments."

7. British civilians are currently being interviewed with a view to filling the positions set forth in G-5's letter to War Office, C.10, 3-5: 230.4-15, 14 February, which details the requirements for British civilians for the Commission.

8. The priorities for the infiltration of civilians are, generally, first, those positions involving purely Allied Commission activities; second, those positions for which qualified civilian personnel is readily available.

C. M. Park
C.M. PARKIN,
Colonel, Infantry,
Actg Vice President.

3 Incls:

1 - Schedule of civilianization progress.

2 - Memorandum dtd 4 Apr 45, 2875th Regt, file 340.

"Insofar as this Section is concerned, Education, Monuments, Fine Arts and Archives Sub-Commission, Local Government, and Public Health Sub-Commissions, are now engaged exclusively in military government and no further infiltration... can take place at present.

"No order of priority is necessary as these appointments will be filled as soon as the civilian personnel are available.

"None of our Sub-Commissions can civilianize any further at present. In fact, difficulties are being experienced in obtaining the right type of civilian for the different appointments".

7. British civilians are currently being interviewed with a view to filling the positions set forth in G-5's letter to War Office, G-10, G-5: 220.4-15, 14 February, which details the requirements for British civilians for the Commission.

8. The priorities for the infiltration of civilians are, generally, first, those positions involving purely Allied Commission activities; second, those positions for which qualified civilian personnel is readily available.

C.M. Park

C.M. PARKIN,
Colonel, Infantry,
Actg Vice President.

3 Incls:

- 1 - Schedule of civilianization progress.
- 2 - Memorandum, dtd 4 Apr 45, 2675th Regt, file 340.
- 3 - Letter, dtd 4 Apr 45, 2675th Regt, file 340.

676

SECRET

785017

effects

Centaurus

Officers Replaced *20/11*
REPLACED
Direct. Gen. Dir. *20/11* St. Off.

67

	AMERICAN Spec Admin	TOTAL	BRITISH Spec Admin	TOTAL	GRAND TOTAL
President's Office			3	6	6
Ch of Staff			2	3	3
P.R.B.	2	2	1	1	3
Communists					
Civ Affairs			1	1	1
Lispl Pers			1	1	1
Local Govt			1	1	1
Economic Sec B	13	21			21
Agriculture	2	3			3
Commerce	2	3	1	1	4
Finance			1	1	1
Food			1	1	1
Industry	3	5	4	4	9
Labour	2	3	5	5	8
Sub Wks	4	5			5
Transport	7	11	1	1	12
Set Sec			2	2	2
Shipping	2	2	2	2	4
Air 27c			1	1	1
TOTAL	55	60	17	31	91

2007

~~CONFIDENTIAL~~

HEADQUARTERS
2675TH REGIMENT
ALLIED COMMISSION (OVERHEAD)
APO 394

CP
176
CMP/rs1

4 April 1945

File: 340.

MEMORANDUM:

TO : All Concerned.

It is requested that information in the inclosed letter concerning recruitment of qualified U. S. Army officers in the Allied Commission for employment with the FEA and State Department, be furnished each U. S. Army officer under your jurisdiction for his guidance. It is further requested that each officer inform you in writing as to his desires or intentions regarding this activity, and that the consolidated results be forwarded to this headquarters without delay.

C. M. Parkin

C. M. PARKIN
Colonel, Infantry
Commanding

DISTRIBUTION:

Regional Commissioners or Deputy Regional Commissioners
Directors of Sub-Commissions and Sections
SCAO AMB Fifth Army
Senior American Officer, AMB Eighth Army

1 Incl:
Copies Ltr. this Hq. file 340, dtd 4 Apr 45.

674

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

178

HEADQUARTERS
2675TH REGIMENT
ALLIED COMMISSION (OVERHEAD)
APO 394

CNP/rs1

File: 340.

4 April 1945

SUBJECT: Recruitment of U. S. Army Officers of the Allied Commission for Employment with the Foreign Economic Administration and State Department.

TO : U. S. Army Officers assigned to 2675th Regiment, Allied Commission, (Overhead).

1. There is in the process of development a procedure which will enable U.S. Army officers who have evidenced their desire to do so, and who are found to be qualified, to be relieved from active duty from the Army of the United States and immediately re-employed in this headquarters for a position with the appropriate U. S. Government civilian agency.

2. The purpose of this letter is to advise you that there will be a limited number of civilian employment opportunities open and to afford you a chance to be considered for one of them in the event your qualifications are related to one of the positions to be filled.

3. The U. S. Government employees who will fill these assignments will be recruited from either or both of the two following sources:

- a. Present Army officer (U.S.) personnel of the Allied Commission.
- b. Civilians recruited in the United States.

The former source will be given initial preference.

4. The employing agencies will be the Foreign Economic Administration and the Auxiliary Foreign Service of the State Department. The Foreign Economic Administration is a war agency created by the President to bring together in one organization all United States foreign economic functions. Included in the work of this Administration are the responsibility for administering the Lend-Lease program and the conducting of the United States economic warfare activities. Employment with the FEA in this theater will be of indefinite duration but will continue for as long after the termination of European hostilities as a need exists for independent agency representation in Italy. When the FEA Italian assignment has been completed, personnel will be eligible to be considered for other foreign assignments or work in Washington, D. C. "The State Department will employ suitably qualified officers in the Auxiliary Foreign Service of the United States. Officers accepted in this service will continue to serve in the Allied Commission in Italy as long as they are needed and will then be subject to appointment at a diplomatic or consular post where their services may be needed."

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~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

340, dtd 4 Apr 45, contd

5. All officers are eligible to apply for these positions, however, all applications from officers thirty-one years of age or under will have to be forwarded to the War Department for special consideration. All Army officers (U.S.) who are relieved from active duty for these positions will be considered as having served honorably and will be eligible for all pay and allowances accorded after honorable separation from the service, except for accumulated leave.

6. If you are interested in receiving consideration for any civilian position for which you might be found qualified, will you immediately so indicate, designating the agency in which you are primarily interested. In the event a favorable return is received from you, you will be advised as soon as possible whether any position exists for which you might be considered. At the same time you will be furnished with full particulars regarding any specific position for which you appear to be qualified. If, after receipt of this advice, you indicate your desire to be recommended for appointment to the position in question, subject to a favorable interview, your case will be promptly referred through AFHQ to Washington for consideration and action.

C. M. Parkin

C. M. PARKIN
Colonel, Infantry
Commanding

~~CONFIDENTIAL~~

1724
File 4001/EC

Extract of Minutes of Executive Committee's Meeting held on 3 April 1945

APR 4 1945

New Deal for Italy

A/Ex C stated a letter had been received from AFHQ asking for an interim report on the New Deal plan up to 31 March. Heads of Sections should submit their comments as soon as possible in order that a full reply could be prepared for AFHQ.

Office of Ex C to take up.

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

173

Ref. 4001/173/80.

1 April 1945.

SUBJECT: - SAH 487

TO: Establishment Section.

173

1. The following is an extract from General Robertson C.A.O. AFHQ's letter dated 29 March 1945 para 2 j.

Please take immediate action on this.

"Para 3.C. It is desired that a report upon the progress of the process of civilianization to date be given this Headquarters. The report should state

(i) The numbers of civilians both U.S. and British who have already taken up their assignments.

(ii) The nature of the position they are occupying, together with

(iii) A statement of the military personnel thus released.

(iv) The report should also contain the Commission's plan for further infiltration of civilians.

(v) showing the degree of civilianization expected to be achieved, by phases (e.g. after the occupation of northern Italy) and

(vi) the assignments to be filled by civilians in order of priority.

This report should reach this Headquarters by 10 April".

2. You will notice that this report is required by AFHQ by 10 April.

671

Major E. Talbot

Chief Staff Officer,
To Executive Commissioner.

La (79)

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

172

Ref. 4001/172/NO.

1 April 1945.

SUBJECT:- PAI 487

TO: V.P. C.A. Section.

170

Enclosed copy of letter from General Robertson C.A.O. AFHQ, dated 29 March 1945.

1. I am directed by the Chief Commissioner to ask you to:-

- (a) Submit your suggested amendment to the transfer of territory documents (para 2 D.)
- (b) Submit your comments on para 2 P.
- (c) Submit your comments on para 2 G.
- (d) Submit your comments on para 2 K.

Major E. Talbot

Chief Staff Officer,
To Executive Commissioner.

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See (113)

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~~CONFIDENTIAL~~

ALLIED FORCE HEADQUARTERS
Office of the Chief Administrative Officer.

29 March 1945.

APR 1 1945

SUBJECT: FAN 487

TO : Chief Commissioner
Headquarters, Allied Commission
A.P.O. 394

Reference is made to FAN 487, and to your letter under reference 4001/EC of 19 February.

1. The general intent of FAN 487, the interpretation of certain of its clauses and the program for communication of the substance of the directive to the Advisory Council for Italy, the Italian Government and to the press has been the subject of a number of conferences between representatives of this and your headquarters. No overall directive other than that contained in FAN 487 itself, except in respect of economic matters, is now contemplated. It is, however, thought appropriate that an interim report should be made to the Combined Chiefs of Staff covering the period up to 31 March, upon the steps which have been taken to implement the directive contained in FAN 487, and upon the steps which are in progress or in contemplation for the future.

2. Before doing so, it is desired to comment paragraph by paragraph upon FAN 487, and upon your letter of 19 February, in order that action already taken can be confirmed and the scope of current and future action determined.

a. Para 2 A. Please confirm that the U.S. and British Embassies have nominated their representatives to the Commission, informing this HQ at the same time of their names. It is observed that it is your intention that these representatives shall bear a relation to you similar to that which the British Resident Minister and the U.S. Political Adviser bear to the Supreme Allied Commander. You will, of course, have noted the continued responsibility of the Combined Chiefs of Staff to transmit directives for the purposes indicated in the paragraph under comment. The channel for communication with the Combined Chiefs of Staff will continue to be this Headquarters.

b. Para 2 B.

(1) Permission has now been given for the Italian Government to communicate with their representatives by means of uncensored sealed bag facilities. It is not yet possible to permit undeposited cipher facilities.

669

SEE ACTION TAKEN AT 200, 1/4/45

~~CONFIDENTIAL~~

169

(2) (ii) Please confirm that the Italian Government has assented to your request to keep you advised of any negotiation in which they may engage with other Governments, and that you are satisfied with the Italian Government's intentions in this matter.

(iii) Direct relations with the French Government have already been established to the extent that a French representative has been accredited to the Quirinal. What is the position with regard to the appointment of an Italian representative to the Quai D'Orsay? Please notify this Headquarters of any progress towards the establishment of direct relations with the Yugoslav and Greek Governments, furnishing in due course the names of the respective representatives who may be appointed.

c. Para 2 C.

(i) Your interpretation of the words "in the territory" to mean "affecting the territory" is confirmed. It is desirable that informal consultations such as you mention be continued and that this Headquarters be informed in all cases where important questions of policy are concerned.

(ii) Your interpretation of this clause as vesting in SACMED the right where necessary to exercise control in any decree affecting military needs and the requirements of the campaign is also confirmed.

(5) d. Para 2 D. Your suggested amendment to the transfer of territory documents is awaited. The retention by Service Subcommissions of the right of veto in regard to military appointments is approved. In this connection it is emphasized that incidents such as the recent substitution of Brunetti for Segno without prior consultation must not be permitted to occur again.

e. Para 2 E.

(i) You will have received this Headquarters' letter of 10 March indicating approval in principle to the plan contained in Appendix A to your letter of 19 February, subject to the reservations contained in this Headquarters' letter. It must be understood that while this Headquarters desires to implement both the letter and the spirit of FAN 487 as rapidly as possible, the process must not be so abrupt as to cause unnecessary dislocation, or disturbance to the war effort. 668

(ii) It is confirmed that AMG in Naples will continue until further notice (your para 2 E (iv)).

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~~SECRET~~ 160
⑥ f. Para 2 F. You should submit as soon as possible your suggestions for the implementation of this paragraph of FAN 487 based on the views of the Italian Government as known to you. This Headquarters should also be informed of the progress of any arrangements to date for the movement of scholars, artists and professional men between Italy and the United Nations, and of such plans as are envisaged for the future as a basis for consideration of security, movement and other questions involved.

⑦ g. Para 2 G. It is requested that information as to the measures adopted by the Italian Government for the holding of local elections and any further measures planned be furnished.

h. Para 2 H. This Headquarters has received your recommendations (based on the Italian Government proposals) upon the subject of the status of Italian POW. These recommendations are being examined, and you will be informed of the views of this Headquarters as soon as possible.

i. Para 3 A. Your interpretation of this paragraph to mean consultation between Heads of Sections and Directors of Subcommissions on the one hand, and Ministers and Under-Secretaries on the other, is acceptable.

done
Sub-Sub
⑧ j. Para 3 C. It is desired that a report upon the progress of the process of civilianization to date be given this Headquarters. The report should state the numbers of civilians both U.S. and British who have already taken up their assignments, and the nature of the position they are occupying, together with a statement of the military personnel thus released. The report should also contain the Commission's plan for the further infiltration of civilians, showing the degree of civilianization expected to be achieved, by phases (e.g. after the occupation of northern Italy) and the assignments to be filled by civilians in order of priority. This report should reach this Headquarters by 10 April.

⑨ k. Para 3 D. It is noted that you consider as "not feasible" compliance with the instruction that officers of AC HQ dealing with AME functions should be located at places other than Allied Commission Headquarters. It is felt that the Combined Chiefs of Staff will not be satisfied with this summary rejection of an instruction to which they evidently attach considerable importance.

It is the clear intention of FAN 487 that the Staff of AC HQ should in future confine itself primarily to advice and consultation with the Italian Government at high levels. It is not consonant with this intention that there should be integrated within the Staff of AC HQ a large number of officers whose functions relate exclusively to the administration of Military Government territory. There are, moreover, at present forming part of AC HQ certain Sub-Commissions, etc, such as those for Education, Arts and Monuments, Local Government and Labour which will, in future, have very little reason for existence, except so far as they are concerned with AME territory.

666

~~SECRET~~ IDENT 167

It is quite appreciated that AMG administration cannot be entirely divorced from the Allied Commission. Questions of supply must be handled centrally for occupied ITALY as a whole. The administration of the personnel engaged with AMG should be co-ordinated with that of all other personnel serving with the AC. Matters of major importance require reference to the Chief Commissioner, whether they concern AMG territory or that portion of the country which has been transferred to the Italian Government. There will be no infraction of the wishes of the Combined Chiefs of Staff through retaining control of these and kindred matters at HQ AC. As regards other matters which fall rather under the heading of implementation of policy, it is felt that there should be no need to retain at HQ AC Staff Officers who handle these matters in respect of AMG territory only. It should be possible to avoid this, either by delegating a greater measure of responsibility to the officers in charge of AMG with Armies or by increasing the Staff of your DCCAO.

In connection with the foregoing you should of course, have in mind the necessity of maximum savings in personnel, particularly military personnel, officer and enlisted.

It will be appreciated if you will re-examine the matter in the light of the above comments and give us your further observations to enable us to satisfy the Combined Chiefs of Staff that their wishes are being respected within the limits of what is practicable and advisable.

3. Economic Section. A separate directive from this Headquarters for the implementation of this part of FAN 487 has been prepared and will be furnished to you shortly.

4. Financial Section. TAM 445 has been received and discussed with you, and MAT 554 has been dispatched as a result of these conversations. A definitive directive from the Combined Chiefs of Staff is awaited.

5. An AFHQ Administrative Memorandum in general terms in connection with the overall intention of FAN 487 is being issued by this Headquarters.

B. H. Robertson
B. H. ROBERTSON,
Lieutenant General,
Chief Administrative Officer.

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SECRET

Ch. Commissioner Atlantic
ALLIED FORCE HEADQUARTERS
Office of the Chief Administrative
SP 204
(10/69 10/11/45)
EX-100
29 March 1945

SUBJECT:

Foodstuffs and Relief for Italy

TO:

Acting President
Allied Commission
A.P.O. 374.

APR 1 1945

4244

arising out of RAS 487 from the Combined Chiefs of Staff, and the discussions and correspondence subsequent thereto, the following will constitute your directive on matters appertaining to Economics and Supply.

A. General.

1. Until the final cessation of hostilities with both Germany and Japan inadequate shipping can be expected to be a limiting factor. Currently it is a critical factor. All plans and programs, therefore, must be prepared with a view to minimizing shipping requirements during the continuation of military responsibility.

2. There must be maximum development and use of local resources of food and supplies of the nature now being imported. This is necessary not only because of the saving thus effected in shipping, but also because the resources available to the United Nations are being taxed severely to provide relief for the rapidly expanding liberated areas in all theaters of war. Relief at best can be considered only a temporary measure which is applied to areas recently liberated because of the forward progress of the battle line. Relief cannot be expected to be forthcoming indefinitely, but only for a period within which a liberated area reasonably may be expected to re-establish its own basic economy. It is imperative, therefore, that the areas longest liberated should be made rapidly self-sufficient, or as nearly thereto as is possible, in respect to those items of food and relief, the supply of which is now the responsibility of the combined US/UK military authorities. The Italian Government should be advised that to this end and not as a pre-requisite to further economic assistance, it must formulate and implement appropriate economic controls and take all other steps possible. In the event these conditions are not met, the Allied authorities will not hesitate to impose the necessary controls or take other appropriate measures.

B. Relief.

3. The AC will formulate recommendations to this HQ as to imports necessary to provide the civilian population with those items of direct relief necessary to avoid disease and unrest which would prejudice the military operation. Action necessary to implement approved recommendations will be reflected in the CAL-100 cable series.

4. In compiling such recommendations, due allowance shall be given

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B. Relief.

3. The AC will formulate recommendations to this HQ as to imports necessary to provide the civilian population with those items of direct relief necessary to avoid disease and unrest which would prejudice the military operation. Action necessary to implement approved recommendations will be reflected in the CAL-140 c.b.l. series.

4. In formulating such recommendations, due allowance shall be given to the availability of local supplies, and necessary steps shall be taken to ensure maximum use of local resources to reduce, as far as possible, the quantities of imports needed.

5. Direct relief of the civilian population shall be accomplished by the provision of minimum essential quantities of food, fuel, medical and military supplies, clothing or footwear, administrative supplies, and public utility services, including transport needed to distribute relief supplies and in essential public service, power and communications.

6. Insofar as practicable relief for the civilian population shall be accomplished by the provision of raw materials, maintenance, and operating supplies (including supplies for coal mining, and aids to agricultural production, such as seeds, fertilizers, pesticides, etc.) to enable the civilian population to produce relief supplies which will reduce in the reasonably near future the volume of relief imports.

7. At the time when combined military responsibility will terminate will not be known when requisitions are being prepared and considered, the importation of supplies under Par. 6 above will not be excluded merely because the effect of such imports may not be felt during the period of combined responsibility.

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C. Military Production.

8. Although the responsibility for seeking out, repairing, facilities capable of producing or servicing munitions or other implements of war required by the military mission in this or other theaters of war rests with the technical services at AFHQ, the AC should bring to the attention of AFHQ such possibilities as may be determined by the AC.

9. The technical services, to the extent required by such military mission, will take all necessary action to (1) effect plant repairs to create the required productive capacity, (2) provide any government furnished raw or semi-fabricated materials necessary to secure the required production, (3) provide for the operation of the plant, and (4) take delivery of, and make disposition of the plant output.

10. The AC will cooperate with technical services undertaking munitions production projects under para 9, and will coordinate the furnishing of contributory services thereto, effecting such restoration of power systems and transportation and communication facilities as may be necessary to insure the desired level of production.

D. Italian Industrial Rehabilitation Program.

11. AC shall formulate recommendations to CLAC as to imports necessary to meet the desires of the Italian Government within such policy or other instructions as may be formulated by CLAC (Washington) and transmitted to AC through CLAC (copy to AFHQ). Action by AC and CLAC with respect to such recommendations shall be reflected in the COM-ACG cable series which shall be an action responsibility of AC and CLAC and shall be transmitted through CLAC (copy to AFHQ). This rehabilitation program is to be considered essentially on the basis of CLAC procurement planning.

E. Italian Export Program.

12. AC shall formulate recommendations to CLAC for procedure under which export trade will be developed in conformity with the desires of the Italian Government and within such policy or other instructions as may be formulated by CLAC (Washington) and transmitted to AC through CLAC (copy to AFHQ). Action by AC and CLAC with respect to such recommendations shall be reflected in the COM-ACG cable series which shall be an action responsibility of AC and CLAC and shall be transmitted through CLAC (copy to AFHQ).

W. H. Robertson
B. H. ROBERTSON

Lieutenant General,
Chief Administrative Officer.

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CINC LEO
GACS
G-4
G-4 (B)
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Log Plans
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DISTRIBUTION

In. (A)
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S&T
QM
Pet Sec
AFLE
Eng. Sec. (A)
Eng. Sec. (B)
Med. Sec. (A)
Med. Sec. (B)
Ord. (A)
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Survey (B)
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D.P.S.B.
Fin. Adv B
DPIC
Fiscal Director ITO
Hiring & Claims
Labour Directorate
PES (5)
HQ No. 1 District (5)
No. 2 " (5)
No. 3 " (5)
Brit. Res Min
US POLAD
G-5 (10)
Chief Commissioner Allied
Commission (10)
AG (4)

Ex Comm Int

1- File copy
1- CHA
8- Economic Sect

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

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

US ARMY

3-5 (10)
Chief, Commissioned Allied
Commission (10)

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1- Feb copy
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HEADQUARTERS ALLIED COMMISSION

APC 394

Office of the Executive Commissioner

Ref: ACOL/163/EC

27 March 1945.

SUBJECT: Relations with Italian Government.

TO : VP, Economic Section (15)
 VP, Civil Affairs Section (10)
 Director, Communications Sub-Commission
 Director, War Material Disposal &
 Italian PW Sub-Commission

1. Vice Presidents will impress upon the Directors of their Sub-Commissions, and Directors of Independent Sub-Commissions upon their officers, the necessity of implementing the policy of the CCS directive defining the new relations of the Allied Commission with the Italian Government, especially with respect to the following paragraph:

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

2. Experience during the last six months has shown that whereas officers in the field have been careful to avoid executive action or speech with officials of the Provincial government, there has been a tendency at HQ for officers in the Sub-Commissions to forget that the dropping of the "G" from A.C.C. was intended to convert the relations between the Allied Commission and the Italian Government to those of adviser (and provider of supplies) on the one hand and of a sovereign government on the other. I have heard reports of discussions and conferences which lead me to think that more forceful measures than advice have been used to persuade - if indeed not to compel - the Italian Government to accept the views of the Allied Commission and come into line. In some instances these measures have been taken by subordinate officers of Sub-Commissions speaking perhaps to subordinate officials of the Italian Government. But the effect has been the same - and is unfortunate. The Italians presume that every member of the Commission speaks with the authority of the Chief Commissioner and they suffer, in their estimation, from a multiplicity of masters, and the application of conflicting policies of "advice" and "control".

3. In future, therefore, Vice Presidents and Directors of Sub-Commissions will ensure that such formal advice as it may be necessary to convey to the Italian Government is given by Vice Presidents or their Deputies or by Directors

1. Vice Presidents will impress upon the Directors of their Sub-Commissions, and Directors of Independent Sub-Commissions upon their officers, the necessity of implementing the policy of the CCS directive defining the new relations of the Allied Commission with the Italian Government, especially with respect to the following paragraph:

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

2. Experience during the last six months has shown that whereas officers in the field have been careful to avoid executive action or speech with officials of the Provincial governments, there has been a tendency at HQ for officers in the Sub-Commissions to forget that the dropping of the "G" from A.C.C. was intended to convert the relations between the Allied Commission and the Italian Government to those of adviser (and provider of supplies) on the one hand and of a sovereign government on the other. I have heard reports of discussions and conferences which lead me to think that more forceful measures than advice have been used to persuade - if indeed not to compel - the Italian Government to accept the views of the Allied Commission and come into line. In some instances these measures have been taken by subordinate officers of Sub-Commissions speaking perhaps to subordinate officials of the Italian Government. But the effect has been the same - and is unfortunate. The Italians presume that every member of the Commission speaks with the authority of the Chief Commissioner and they suffer, in their estimation, from a multiplicity of masters, and the application of conflicting policies of "advice" and "control".

3. In future, therefore, Vice Presidents and Directors of Sub-Commissions will ensure that such formal advice as it may be necessary to convey to the Italian Government is given by Vice Presidents or their Deputies or by Directors of Sub-Commissions, to Ministers or Under-Secretaries. At lower levels officers should refrain from giving formal advice and should restrict their functions to verbal consultation and discussion, expressing informally and unofficially any advice which they may feel should be given and would have the complete approval of their Director or Vice President. Generally speaking, in all their dealings with members of the Italian Government on matters affecting Italian Government territory, officers must not with diplomacy and tact rather than as mentors or governors. Only thus will the Italian Government learn to shoulder its responsibility.

Copies to: Acting President
VP Political Advisers (2)
VP Establishment Section
Navy Sub-Commissioner
Land Forces Sub-Commission (MIA)
Air Forces Sub-Commission
Public Relations Branch
Liaison Division.

ELIOT W. STONE
Rear Admiral, USNR
Chief Commissioner

Elmer W. Stone

JS

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

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

19th March 1945.

Chief Commissioner.

1. You may remember that Economic Section asked for a memorandum on the implications of para 3(A) of the New Deal (See Minute 7 of Ex.Com's Meeting of 10 March, copy attached).

2. I submit a draft for your approval.

MSL

MSL/32.

PA 669
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DEBATE ONLY.

TO : The AF, Rome.

1. Vice Presidents will instruct upon the Directors of AF.
 Sub-Commissions and ~~representatives~~ the necessity of implementing
 the policy of the CDS Directive defining the new relations of the
 Allied Commission with the Italian Government, especially with
 respect to the following paragraph:

"The Staffs of Allied Commission Headquarters should
 convey itself primarily with consultation and advice to
 the Italian Government at high levels"

2. Experience during the six months has shown that whereas
 officers in the field have been careful to avoid executive action
 or speech with officials of the Provincial governments, there has
 been a tendency at HQ for officers in the Sub-Commissions to forget
 that the dropping of the "C" from A.C.C. was intended to convert
 the relations between the Allied Commission and the Italian Government
 to those of adviser (and provider of supplies) on the one hand and
 of a sovereign government on the other. I have heard reports of
 discussions and conferences which lead me to think that now ~~representatives~~
 measures than advice have been used to ~~persuade~~ ^{persuade - if indeed not to}
 Italian Government to accept the views of the Allied Commission and
 come into line. In some instances these measures have been taken
 by subordinate officers of Sub-Commissions speaking perhaps to
 subordinate officials of the Italian Government. But the effect has
 been the same - and in unfortunate. The Italians presume that every
 one of the Sub-Commissions is a ~~representative~~ ^{representative}

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-2-

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have the complete approval of their Director or Vice President. Generally speaking, in all their dealings with members of the Italian Government on matters affecting Italian Government territory, officers must act with diplomacy and tact rather than as masters or governors. Only thus will the Italian Government learn to shoulder its responsibility.

WILLIAM F. STONE
Rear Admiral, USN
Chief Commissioner

File

Extract of Minutes of Executive Commissioner's Meeting held on 10 March 1945.

NEW DEAL FOR ITALY.

Room Sec said they had no definite information to give to
Sub-Commissions and asked if a memorandum could be issued.

Ex C asked Heads of Sections to let him know the points they
wanted clarified and he would prepare a Memorandum for Sections.

0530

EXTRACT

~~SECRET~~

ALLIED FORCE HEADQUARTERS

SAC (P) (45) 1st Meeting
20th February, 1945

X 77

SUPREME ALLIED COMMANDER'S CONFERENCE
(POLITICAL)

9. NEW DIRECTIVE ON FUNCTIONS OF THE ALLIED COMMISSION
 ((a) Telegram No. PAN 487 of 31st December from the Combined Chiefs of Staff.
 (b) Paper 32. SAC (P) (45) 4)

THE CONFERENCE had before them a telegram from the Combined Chiefs of Staff containing a new directive in respect of the functions of the Allied Commission, together with an explanatory note.

MR. MACMILLAN observed that many adjustments would be necessary, particularly as between AFHQ and the Allied Commission, in consequence of the new directive and its implications were now under examination. He proposed to inform the Italian Prime Minister in general terms of the contents of the directive, and it had been arranged that Rear Admiral Stone should inform the Advisory Council for Italy. It was not intended to issue a public statement on the matter, but he proposed to hold a press conference at which he would give a statement 'on the record' and would answer 'off the record' any questions that the press correspondents might have.

THE SUPREME ALLIED COMMANDER,

Took note of the new directive in respect of the functions of the Allied Commission, as set forth in telegram No. PAN 487 from the Combined Chiefs of Staff and explained in paper No. SAC (P) (45) 4, and approved the action proposed by the Acting President, Allied Commission, as recorded above.

SUMMARY ALLIED COMMANDER'S CONFERENCE
(POLITICAL)

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THE SUMMARY ALLIED COMMANDER:

Took note of the new directive in respect of the functions of the Allied Commission, as set forth in telegram No. PAN 487 from the Combined Chiefs of Staff and explained in paper No. SAC (P) (45) 4, and approved the action proposed by the Acting President, Allied Commission, as recorded above.

656

~~SECRET~~

11/15/47

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner

REF: 4001/155/30.

27 February 1945.

SUBJECT: New Deal for ITALY.

TO: Distribution below.

Forwarding instance of a detailed directive to members of the Commission the attached copy of an Aide-Memoire communicated to the Italian Government by the Acting President and the Chief Commissioner on 24 February 1945 is sent to you for information and guidance.

Encl.

Alfred W. Stone
ALFRED W. STONE
Rear Admiral, USNR
Chief Commissioner

DISTRIBUTION:

U.S.A.C. Fifth Army
U.S.A.C. Sixth Army
All Sections
Sections
Sub-Commissions
Independent Sub-Commissions
(less Service Sub-Commissions).

655

Ref: 4001/154/EC.

20 February 1945.

SUBJECT: Allied Policy in Italy.

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

1. I refer to my 4001/EC of 19 February 1945, para 2. In place of the memorandum enclosed as Annexure "A" the Acting President communicated today to the Prime Minister and the Foreign Minister of the Italian Government the contents of the attached Aide Memoire. Their communication was preceded this morning by my communicating orally to the Advisory Council the contents of the statement attached.

2. With regard to para 2(B) of the directive and Annexure "A" of my letter under reference, it is now proposed that the withdrawal of officers of the Allied Commission from Southern Region and the Islands should be completed by 1 April 1945. I am awaiting comments from you on Annexure "A" of my letter before issuing the final directive. I should be glad, therefore, of an early reply to my letter.

3. With regard to Para 2(B) of the directive, I am advised by my legal advisers that no amendment is necessary to the existing transfer of territory documents but that future transfer documents will be issued in an amended form.

/s/ Henry W. Stone

HENRY W. STONE
Rear Admiral, USN
Chief Commissioner

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TO : Allied Force Headquarters.
ATTN: G-5 Section.

1. I refer to my 4001/MJ of 19 February 1945, para 2. In place of the memorandum enclosed as Annexure "B" the Acting President communicated today to the Prime Minister and the Foreign Minister of the Italian Government the contents of the attached Aide Memoire. This communication was preceded this morning by my communicating orally to the Advisory Council the contents of the statement attached.

2. With regard to para 2(E) of the directive and Annexure "A" of my letter under reference, it is now proposed that the withdrawal of officers of the Allied Commission from Southern Region and the Islands should be completed by 1 April 1945. I am awaiting comments from you on Annexure "A" of my letter before issuing the final directive. I should be glad, therefore, of an early reply to my letter.

3. With regard to Para 2(D) of the directive, I am advised by my legal advisers that no amendment is necessary to the existing transfer of territory documents but that future transfer documents will be issued in an amended form.

/s/ ELERY M. STONE

ELERY M. STONE
Rear Admiral, USNR
Chief Commissioner

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604/5 M 4/5

24th February, 1945

ALICE MEMOIRE FOR COMMUNICATION TO THE ITALIAN
GOVERNMENT BY THE ACTING PRESIDENT OF THE
COMMITTEE OF THE NEW DIRECTIVE ON THE
FUNCTIONS OF THE ALLIED COMMISSION.

1. In accordance with the Declaration of the President of the United States of AMERICA and the Prime Minister of the United Kingdom of GREAT BRITAIN, the Allied Governments propose to relax the control of the Italian Government under the Armistice in the matter of day to day administration and only to exercise such control when Allied military interests require.

2. The Political Section of the Allied Commission is being abolished as of 1 March 1945. The Italian Ministry of Foreign Affairs will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to whatever Section (Economic or Civil Affairs) of the Commission may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the Office of the Executive Commissioner.

3. The Italian Government will continue, as at present, to have direct relations with foreign diplomatic representatives accredited to the Quirinal. The Allied

Commission

Commission should be kept generally informed by the Italian Government of any negotiations in which they engage with other Governments. Facilities for the use of secret bags will be granted to the Italian Government for use in correspondence with their diplomatic representatives abroad. Undeposited cipher facilities cannot be allowed for the present.

Insofar as these negotiations have to do with economic and financial matters, the Economic Section and its Finance Sub-Commission should be kept informed of their progress.

It would be convenient if the Italian Government would furnish a periodic summary of all negotiations completed or pending with other Governments.

4. The Allied Commission will limit its dealings with respect to territory under the jurisdiction of the Italian Government to consultation with and advice to the Ministers of the Italian Government.

5. The advisory functions of the Sub-Commissions of Education, Monuments and Fine Arts, Local Government, Legal and Labour in territory under the jurisdiction of the Italian Government will be performed only when requested by the Italian Government.

(15)

6. It will no longer be necessary for the Italian Government to obtain the approval of the Allied Commission for decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

Nevertheless the Allied Commission should be informed of proposed decrees some time before their enactment, in order to enable the Chief Commissioner to consult with the Italian Government as to their application to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

7. It will no longer be necessary for the Italian Government to obtain approval of the Allied Commission for Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government except with regard to the attached list (Appendix "A") of positions having military significance. The Italian Government will have the right to alter appointments made previously by AMG authorities.

8. The Allied Commission officers stationed in the field in the territory under the jurisdiction of the Italian Government will be withdrawn. As a first step it is intended to abolish by April 1, 1945, the Regional

Officers

(150)

Officers of the Allied Commission for Sicily, Sardinia, Southern and Lazio-Umbria Regions. Representatives of the Allied Commission will, however, be sent into territory under the jurisdiction of the Italian Government when necessary and certain specialist officers with economic functions will remain in such territory for a limited period.

9. It is the desire of the Allies to encourage free trade in knowledge and learning with the Italian people. Arrangements will be facilitated for the flow between Italy and the United Nations of books and other publications of a scientific, political, philosophical and artistic nature, and for the movement of scholars, artists and professional men between Italy and the United Nations.

10. The Allies welcome the decision to hold local elections in territory under the jurisdiction of the Italian Government as soon as may be.

11. The Allied Nations desire to make concessions with regard to Italian prisoners of war now or hereafter held in Italy, other than those captured since the Armistice was signed. Provided that arrangements can be made for the services of such persons to continue to be made available on terms satisfactory to the Supreme Allied Commander, their status as prisoners of war will be terminated.

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(149)

12. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured and as a prerequisite to increased economic assistance.

13. In the joint program of essential Italian imports, now being prepared by the Inter-Ministerial Committee for Reconstruction and the Economic Section of this Commission, there will be some supplies for which the combined United States-United Kingdom military authorities will assume responsibility for procurement (Category "A") and other supplies for which they will not assume responsibility (Category "B"). A definition of the supplies which fall into Category "A" follows:

- (a) Those quantities of agreed essential supplies necessary to prevent disease and unrest prejudicial to military operations, such as, food, fuel, clothing, medical and sanitary supplies.
- (b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph, such as,
Fertilizer,

(147)

fertilizer, raw materials, machinery and equipment.

- (c) Those materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will directly further the Allied military effort.

14. The programs for which the military authorities assume responsibility will be maintained for the duration of combined (United States-United Kingdom) operations in Italy. For this period, and within the limits defined in paragraph 13, Italy will be treated as a whole. The date of the termination of military responsibility will be fixed by the Allied Nations.

15. In addition to the programs of supplies for which the military assume responsibility for procurement (Category "A") the Allied Commission will assist the Italian Government in the preparation of programmes of supplies designed to rehabilitate Italian industry. Such programmes, referred to as Category "B" will be handled under procedures already notified. The purchases of supplies in Category "B" programmes will be undertaken immediately without reference to the present difficult shipping position in order that the supplies so purchased may be called forward as and when shipping space becomes available.

(147)

16. The Allies desire that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of paragraphs 13, 14 and 15 above, and subject to the limitation in paragraph 19 below. The sole exception to this principle is to be made in the case of industries involving the production or repair of munitions or other implements of war, which will be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the Allied military effort in other theatres. The priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

17. The prime responsibility for the control of inflation in Italy, including the imposition and administration of the appropriate financial controls and economic controls, and appropriate utilization of supplies, rests with the Italian Government. In this connection, as in others, the Allied Commission stands ready to advise and assist.

18. The extent to which exports are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. For the time being, the Italian export program will necessarily be limited by certain shipping, military, financial and supply factors. The applicability of these factors to individual programs will be worked out between the Italian Government and the Economic Section of the Allied Commission along the lines already discussed by the Economic Section with the Inter-Ministerial Committee for Reconstruction.

19. Nothing contained in the above should be taken as constituting a commitment by the Allied Nations with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping as may be allocated from time to time by the Allied Nations.

HAROLD MACMILLAN

APPENDIX "A"

List of Italian Government appointments requiring
prior approval by the Allied Commission

Minister of War

Minister of Marine

Minister of Air

Any other Minister of Armed Forces
who may be created

Under Secretary for Telecommunications

Director of Railroads

Director General of Public Security

Commanding General, CG.RR

Chief of Staff, CG.RR

Commanding General, CG.FF.

Appointments in the Army, Navy, and Air Force
in accordance with current practice.

RECOMMENDATIONS ALLIED COMMISSION

APO 394

Office of the Chief Commissioner.

Statement to be made to Advisory Council for Italy by the Chief Commissioner describing the new Directive from Combined Chiefs of Staff on the functions of the Allied Commission.

1. The President and Prime Minister on September 26, 1944 issued on the topic of Allied policy in Italy a joint declaration. In particular they announced that, subject to effective maintenance of law and order as well as the regular administration of justice, an increasing measure of control would be handed over gradually to the Italian administration, and for the restoration of Italian economy, the initial steps would be taken.
2. In Washington, discussions have recently been held regarding practical measures to implement this declaration, and the Supreme Allied Commander, Field Marshal Sir Harold Alexander, has received now from the Combined Chiefs of Staff in Washington direction that, through the Allied Commission at Rome, those measures be carried out.

3. These measures have the general purpose to give to the Italian Government, in the areas under its jurisdiction, a greater degree of responsibility and authority. In that territory accordingly, subject to the requirements of the Italian campaign and to over-riding military needs, the rights of the Allied Governments will be held in reserve in the matter of day-to-day administration. In general the relationship of the Allied Commission to the Italian Government will be one of consultation and advice rather than control.

they announced that, subject to effective maintenance of law and order as well as the regular administration of justice, an increasing measure of control would be handed over gradually to the Italian administration, and for the restoration of Italian sovereignty, the initial steps would be taken.

2. In Washington, discussions have recently been held regarding practical measures to implement this declaration, and the Supreme Allied Commander, Field Marshal Sir Harold Alexander, has received now from the Combined Chiefs of Staff in Washington direction that, through the Allied Commission at Rome, these measures be carried out.

3. These measures have the general purpose to give to the Italian Government, in the area under its jurisdiction, a greater degree of responsibility and authority. In that territory accordingly, subject to the requirements of the Italian campaign and to over-riding military needs, the rights of the Allied Governments will be held in reserve in the matter of day-to-day administration. In general the relationship of the Allied Commission to the Italian Government will be one of consultation and advice rather than control.

4. The Italian Government will conduct its relations with those Governments with which it has diplomatic relations in the future not through the Allied Commission but directly. Any negotiations in which the Italian Government may engage with foreign Governments will be communicated to the Commission. The present practice of approving the decrees and other legislation of the Italian Government, and that of granting approval to appointments of the Italian Government, except those of military significance, will be discontinued by the Commission. As soon as possible the Regional officers of the Allied Commission permanently stationed in areas under Italian

-2-

jurisdiction will be withdrawn, and encouragement will be given to the holding of local elections in these areas.

5. Except for those who fought on the German side after the Italian surrender, Italians held in Italy as prisoners of war will be released under arrangements to be made with the Italian Government. The Italian Government will be required to ~~arrange~~ ^{arrange} that the men so released will be available without loss to the war effort.

6. Encouragement of cultural relationships with the Italian people is desired by the Allies. When military exigencies permit, to the greatest degree arrangements will be facilitated for the flow between Italy and the United Kingdom of books and publications of a scientific, political, philosophical and artistic nature, and for the movement between Italy and the United Nations of professional men, scholars, and artists.

7. The instructions to the Supreme Allied Commander are based, in the economic field, on the understanding that Italian authorities will develop the most equitable and effective control and distribution of consumption of local resources and imports which conditions now existing will allow, as well as the greatest measure of production.

8. Having regard to the compelling military requirements of the present time, the provision of imported supplies will necessarily depend upon the shipping which can be made available for this purpose.

9. Provision is being made, subject to these considerations, for furnishing, as part of the military supply program, certain additional categories of goods for basic civilian needs. Furthermore the Allied

is desired by the Allies. When military exigencies permit, to the greatest degree arrangements will be facilitated for the flow between Italy and the United Nation of books and publications of a scientific, political, philosophical and artistic nature, and for the movement between Italy and the United Nations of professional men, scholars, and artists.

7. The instructions to the Supreme Allied Commander are based, in the economic field, on the understanding that Italian authorities will develop the most equitable, and effective control and distribution of consumption of local resources and imports which conditions now existing will allow, as well as the greatest measure of production.

8. Having regard to the compelling military requirements of the present time, the provision of imported supplies will necessarily depend upon the shipping which can be made available for this purpose.

9. Provision is being made, subject to these considerations, for furnishing, as part of the military supply program, certain additional categories of goods for basic civilian needs. Furthermore the Allied Commission will advise the Italian Government on the preparation of programs of supplies with the view that the rehabilitation of Italian agriculture and industry may be furthered. Under arrangements already made public the imports resulting are to be covered by the financial arrangements referred to in the President's statement of October 10, and these imports will be additional to the military program.

10. Proposals for granting in financial matters a greater measure of responsibility to the Italian Government are being discussed between the Governments of the United States and of the United Kingdom.

24th February 1945.

0348

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

~~SECRET~~

4001
by Comm

F 32004
Feb 231201

7/3010
FEB 231315
PRIORITY

PROT: AFTER SIGNED SIGNED CITE THING
TO: AICOR FOR MACILLIAN

CONFIDENTIAL

FEB 23 1945

FOR INFORMATION ONLY

~~SECRET~~

This is paraphrase of IAN 471 from CCS replying to our MAT 548 of 22 February regarding public announcement subject IAN 487. — (76)

Paraphrase begins: decided it has been that no public statement regarding directive in IAN 487 will be issued on Governmental level. Suggested it is that as various provisions of directive are implemented, and after steps A and B have been taken, the Allied Commission might make informal oral announcements to press from time to time along such lines as you may deem to be necessary or advisable. Paraphrase ends.

Foregoing is transmitted for your guidance in arranging announcements to press in connection with proposed communications to Advisory Council and to Italian Government

~~SECRET~~

ACTION ~~INFO~~ Ex Comm R
INFO A/PRESIDENT
CHIEF COMMISSIONER
SO to CHIEF COMMISSIONER
~~RE-TRANSMIT~~ 639
FILE

25/2

HEADQUARTERS

~~SECRET~~

DRAFT ONLY.

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Chief Commissioner

Ref: 4001 / CNS.

SUBJECT: New CNS Directive on the Allied Commission.

TO : Allied Force Headquarters,
Attn: G-5 Section.

SEE FOLIO 135

1. It may be of interest to you to know the action which ^{will be} taken by the Allied Commission as a result of the receipt of PAN 478, communicated to ^{me} myself by the Acting President:

- (a) Para 2(A). I am asking the US and British Embassies formally to nominate their representatives who, for many reasons, will require to have an office at this Headquarters. They will bear the same relation to myself as POLAD and REMIN bear to SACMED.

- (b) Para 2(B).

- (i) I have asked ~~some months ago~~ whether the Italians might be allowed to use the usual cipher and code facilities to their representatives in the countries with which diplomatic relations have been resumed. I have had no answer to this request and I should be glad if this

- point could be cleared at once. A separate cable ^{has been} requested ^{the Station} ^{to be made} ^{at this point} (ii) I shall ~~rely~~ ^{rely} it as the formal responsibility of the

SECRET

February 1945.

1. It may be of interest to you to know the action which ~~will be~~ ⁴²⁷ taken by the Allied Commission as a result of the receipt of PAR 478, communicated to ~~myself~~ ^{me} by the Acting President.

(a) Para 2(A). I am asking the US and British Embassies formally to nominate their representatives who, for many reasons, will require to have an office at this Headquarters. They will bear the same relation to ~~myself~~ ^{me} as POLAD and ROSSINI bear to SACRED.

(b) Para 2(B). *On more than one occasion*
(i) I have asked ~~some months ago~~ whether the Italians might be allowed to use the usual cipher and code facilities to their representatives in the countries with which diplomatic relations have been resumed. I have had no answer to this request and I should be glad if this

joint could be cleared at once. *A separate cable 4637 (referred to in this point) requests the Italian Government to this point.*

(ii) I shall refer it as the formal responsibility of the ~~Italian~~ ^{Italian} American and British Ambassadors, through their political

advisers, to advise me of negotiations with other Governments in which the Italian Government may engage themselves. In addition, of course, the Prime Minister and the Foreign Secretary will be in constant touch with myself.

(iii) It will be to our advantage and to the advantage of the

Italian Government that direct relations should be resumed

as soon as possible with the French, Yugoslav and Greek

Shall urge the Italian Government to this. I hope that pressure will be brought to bear with future a similar position.

meaning the Allied Ambassadors in order to effect this. Position.

(c) Para 2(c) states

(i) I interpret the words "in the territory" to mean "affecting

the territory". Certain Italian decrees may affect Allied

Military Government territory and since it is considered

desirable to coordinate policy in territory which will be

ultimately transferred, I shall cause informal consultations

to be continued between the Allied Commission and the Italian

Government, particularly in the economic ~~and~~ ^{when necessary} ~~decree~~ ^{decree}.

(ii) I also interpret this clause, read with 1(A), to vest in

^{when necessary} ~~SACRED~~ the right to exercise control in any decree affecting

military needs and the requirements of the campaign.

(d) Para 2(D). The transfer of territory documents (Document "A")

will now have to be amended in order to enable the Italian Government

to remove officials previously nominated by AMG officials without

reference to the Allied Commission. This will be taken up under

separate cover. All Service Sub-Commissions desire to retain the

right of vetoing military appointments, ~~in any rank~~ ^{Railways}. The technical

posts of Directors of ^{the} ~~communications~~ ^{communications} and ~~highways~~ will be considered

as military appointments, ~~as a result of the transfer of~~ ^{as a result of the transfer of} ~~highways~~ ^{highways}.

(e) Para 2(E).

(i) I attach draft directive which will be issued shortly in order

to withdraw Allied officers of the Commission from the Islands

and Southern Regions.

(ii) It is essential that we should implement this clause ⁶³⁵ ~~the~~

maximum. There will be great temptation on the part of

^{and services} ~~military formations~~ ^{military formations}, Italian local authorities, and Allied

SACRED the right to exercise control in any decree affecting military needs and the requirements of the campaign.

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(e) Para 2(E).
(1) I attach draft directive which will be issued shortly in order to withdraw Allied officers of the Commission from the Islands and Southern Regions.

(ii) It is essential that we should implement this clause ^{the} ~~635~~ maximum. There will be great temptation on the part of military formations, ^{not covered} Italian local authorities, and Allied Commission officers to regret the departure of Allied Commission officers and to retain a "small" number which will gradually grow and will lead us to fall between ^{the} ~~the two schools~~ of control, which necessitates many officers, and ^{which} ~~decontrol~~, which should ^{not} ~~be~~ used more. It is essential that ^{not covered} military formations should be instructed not to ask

- (iv) AMI will continue in NAPLES Commune unless it is your desire that it should be removed. It would, of course, be an advantage to withdraw all officers but I assume that the local military authorities will insist on retention of AMI. AMI could be Bari will cease.
- (v) I submit for consideration the withdrawal, insofar as is possible, of HQ 204 Sub-Area from STULLY and any other Sub-Areas Headquarters which are not absolutely essential.

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for the retention of Allied Commission officers but to take their share in some of the difficulties which will have to be faced by Allies and Italians alike as a result of the CCS directive. The Allied Commission will be compelled to give up responsibilities and duties which ~~will~~ have been of ~~great~~ value to the Allied military formations. Allied officers who have been the proper media between Allied military authorities and the Italian local governments will disappear. ~~Both~~ will be the losers and both will ~~be~~ ~~weakened~~, as indeed the

~~G.O.C. No. 3~~ District in a personal letter has already

*proposed I would ask that a distinction be issued
is military formations on the one and other matters on the
other. It will be necessary for the military authorities to the district
way is being*

assume responsibility for any necessary supervision of public utilities of military importance, e.g., railways, power, highways, through their own officers. This is ~~is~~ ~~in~~ ~~the~~ ~~case~~ ~~of~~ ~~the~~ ~~new~~ ~~directive~~ ~~and~~ ~~has~~ ~~this~~ ~~advantage~~, that inherent in the new directive and has this advantage, that when the military needs disappear the Italian Government will be left in full possession. X

(f) Para 2(f). The implementation of this clause depends upon the repeal or amendment of the "Trading with the Enemy" **633** so far as it affects Italy.

(g) Para 2(G). This has already been done and the Italian Government have the matter in hand. It is most probable

*which the former district
submits as to be done*

and the Italian local governments will disappear. Both

will be the losers and both will protest. As indeed the

C.O.C. No. 3 District in a personal letter has already

protesters would ask that a directive be issued to military formations on this and other matters on 1/4
(iii) It will be necessary for the military authorities to *the direction*

assume responsibility for any necessary supervision of

public utilities of military importance, e.g., railways,

power, highways, through their own officers. This *local*

in fact, the new directive will be a disadvantage, that

inherent in the new directive and has this advantage, that

which the military needs disappear the Italian Government
(f) Para 2(P). The implementation of this clause depends upon

the repeal or amendment of the "Trading with the Enemy" *633*

so far as it affects Italy.

(g) Para 2(G). This has already been done and the Italian

Government have the matter in hand. It is most probable

that local government elections will take place throughout

the major portion of liberated Italy in the spring.

(h) Para 2(H). The status of Italian POW in Italy is the

subject of a separate memorandum which will be submitted

to you.

(i) Para 3(A). I interpret this to mean consultation between

Heads of Sections and Directors of Sub-Commissions with on the

one hand and Ministers and Under-Secretaries on the other. *Now, well,*

of course, have to be discussions at lower levels.

(j) Para 3(B). This can be carried out but latitude will be necessary in respect of labour and wage matters which affect

AMG territory.

(k) Para 3(C). The process of civilisation is already in hand.

(l) Para 3(D). My Deputy Chief Civil Affairs Officer is already

located at a place other than Allied Commission Headquarters.

Further separation is not feasible at the moment.
(m) Para 4. It will be necessary to present to the Italian

Government the contents of this and other clauses in the directive.

This will be done. It is difficult to reconcile the last ~~para~~

~~para~~ sentence with the spirit of the rest of the directive.

(n) Para 5.

(i) The Italian Inter-Ministerial Committee for Reconstruction

and the Economic Section of the Allied Commission are now

preparing a joint programme of essential Italian imports.

The Italian Government will be informed of the ^{three} ~~two~~ categories

for which (a) the US/UK military authorities assume responsibility,

and (b) they do not.

(ii) This clause gives a wider interpretation to Category A

programme (disease and unrest) than this Commission has yet

received. In order to implement it, I propose to resubmit

requisitions that have already been rejected ~~also~~ ⁶³¹ to

submit part of the new joint programme now being worked out

with the Italian Government.

(o) Para 6. Similarly this clause has a wider interpretation of

the Category B programme and will be considered at the joint

and the Economic Section of the Allied Commission are now preparing a joint programme of essential Italian imports. The Italian Government will be informed ^{These} of the ^{two} categories for which (a) the US/UK military authorities assume responsibility, and (b) ~~they do not~~.

(ii) This clause gives a wider interpretation to Category A programme (disease and unrest) than this Commission has yet received. In order to implement it, I propose to resubmit requisitions that have already been rejected ⁶³¹ as to submit part of the new joint programme now being worked out with the Italian Government.

(c) Para 6. Similarly this clause has a wider interpretation of the Category B programme and will be considered at the joint discussions.

(p) Para 7(A). This will to some extent modify the work of price control now done by the Allied Commission. ~~It is essential to~~ ^{It is assumed to be a partial} ~~fixed at least even-^{ment}~~, reply to recommendations made by the Anti-Inflation Committee ~~many months ago~~ ^{in June 1944}.

(q) Para 7(D). ~~became~~ visionary since as long as the shipping situation remains as it now is, and ~~additional~~ ^{additional} shipping available will have to be used for imports under Paras 5 and 6.

(r) Para 9. Has been made the subject of a separate telegram.

Add at end of ~~the~~ Para 4

I do not propose communicating the last sentence of this paragraph to the Italian Government, since it is not reconcilable with the spirit of the rest of the Directive.

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2. I attach memorandum which I propose to transmit to the Italian Government informing them of the terms of the "New Deal" as soon as I am instructed to make public the terms of the new directive.

ELMER W. STONE
Rear Admiral, USNR,
Chief Commissioner

Copies to: Mr. Alexander Kirk
Sir Noel Charles
DCOS, Econ Sec
DCOS, CA Sec
DCOS, Est Sec
VP, Pol Sec

630

Declassified P. O. 10000

"
BEST COPY POSSIBLE

HEADQUARTERS ALLIED COMMISSION
OFFICE OF THE CHIEF COMMISSIONER

105

My Dear Mr. Prime Minister:-

In order to implement the joint declaration of the President and the Prime Minister of 26 September 1944, the United States and United Kingdom Governments have agreed to relax the control of the Italian Government at under the armistice and surrender instrument and only to exercise such control when ^{Allied Interests} ~~the~~ require. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to ~~overriding military needs~~ ^{the requirements} of the campaign in Italy.

SEE FOLLOW (128)

2. In the light of this agreed U.S.-U.K. policy, the Allied Commission is taking certain steps and is following certain policies concerning which it is desirable that your Government be informed. These steps are described in the pages below, together with an indication of the new procedures which it is proposed to adopt in working with your Government under the new arrangements.

NOTE:

3. The Political Section of the Allied Commission is being abolished as of Feb 45.

Your Ministry of Foreign Affairs will thus have no ^{discrepancy} ~~discrepancy~~ in the Commission. It will deal with the Chief Commissioner on major policy, and on matters of minor policy and routine business address itself to the Commission.

DRAFT ONLY

Grand

control when ~~with~~ ^{these} needs require. The rights under the statute and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in Italy.

2. in the light of this agreed U-M policy, the Allied Commission is taking certain steps and is following certain policies concerning which it is desirable that your Government be informed. These steps are described in the pages below, together with an indication of the new procedures which it is proposed to adopt in working with your Government under the new arrangements.

DRAT-1 ONLY

3. The Political Section of the Allied Commission is being abolished as of Feb 45.

Your Ministry of Foreign Affairs will thus have no doubt pointed out in the Commission. It will deal with the Chief Commissioner on major policy, and on matters of minor policy and routine business address itself to the Economic Section or the Civil Affairs Section Commission, whichever may be appropriate to the subject involved. Involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the Office of my Executive Commissioner.

4. The Italian Government will continue, as at present, to have direct relations with foreign diplomatic representatives accredited to its Legation. It is ~~absolutely~~ necessary, however, that the Allied Commissions be kept generally informed by the Italian Government of any negotiations in which they engage with other Governments.

Insofar as these negotiations have to do with economic and financial matters, this requirement will be met by keeping the Economic Section and its Finance Sub Commission informed of the progress of such negotiations. On policy matters, this might appropriately be done through the weekly meetings held between the Economic Section and the Interministerial Committee for Reconstruction, at which the Ministry of Foreign Affairs is generally represented.

We may also wish to work out jointly an arrangement for the participation by the Italian Government of a periodic summary of negotiations completed or pending with other governments. *Obtain info from Italian Govt. for submission to the Allied Com.*

7. It will no longer be necessary for the Italian Govt. to submit a separate report for the Allied Commission. *for 28*

8. The Allied Commission will no longer give formal approval to decisions and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

Should however desire to work out with your Government a procedure for making sure that this Commission is properly informed of proposed decrees even time before their enactment, in order to enable ~~the~~ to consult with you as to their applicability to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

9. It will no longer be necessary for the J. G. to submit a separate report for the Allied Commission. *also obtain info from J. G. for submission to the Allied Com.*

10. The Allied Commission ~~will no longer give formal approval to~~ *for* Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government, except with regard to

We may also wish to work out jointly an arrangement for the pre-

prepared by the Italian Government of a periodic summary of negotiations completed or pending with other governments.

9. All no longer necessary. The 71121 out to treatment up to 1000
 10. The Allied Commission will no longer give forward expenditures. See 10/28

and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

~~There~~ however desire to work out with your Government a procedure for ~~settling~~ ^{settling} that this Commission is properly informed of proposed decisions some time before their enactment, in order to enable ~~us~~ to consult with you as to their applicability to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

There will no longer be necessary in the 7.6.15 strain approval of the
 6. The Allied Commission ~~also observe the practice of approving~~
~~ALL for future proposed approval of any f.c.~~

77. The Allied Commission ^{Office} ~~with~~ ^{and} ~~responsible~~ ^{responsible} ~~for~~ ^{for} the fall-

following stationed in the field in the territory under the jurisdiction
 will be withdrawn as soon as possible
 of the Italian Government. However, the Allied Commission will assist the
 R. A. F. will however be sent
 representatives into territory under the jurisdiction of the Italian

In line with this policy, it is intended to abolish by 1965 the

Regional Offices of the Allied Commission for Sicily, Saragatino, Saragatino, Saragatino.

4. Leads to new ideas and new regions.

10. The Allied Nations desire to make concessions with regard to Italian prisoners of war now ~~and~~ or hereafter held in Italy, other than those captured since the Armistice was signed. Provided that the Italian Government can give an adequate assurance that the services of such persons will continue to be made available on terms satisfactory to the Supreme Allied Commander, their status as Prisoners of War will be terminated.

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

785017

II. The Allied Commission will limit its dealings with respect to territory under the jurisdiction of the Italian Government to consultation with and advice to the Ministers of the Italian Government.

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785017

12. It is our intention that, in respect of Italian Government territory, the advisory functions of the Education, Monuments and Fine Arts, Local Government, Legal and Labour Sub Commissions should only be performed when requested by your Government.

- 3 -

For a limited period certain specialist officers on economic functions will remain in territory under the jurisdiction of the Italian Government. A list of such specialist officers, and their functions, will be notified to you shortly.

It is also intended to retain teams of AMO officers at Naples and in the provinces of ~~Salerno~~ ^{Salerno or other provinces} and ~~Avellino~~ ^{Avellino} ~~and Benevento~~ ^{and Benevento} ~~which are still~~ ^{which are still} under the jurisdiction of Allied Military Government.

8. It is the desire of the Allies to encourage free trade in knowledge and learning with the Italian people ^{as far as the exigencies of the military situation permit}, arrangements will be facilitated for the flow of books and other publications of a scientific, political, philosophical and artistic nature between Italy and the United Nations and for the movement of scholars, artists and professional men between Italy and the United Nations.

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9. It is the desire of the Allies to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government.

10. The status of Italian Prisoners of War now or hereafter held in Italy other than those captured since the armistice was signed will be terminated upon adequate assurance being given by the Italian Government that their services will continue to be made available on terms satisfactory

8. It is the desire of the Allies to encourage free trade in knowledge and learning with the Italian people ^A as far as the exigencies of the military situation permit, arrangements will be facilitated for the flow of books and other publications of a scientific, political,

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627

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(Procedure for Implementation?)

11. In general, ~~the staff of the~~ ^{limit its dealings with respect to} ~~will carry out itself.~~ ^{to} territory under the jurisdiction of the Italian Government, ^{and} ^{Minister of} ~~consultation and advice to the Italian Government.~~

12. It is our intention to ascertain the views of the Italian Government as to the extent to which the advisory functions of the Education, Monuments and Fine Arts, Legal Government, Legal, and Labor Subcommittees should continue to be performed.

13. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured and as a prerequisite to increased economic assistance. ~~Failure on the part of the Italian Government to ensure these conditions will compel the Allied authorities to impose necessary controls and take appropriate measures.~~

0570

11-11-11

BEST COPY POSSIBLE

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

14. In the joint program of essential Italian imports, now being prepared by the Interministerial Committee for Reconstruction and the Economic Section of this Commission, there will be some supplies for which the combined U.S.-UK military authorities will assume responsibility for procurement (Category "A"), and other supplies for which the military do not assume responsibility (Category "B"). For your information a definition of the supplies which fall into Category "A" follows:

- a) Those quantities of food, fuel, clothing, medicine, and other agreed essential supplies necessary to prevent disease and which are prejudicial to military operations, such as food, fuel, clothing, medicine, and other agreed essential supplies necessary to prevent disease and which are prejudicial to military operations.
- b) Those supplies such as fertilizer, raw materials, machinery and equipment, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph.

the Allied authorities will not hesitate to impose the necessary control or take other appropriate measures.

14. In the joint program of essential Italian imports, now being prepared by the Interministerial Committee for Reconstruction and the Economic Section of this Commission, there will be some supplies for which the combined U.S.-UK military authorities will assume responsibility for procurement (Category "A"), and other supplies for which the military do not assume responsibility (Category "B"). For your information a definition of the supplies which fall into Category "A" follows:

a) those quantities of food, fuel, clothing, medicine, and other agreed essential supplies necessary to prevent disease and undue prejudicial to military operations, such as food, fuel, clothing, medicine, sanitary supplies.

b) those supplies such as fertilizer, raw materials, machinery and equipment, the importation of which will reduce military requirements the import of essential civilian supplies for the purposes referred to in this paragraph. ^{at the time when} ^{US/UK} ~~as soon as~~ combined military response terminate will not be known when requisitions are being considered.

The importation of supplies under this sub not be excluded merely because the effect of such during the period of combined military response.

c) Those supplies necessary for communication facilities, power systems and transportation and the military effort against Germany and Japan.

- 5 -

15. The program for which the military authorities assume responsibility will be maintained for the duration of combined (US-UK) operations in Italy. For this period, and within the limits defined in para 14, Italy will be treated as a whole. *The date of the termination of military responsibility will be fixed by the Allied Nations.*

16. In addition to the program of supplies for which the military ^{in person} assumes procurement responsibility (Category "A") it will be our intention to assist your Government in the preparation of programs of supplies designed to rehabilitate Italian industry. Such programs, which we refer to as Category "B", are to be handled under procedures already notified to you in my letter of . It has been agreed that the purchasing of supplies in Category "B" programs should immediately be undertaken, without reference to the present difficult shipping position, ⁱⁿ order that the supplies so purchased may be called forward as and when shipping space becomes available.

17. It is the desire of the Allies that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of paras 14, 15, 16 above, and subject to the limitations in para 20 below. The sole exception to this principle is to be made in the case of ⁶²³ countries where ^{involving} the production or repair of munitions or other implements of war, which should be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent

designed to rehabilitate Italian industry. Such programs, which we refer to as Category 'A', are to be handled under procedures already notified to you in my letter of . It has been agreed that the purchasing of supplies in Category 'A' programs should immediately be undertaken, without reference to the present difficult shipping position, in order that the supplies so purchased may be called forward as and when shipping space becomes available.

17. It is the desire of the Allies that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of paras 14, 15, 16 above, and subject to the limitation in para 20 below. The sole exception to this principle is to be made in the case of industries where the production or repair of munitions or other implements of war, which should be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the military effort in other theatres. It is contemplated that the priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

18. It is desired to make clear that the prime responsibility for the control of inflation in Italy, including the imposition and administration

- 6 -

of the appropriate financial controls and economic controls, and appropriate utilization of supplies, rests with the Italian Government. In this connection, as in others, the ^{Allied Commission} stands ready to advise and assist you.

19. The extent to which exports are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. For the time being, the Italian export program will necessarily be limited by certain shipping, military, financial, and supply factors which are controlled by the Allied Governments for purposes connected with the prosecution of the war. The applicability of these factors to individual programs is to be worked out between your Government and our Economic Section, along the lines already discussed by the Economic Section with the Interministerial Committee for Reconstruction.

20. Nothing in this letter should be taken as constituting a commitment with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping ~~capacities~~ ^{as may be available} within such shipping as may be allocated from time to time. *by the Combined*

Chiefs of Staff, Allied Nations.

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

108
109

POLICS 109 and 108 removed from
file and transferred to FILE 7002/20.

Ref: 4/32A/CA.
Date: 14 February 1945.
Subject: FAR 457.
From: Civil Affairs Section.

K. Sgt. 292.

621

05721

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

785017

4001

FEB 8 1945

105

To: The Chief Commissioner

From: Mr. Macmillan

RECAPITULATIVE

2. A. Since the old Political Section is to be abolished and the same or other gentlemen will be asked to sit in your office as representatives of the two Embassies (in the same relationship to you as Mr. Kirk and I hold to SACRED), I think it would now be correct for you to ask the Embassies formally to nominate their representatives for this purpose.

2. B. I think the French, Greeks and Yugoslavs should be discouraged from seeing the representatives of the American and British Embassies who will be sitting in your office. If they wish to take up a point with the Italian Government other than through the informal methods which I have no doubt they are now using, they should write officially to you. This is the only way to give reality to the abolition of the Political Section. Instructions should be given to the Political Advisers accordingly.

2. B. proviso. I would regard it as the formal duty of the American and British Embassies, through their Political Advisers to you, to see to this. No doubt informally Bonomi or the Foreign Secretary will be in touch with you.

2. C. I would agree that SACRED can veto decrees affecting military operations - I read the words "in the territory" as meaning "affecting the territory". Certain Italian decrees may affect A.E.C. territory, and since it is very desirable to co-ordinate policy in territory which will ultimately be transferred, it would be wise to continue informal consultations between the Allied Commission and the Italian Government. This is particularly true of the economic field. Nevertheless, I agree that officers of the Commission should be warned that this does not involve more than cooperation and informal consultation.

/20.

MA. 11/12

0574

Declassified E.O. 12356 Section 3.3/NND No. 785077

*Extract from
the notes*

2. D. I agree to the suggestions made last night regarding (a) Directors of Communications and Railways being regarded as military; (b) arrangements for the amendment of the formal transfer documents.

2. E. I have been through the proposals attached to the Chief of Staff's minute No. 7002/COS of the 6th February with the Chief of Staff this morning, and I agree to them in general, subject to the amendments that you have made. Of the four expert officers loaned by the British Ministry of Food those that are found necessary to supervise the export of citrus fruits mainly from Sicily (allotted by the Combined Boards to Great Britain) can be assigned to Rome. I will arrange to inform the British Ministry of Food accordingly. The same can apply to the Mining Engineer now in Sicily.

It seems to me that we shall have to inform A.F.H.C. that they must be responsible for any necessary supervision of public utilities of military importance, e.g. railways, power, highways, etc. through their own officers. They will not like this, but it is inherent in the new directive and has the advantage that when military needs fall out the Italian Government are left in full possession.

2. H. This matter is already under consideration and depends on a scheme being worked out of a satisfactory kind. Progress should be stimulated in view of the new directive and the political implications of this question.

3. A. I take this to mean consultation between Heads of Sections and Directors of Sub-Commissions on the one hand and Ministers and Under-Secretaries on the other.

3. B. I think this is feasible with a little latitude in respect of labour and wage matters which affect A.H.C. territory.

3. D. I think we need not worry about this for the time being.

4. We should leave this matter over for discussion with General Robertson to consider in connection with any general plans for the organisation of the Economic Section when we get our new Head appointed.

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Page 2.

5 and 6. I welcome the decision to re-submit certain requisitions in the military category and also to get on with the first part of the additional civil category. I think that Clauses 5 and 6 represent a considerable advance.

7. D. appears to me to be rather visionary since, so long as the shipping situation remains as tight as it now is, any additional shipping available should be used for imports under 5 and 6.

9. I suggest we discuss this clause as a separate issue.

Copied to Chief of Staff.

7th February, 1945

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

JMS/afe

6 February 1945

MINUTES OF A MEETING HELD TO DISCUSS PAR 487 (DIRECTIVE FROM THE
COMBINED CHIEFS OF STAFF)

Present: Colonel Bensmore, Mr. Cleveland, Brigadier Upjohn, Colonel
Bahrens, Lieut. Colonel Campbell, Mr. Schott, Mr. Halford, Colonel
Jones, Brigadier Dunlop, Colonel Fiske, Colonel Zoudder, Brigadier
Lush, and Major Falbot.

1. The Chief Commissioner said that he considered paragraph
i only as a preamble and a statement of policy.

No other comments.

POLITICAL SECTION

2. (a) The Chief Commissioner pointed out that this was change
in form rather than substance, since the same personnel would stay
on as Advisers.

Colonel Zoudder asked if the Political Advisers would
continue to supervise the communications of the Italian Government
with its outside representatives.

Admiral Stone pointed out in reply that the Allied Com-
mission had never received an answer to their question as to whether
Italians might have the usual cipher and code facilities, since dip-
lomatic relations had been resumed with other countries. It was de-
cided that this point must be taken up with AFHQ.

- (b) Noted. The Chief Commissioner stressed the necessity of
expressing this point on Signer Board.

In reply to a question of Mr. Halford's, Admiral Stone
stated that governments not in direct relation with the Italian Govern-
ment; viz. French, Yugoslav, Greek; would have to maintain such re-
lations as they had through the Allied Commission.

Mr. Cleveland asked how the phrase "that the Allied
Commission is kept generally informed by the Italian Government"
was to be interpreted. By a periodic report?

Excerpts on
this subject
Parliamentary
Committee

AFHQ 1

1. The Chief Commissioner said that he considered paragraph 1 only as a preamble and a statement of policy.

No other comments.

POLITICAL SECTION

2. (a) The Chief Commissioner pointed out that this was change in form rather than substance, since the same personnel would stay on as Advisers.

Colonel Boudier asked if the Political Advisers would continue to supervise the communications of the Italian Government with its outside representatives.

Admiral Stone pointed out in reply that the Allied Commission had never received an answer to their question as to whether Italians might have the usual cipher and code facilities, since diplomatic relations had been resumed with other countries. It was decided that this point must be taken up with AFH.

(b) Noted. The Chief Commissioner stressed the necessity of impressing this point on Signor Bonomi.

In reply to a question of Mr. Halford's, Admiral Stone stated that governments not in direct relation with the Italian Government; viz. French, Yugoslav, Greek, would have to maintain such relations as they had through the Allied Commission.

Mr. Cleveland asked how the phrase "that the Allied Commission is kept generally informed by the Italian Government" was to be interpreted. By a periodic report?

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(c) The Chief Commissioner stated that this clause should be conditioned by para 1, i.e., that "control would be exercised in any decree affecting military needs and the requirements of the campaign".

Brigadier Upjohn maintained that a preview of proposed decrees was necessary, not as a measure of control, but in order to avoid difficulty in implementation in AMG territory. Brigadier Upjohn believed that it was possible to take a step which would be something less than the present method of approving decrees.

Admiral Stone noted the Brigadier's proposal but said that he wished to impress upon the meeting the necessity for making the Italian Government take responsibility. If the directive was to mean anything, he said, half measures would have to be avoided.

2. (d) It was agreed that the technical posts of Directors for Communications and Railroads should be considered as military appointments "under the terms of the clause".

Admiral Stone directed that the attention of AFHQ be drawn to the necessity of amending "Transfer of Territory Documents" made by so as to enable the Italian Government to remove appointees ^{in AFHQ funds} ~~unilaterally~~ without reference to the Allied Commission.

(e) The Meeting then considered the draft directive on Withdrawal of Allied Commission Officers from Italian Government Territory.

Admiral Stone at this point again urged that he wanted FAL 487 complied with to the utmost, stating that if the directive was wrong, then the only way to show that it was wrong was to comply with it.

2. (a) After some discussion on the desirability of maintaining any officers at all to give advice on the output of the Sardinian coal mines, it was decided that AFHQ should be informed that the Allied Commission proposed to withdraw all such personnel in compliance with FAL 487 unless desired not to do so by SACMED.

2. (b) Sicily. It was decided that the expert officer should be withdrawn; that the same principle should govern the retention in Sicily of the Regional Mining Officer as affected the Mining Division officers in Sardinia, and that his retention was for AFHQ to decide; that CAJ's of Lampedusa and Pantelleria were not affected since they were in AMG territory.

When Mr. Cleveland stated that the four expert officers were not under the control of the Economic Section although carried on the strength of the Allied Commission, Admiral Stone directed that the attention of AFHQ be drawn to the fact that these men were not in fact working for the Allied Commission but were engaged in exporting unilaterally for the British market.

On Brigadier Upjohn's recommendation it was decided that an officer should be left in both Sardinia and Sicily to supervise the distribution of medical supplies, but that the Italian Government be warned to have their own organization ready by March 1946, on which date the Allied Commission medical supply officers would be withdrawn.

2. (c) (1) The Meeting took note that the proposed establishment for the composition of staff for AMG, Naples Command, represented a 75% cut on the existing establishment. It was agreed that the Public Health should be permitted to have three officers instead of two, and ^{one of these to be FAL}

AFHQ 2
20/1/46
- file

AFHQ 3

AFHQ 4

AFHQ 3

with it.

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2. (b) Sicily. It was decided that the export officer should be withdrawn; that the same principle should govern the retention in Sicily of the Regional Mining Officer as affected the Mining Division officers in Sardinia, and that his retention was for AFHQ to decide; that CAS's of Lampedusa and Pantelleria were not affected since they were in AMG territory.

When Mr. Cleveland stated that the four export officers were not under the control of the Economic Section although carried on the strength of the Allied Commission, Admiral Stone directed that the attention of AFHQ be drawn to the fact that these men were not in fact working for the Allied Commission but were engaged in exporting unilaterally for the British market.

On Brigadier Vojahn's recommendation it was decided that an officer should be left in both Sardinia and Sicily to supervise the distribution of medical supplies, but that the Italian Government be warned to have their own organization ready by March 1st, on which date the Allied Commission medical supply officers would be withdrawn.

2. (c) (i) The Meeting took note that the proposed establishment for the composition of staff for AMG, Naples Comune, represented a 75% cut on the existing establishment. It was agreed that the Public Health should be permitted to have three officers instead of two, and Public Safety four officers instead of two (one of these to be Fire Officer).

Economic Section were not prepared to state how many men they desired to keep in the Naples Comune.

Brigadier Lush inquired whether the officers engaged in the assessing of olive oil could still function although the Regional Headquarters of Southern Region had been abolished. The details of how this was to be done were left to the next Chief of Staff meeting.

2. (c) (ii) It was decided that the Bari courts had served their turn and should be closed, thus releasing two legal officers and one public safety officer, though it was suggested that the liaison officer at Bari should be a lawyer.

Colonel Denmore pointed out the difficulty of stating exactly how many members of the Economic Section it was desirable to retain in Southern Region until the CCs gave authority

2. (e) (ii) (continued) to the Allied Commission to turn over to the Italian Government the 400 trucks operating down there, as the responsibility for their maintenance lay with the Allied Commission. The Chief Commissioner directed that a letter on this subject should be written to AFHq.

Colonel Denmore further pointed out the necessity of retaining an Allied Commission officer to make the necessary bidding for the handling of supplies on a military operated railway, as the military authorities would be unlikely to permit an Italian representative to bid.

2. (d) It was agreed that Perugia and Terni should be attached to Abruzzi-Marche Region. Brigadier Upjohn suggested that Perugia and Terni be handed back to the Italian Government.

Colonels Scudder and Denmore were to work out a procedure for the issuance of petrol, tires, etc. — a function now performed by the Communications officer of Lazio-Umbria Region.

It was decided that the Public Safety Officer, who it was proposed should be attached to Rome Area Command, should have charge of the issuing of passes.

It was decided that the Chief of Staff should discuss with the Regional Commissioner exactly what residue of the Lazio-Umbria Region it was necessary to attach to Rome Area Command.

6. Finally, March 1st was agreed to as a tentative date for the completion of the withdrawal program.

(This finished discussion of the draft directive on withdrawal.)

CHIEF OF STAFF DIRECTIVE WITHIN SCOPE OF A.C. DISTRICT

2. (f) The Chief Commissioner pointed out that the implementation of this clause depended upon the repeal or amendment of the Trading with the Enemy Act so far as it affected Italy.

(g) No comments.

(h) Comments of General Browning, Land Forces Subcommission (MILF) were awaited.

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(This finished discussion of the draft directive on withdrawal)

2. (f) The Chief Commissioner pointed out that the implementation of this clause depended upon the repeal or amendment of the Trading with the Enemy Act so far as it affected Italy.

(g) No comments.

(h) Comments of General Browning, Land Forces Subcommittee (EMIA) were awaited.

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ADMINISTRATIVE SECTION

3. (a) and (b) The Chief Commissioner directed that the contents of these clauses should be impressed upon the Heads of Subcommittees.

(c) No comments.

(d) The Chief Commissioner pointed out that the clause was meaningless, since the proposal it contained was not feasible.

ECONOMIC SECTION

4. Mr. Cleveland stated that a memorandum designed to provide for the implementation of this clause had been prepared and was now before the Chief Commissioner.

5. Mr. Cleveland pointed out that this clause was a wider interpretation of the category (A) program, i.e., those goods considered

1-20
necessary to prevent disease and unrest, than the Allied Commission had yet received. To implement it he proposed to re-submit some requisitions that had already been turned down and also to submit a part of a new joint program now being worked out with the Italian Government.

6. Mr. Cleveland pointed out that this clause was in the same way a wide interpretation of the (B) PROGRAM, i.e., those goods considered necessary yet not falling strictly within the (a) category.

7. (a) On this clause Mr. Cleveland made the comment that it would modify the Allied Commission's price work, and Admiral Stone said that it was in part an answer to the Anti-Inflation recommendations made long ago.

(b) Mr. Cleveland said that steps had already been taken to cannibalize munitions plants.

TA Quayle

J. A. QUAYLE

Major, R. A.

Staff Officer to CC

~~SECRET~~

(99)

CONFIDENTIAL

Ref: 4001/COS.

6 February 1945.

Chief Commissioner.

(46)

I submit notes on FAM 487 which may be of assistance to
you at this afternoon's meeting.

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

— — — — —

6th February 1945.

NOTES ON COMBINED OFFENSES OF SEAF DISRUPTIVE PAN 457.

Para 1. The words "only to exercise such control when military needs require it" are, of course, open to fairly wide interpretation. Administration of railways, maintenance of highways, turn-round of shipping, reporting of local resources, establishment of Allied Military Courts, are all matters which could be considered as military needs in respect of which military authorities might wish to exercise control.

Para 2(a) I understand that the intention is that the charge should take place only in Rome and that the method of obtaining advice from the US and UK Ambassadors in Rome will be through the same media as are now employed. In other words, Mr. Schott and Mr. Hopkinson will have their office in the Commission but as the representatives of the Ambassadors rather than the servants of the Chief Commissioner.

Para 2(b) It will presumably be the duty of the political advisers to ensure that the Italian Government fulfill their responsibilities in this connection.

Para 2(c) It is presumed that HANDED retains the right to veto decrees affecting military operations such as the establishment of the Ministry for Occupied Territories.

Para 2(d) The Service Sub-Commissions should be required to submit their views on this and I understand Land Forces Sub-Commission are already doing this.

Para. 2(e) A draft directive has been prepared for discussion.

Para 2(f) This must be brought into consideration when deciding on the future of the Education Sub-Commission which, in my view, must remain in order to deal with Allied Military Government. b1

Para 2(a) No comments.

Para 2(b) The Italian Government have already submitted a rather nebulous scheme under which the services of POW will continue to be made available. This is now under consideration by WMO & IPR Sub-Commission and Land Forces Sub-Commission.

-2-

- Para 3(a) "High levels" requires definition: presumably Heads of Sections and Directors of Sub-Commissions with Ministers and Under-Secretaries.
- Para 3(b) No comments on Education, SPAI and Local Government. With regard to labour, pressure will sometimes have to be brought to bear in order to coordinate labour and wage decrees with military requirements. Pressure will also have to be brought from time to time on the Italian Government with regard to judicial matters in which military interests are affected.
- Para 3(c) This is now being done.
- Para 3(d) This is impracticable.
- Para 4. We shall probably find strong pressure from the military authorities to exercise control in order to ensure the proper distribution of local resources but the inclusion of Italian representatives on the AFLEB and its committees will be a step towards ensuring our chief objects.
- Para 5(a) We might take the opportunity of reviewing our requisitions
Para 5(b) for those essential supplies.
Para 5(c)
- Para 6. You will remember that the CAG was doubtful about direct communication between the AG and CAG but I think he will be satisfied if I send copies of our requisitions. Requisitions will have to be screened by ourselves in order to prevent exaggerated amounts but the penultimate paragraph is important.
- Para 7(a) No comments.
- Para 7(b) No comments.
- Para 7(c) Presumably envisages the setting up of an Italian organisation to deal with purely commercial imports.
- Para 7(d) I can see no machinery at the moment by which imports can be controlled except through the Allied Commission, but we can wait and see.
- Para 8. No comments.
- Para 9. CAG promised to send copy of the financial telegram which, of course, should have arrived from 6-5 days ago.

612

(96)

~~SECRET~~

~~and U.S. G. E. N. T.~~

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief of Staff

5 February 1945.

Ref: AGO1/COG.

SUBJECT: New Directive from OCS on
the Allied Commission.

TO : VP, CA Sec
VP, Pol Sec (2)
VP, Econ Sec
VP, Est Sec
Director, Comms Sub-Com.
" WMD & IPW Sub-Com.

- is
1. Attached/copy of the new directive from the Combined Chiefs of Staff addressed to the Supreme Allied Commander.
 2. The Chief Commissioner will discuss the implications of this directive with you at 1600 hours, Tuesday, 6 February, and directs that you should study it in the meantime.
 3. The terms of the directive are to be considered as SECRET and should not be referred to publicly in any way. The OCS are at present considering a simultaneous announcement in the United States, United Kingdom and Italy.

MSE. JG.

611
Brigadier,
Chief of Staff.

Copy to: Chief Commissioner.
Land Forces Sub-Com (MHA)
Air Forces Sub-Com
Navy Sub-Com. } Not required to attend
meeting.

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator: Reference: F19529
Date/Time of Origin: FEB 2/1732

Message Centre No: D/ 428
Date/Time Recd: FEB 3/0900
Precedence: PRIORITY

FROM: AFHQ SIGNED SACRED CITE NREGO

TO: AIDOM ROME FOR LUSH

SECRET

FEB 3 1945

~~SECRET~~

Confirming telephone conversation LEAKE-RUSSELL, February 2.

Paraphrase AGWAR cable WX-30586 of 1 February 1945. TAM 446 follows.

Paraphrase begins - Public announcement of FAN 487 is being considered.

In near future further instructions will be forwarded. Meanwhile terms of new directive should not be referred to publicly in any way. - Paraphrase ends

ACTION

AC DIST

Action Chief of Staff (2)

Info A/President
Chief Commissioner
File



610

SECRET

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

785017

~~SECRET~~

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

~~CONFIDENTIAL~~

1 February 1945
(Date)

G-5: 113.3

SUBJECT: Transmittal of Document (s).

TO : Headquarters, Allied Commission, APO 384.

1. Forwarded herewith 1 copy of xxxxxxxx INCOMING MESSAGE Ref. No.

VX 28633, 31 January 1945, MC IN 23763, Copy No. 45

2. Please acknowledge receipt on the form below, detach and return immediately to G-5 Section, Allied Force Headquarters, APO 512.

CHARLES H. JOFFRE 609
Brigadier General, G.S.C.
Assistant Chief of Staff, G-5

~~SECRET~~

~~SECRET~~

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 special officer courier Auth.
 by security 1 Feb. 1945
 William
 my 85c

AFHQ MESSAGE CENTER
 INCOMING MESSAGE

AFHQ
 310220Z
 3116-00

ROUTINE

FROM: ADMIRAL FROM THE COMBINED CHIEFS OF STAFF (BOOK MESSAGE)

TO: ALEXANDER FOR ACTION, TO SHAEP VERMILLES FOR BIRMINGHAM,
 TO BRITISH JOINT STAFF MISSION FOR BRITISH CHIEFS OF
 STAFF, AND TO ARGONAUT FOR INFO

REF TO THIS MESSAGE: WX 29633, 31 January 1945.

W/N 437.

Following is Directive from Combined Chiefs of Staff.

1. In order to implement the joint declaration of the
 President and the Prime Minister of 26 September, 1944, the
 US and UK Governments have agreed to relax the control of the
 Italian Government under the armistice and surrender instrument
 and only to exercise such control when military needs require
 it. [This developing in the Italian Authorities a greater sense
 of responsibility] The rights under the armistice and surrender
 instrument will be held in reserve in the matter of day to day
 administration, subject to overriding military needs and the
 requirements of the campaign in ITALY.

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

POLITICAL SECTION.

2. A. The Political Section of the Allied Commission
 will be abolished. The Allied Commission will obtain
 advice from the US and UK Ambassadors in ROME. There
 is no intention, however, to make any change in the
 responsibility of the Combined Chiefs of Staff, acting

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AFHQ IN 31761

~~SECRET~~

COPY NO. 41

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REF ID: A66931, REF ID: THIS MESSAGE: WX 20633, Continued

through the Allied Commission; the Combined Chiefs of Staff will, therefore, as occasion requires, continue to transmit directives in regard to the combined views of the two Governments on matters of major policy, and such other matters as are within the scope of the activities of the Allied Commission.

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

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

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

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

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

~~SECRET~~

AFHQ MESSAGE CENTER

AFSC N 1300/31, REF NO THIS MESSAGE: WX 20633, Continued,

INCOMING MESSAGE

Between ITALY and the United Nations.

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

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

ADMINISTRATIVE SECTION.

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

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

B. As far as certain Subcommissions of the Allied Commission Headquarters are concerned such as Education, Arts and Monuments, Local Government, Labour and Legal, their advisory functions in respect of Italian Government territory should be exercised only when requested by the Italian Government. Control should NOT be exercised in respect of territory under the jurisdiction of the Italian Government.

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

607

NO IN 23763

~~SECRET~~

COPY NO.

REF ID: A60731, REF NO THIS MESSAGE: WX 29633, Continued.

2. To the extent feasible, Officers of Allied Commission Headquarters dealing with AND functions should be located at places other than Allied Commission Headquarters.

ECONOMIC SECTION.

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

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

a. Those quantities of food, fuel, clothing, medical, sanitary and other agreed essential supplies necessary to prevent disease and unrest prejudicial to such operations.

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

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

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

MC IN 23753

~~SECRET~~

(64)

AFHQ MESSAGE CENTER

AFHQ # 1309/3

INCOMING MESSAGE, Continued,

6. The Allied Commission shall be advised to assist the Italian Government in the preparation of programs of supplies designed to rehabilitate Italian industry. These supplies will be in addition to those to be provided as a military responsibility. Such programs when established by the Italian Government will NOT be subject to screening by Allied Force Headquarters, but will be reviewed and transmitted directly with appropriate comments and recommendations by the Allied Commission to the Combined Civil Affairs Committee, which will transmit the programs to the Combined Liberated Areas Committee for action by the appropriate civilian agencies of the UNITED STATES and British Governments. The UNITED STATES and British Governments will each make available such shares as may be mutually agreed of the cost of the provision of such of these programs as may be approved by the Combined Liberated Areas Committee. Procurement covering such programs should immediately be put in hand without reference to the present shipping position in order that the supplies may be called forward as and when shipping space becomes available. In this connection see Paragraph 3 below.

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

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

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

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AFHQ IN 23763

~~SECRET~~

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REF ID: A66931, REF NO THIS MESSAGE: WX 29633, Continued, 1

of the military effort in other Theaters, which rehabilitation should be given first priority, industries other than those excluded by the preceding sentence will be given such precedence in rehabilitation as may be determined by the Italian Government.

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

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

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

FINANCIAL SECTION.

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

WMA: MAP 278 Ref WX 24540 MC ONE 3390 13/5/44 C/S

WMA: G-2 OPEN DIST: G-1 1/2/45 JWS

DISSEMINATION: SOS ISAFS G-3 G-4
CAC MATI G-2 G-5
RESMIN G-5 (B) G-6 G-7

WMA 29763 11 Jan 45 22000 Ref No WX 29633 4/5/45

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