

Declassified E.O. 12356 Section 3.3/NND No. 785015

ACC

10000/110/220

MIN
ME
NOV

Declassified E.O. 12356 Section 3.3/HND No. 785015

10000/HO/220

MINUTES - PRESIDENTS
MEETING
NOV. 44 - MAR. 46

162/EST

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CO 551/54

20 March 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 20 March 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walton, Colonel Partin, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Captain Mantz, Colonel Savko, Lieutenant Colonel Cros, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel Wilbe-Jones, Mr. Cleveland.

1. Future of AC

With reference to para 1 of Minutes of 13 March, the Chief Commissioner stated that SACMED is dispatching a signal to CCS proposing that, while the functions of AC continue to be reduced, basically the form of AC and its responsibilities continue as they have been under SACMED as the ex-officio president. The signal also suggests that some additional delegation of authority be given to AC as was first done in the establishment of the COM-WOC message series permitting direct communication between AC and CCS on economic matters. There is still nothing definitive with respect to the future of AC, although press reports indicate discussions on a modus vivendi are being renewed in the apparent belief that the peace treaty will not be completed rapidly. There are three possibilities for AC: (1) Changed status under existing set-up under the armistice; (2) changed status if AC continues under modus vivendi; and (3) abolition of AC by modus vivendi or peace treaty, although it is expected that some form of inspectorate will be retained.

2. Boundary Commission

With reference to para 2 of Minutes of 13 March, the Chief Commissioner stated that according to reports, the boundary commission did cross the Morgan Line into Zone B and is returning shortly to Trieste. Mr. Halford added that the discussions of the commission are being kept strictly secret and it is expected that no announcement will be made from Trieste but that the commission will return to London and report to the deputies of the Council of Foreign Ministers.

3. Political Review

2810

785015

Partkin, Mr. Jones, Mr. Ballard, Mr. ...
Rear Admiral Warren, Captain Muntz, Colonel Savko, Lieutenant Colonel Gros, Major
Leacacos, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel Wilbe-
Jones, Mr. Cleveland.

2810

2. Boundary Commission

With reference to para 2 of Minutes of 13 March, the Chief Commissioner stated that according to reports, the boundary commission did cross the Mergan Line into Zone B and is returning shortly to Trieste. Mr. Halford added that the discussions of the commission are being kept strictly secret and it is expected that no announcement will be made from Trieste but that the commission will return to London and report to the deputies of the Council of Foreign Ministers.

3. Political Resumes

With regard to a *modus vivendi* for Italy, considerable speculation was caused by dispatches from Washington that Great Britain had withdrawn its previous objections, probably because the peace negotiations are getting on so very slowly. Mr. Jones stated that it was his understanding that the three powers have agreed in principle to a revision of the Armistice terms and that a draft document is now being studied. De Gasperi expressed great pleasure at the thought of a *modus vivendi*, which he said would permit Italy to settle down seriously to the work of reconstruction.

- 1 -
S Y C A S T

S E C R E T

The Luogotenente signed the laws on the referendum and the Constituente and returned them on 16 March to the President of the Council of Ministers with a letter in which he undertook to abide by the decisions of the referendum, which he said was in keeping with the traditions of the House of Savoy. He added that his father's irrevocable withdrawal from public life was made in the same spirit. The Chief Commissioner observed that the Luogotenente's statement clarified the King's manifesto of 1944 which did not clearly state that the King would retire irrevocably from public life. Mr. Hafford added that the Luogotenente's statement would probably strengthen his position in the electoral campaign.

4. Coal Situation

With reference to para 4 of Minutes of 13 March, Colonel Walton stated that a letter has been transmitted to G-5, AFHQ, informing them of the imminence of a coal shortage and requesting an investigation of the possibility of using coal from the Arsa mines. Mr. Cleveland stated that the prospects are not encouraging. 500,000 tons per month are set up monthly for the second quarter but only 39,000 tons of Ruhr coal is under discussion for that entire quarter with a possibility of more Ruhr coal in the second half.

5. Wheat Situation

With reference to para 5 of Minutes of 13 March, Colonel Walton stated that March loadings are not expected to exceed 150,000 tons and that this being less than consumption it is anticipated that stocks on May 1st will be low. Mr. Cleveland stated that the Italian Government has been kept informed of the situation. No plans have yet been made to reduce the ration, and the Italians have even wanted to increase the pasta ration in the cities, but IREX has not agreed.

6. Foreign Trade

Colonel Walton reported that he had attended a conference in Milan on foreign trade. At the opening of the conference the Chief Commissioner's letter to the conference was read and well received and at the conclusion letters from the U.S. Secretary and Assistant Secretary of State were read. The conference was well attended and the general line taken by the businessmen was that they should have freedom from control and free use of foreign credits. A committee of five was appointed to present to the Government the conference's recommendations that the Government should let them know the channels to be used in foreign trade and the items in which they may not trade.

7. UNRRA Supply Program

Mr. Cleveland stated that the central committee of UNRRA has officially approved the supply budget for 1946 for all receiving countries. Italy's share is taken as \$417,000,000, which includes \$34,000,000 of the 1945 program, and of which

5. Threat Situation

With reference to para 5 of Minutes of 13 March, Colonel Walton stated that March loadings are not expected to exceed 150,000 tons and that this being less than consumption it is anticipated that stocks on May 1st will be low. Mr. Cleveland stated that the Italian Government has been kept informed of the situation. No plans have yet been made to reduce the ration, and the Italians have even wanted to increase the pasta ration in the cities, but UNRRA has not agreed.

6. Foreign Trade

Colonel Walton reported that he had attended a conference in Milan on foreign trade. At the opening of the conference the Chief Commissioner's letter to the conference was read and well received and at the conclusion letters from the U.S. Secretary and Assistant Secretary of State were read. The conference was well attended and the general line taken by the businessmen was that they should have freedom from control and free use of foreign credits. A committee of five was appointed to present to the Government the conference's recommendations that the Government should let them know the channels to be used in foreign trade and the items in which they may not trade.

7. UNRRA Supply Program

Mr. Cleveland stated that the central committee of UNRRA has officially approved the supply budget for 1946 for all receiving countries. Italy's share is taken as \$417,000,000, which includes \$34,000,000 of the 1945 program, and of which \$325,000,000 is to be spent during the first six months of 1946.

At the Trieste meeting attended by Mr. Koenig it was decided to recommend to UNRRA, Washington, that charges incurred in handling UNRRA supplies through Trieste for other countries should not be borne by Italy, but that lire should be bought from the Italian Government to cover those expenses.

8. Metropolitan Lire

Colonel Timmons reported that Allied Armed Forces regulations have been changed to permit the interchange of Metropolitan Lire and AM Lire so that the two currencies are now in all respects equal. The Banca d'Italia is now the sole issuing authority for all lire.

S E C R E T

9. Liberty Ships

With reference to para 11 of Minutes of 13 March, Colonel Timmons reported that there have been articles in economic papers that 50 Liberty ships are to be acquired from the U.S.; the plan being to distribute these ships to shipowners in proportion to the damage they suffered through war losses. Mr. Cleveland stated that there is not yet any positive indication that the U.S. Government has agreed to sell these ships.

10. Mine Sweeping

With reference to para 9 of Minutes of 13 March, Admiral Warren reported that the last of the crews to man the 32 minesweepers turned over to the Italian Navy by the Royal Navy have taken over the 12 ships.

11. Repatriation

With reference to para 10 of Minutes of 13 March, Admiral Warren reported that the TOSCANA, the ABRUZZI, and the MONTICELLI are continuing their programs. If the program can be continued, all POW's from North Africa will have been repatriated by July. General Browning reported that as of 11 March there were 25,000 Italian POW's in India and Ceylon to be repatriated, 293 remaining in the U.S. out of 51,000 there during the war, and 107,000 in the U.K. out of 158,000. Between 18 February and 18 March some 47,000 POW's were repatriated.

12. Elections

With reference to para 7 of Minutes of 13 March, Brigadier Carr reported that 87% of the electoral rolls have now been approved, so that it can be assumed that by the end of March all electoral lists in Italian Government territory will have been approved except for Bolzano. Elections were held on 17 March in just over 1,000 communes throughout Italy. The results seem to follow the pattern set in the previous elections with the Christian Democrats receiving more votes than any other single party and only slightly fewer than the combined left-wing parties. Elections were orderly and there was only disturbance in Rieti where polling booths were broken into and ballot boxes broken. Elections in this commune were declared null and void.

Next Vice Presidents' Meeting: Wednesday, 27 March 46, 1000 hours

DISTRIBUTION:

Chief Commissioner
Executive Commr

VI, Civil Affairs Section

L. W. STEARNS

1st Col, AGC

Staff Officer

With reference to para 10 of Minutes of 13 March, Admiral Warren reported that the FOSCAMA, the AFPUZZI, and the MONTAGNOLI are continuing their programs. If the program can be continued, all PWs from North Africa will have been repatriated by July. General Browning reported that as of 13 March there were 25,000 Italian POWs in India and Ceylon to be repatriated, 298 remaining in the U.S. out of 51,000 there during the war, and 107,000 in the U.K. out of 156,000. Between 18 February and 18 March some 47,000 POWs were repatriated.

12. Elections

With reference to para 7 of Minutes of 13 March, Brigadier Carr reported that 87% of the electoral rolls have now been approved, so that it can be assumed that by the end of March all electoral lists in Italian Government territory will have been approved except for Bolzano. Elections were held on 17 March in just over 1,000 communes throughout Italy. The results seem to follow the pattern set in the previous elections with the Christian Democrats receiving more votes than any other single party and only slightly fewer than the combined left-wing parties. Elections were orderly and there was only disturbance in Rieti where polling booths were broken into and ballot boxes broken. Elections in this commune were declared null and void.

Next Vice Presidents' Meeting: Wednesday, 27 March 46, 8:00 hours

DISTRIBUTION:

Chief Commissioner
Executive Commr
VP, Civil Affairs Section
VP, Economic Section (6)
VP, Establishment Section (2)
Political Advisor (A)
Political Advisor (B)
Navy Subcommittee (3)
Land Forces Subcommittee (MILIA)
Air Forces Subcommittee
French Representative, AC
Soviet Representative, AC
Liaison Officer (EC)
Public Relations Branch
American Ambassador
G-5, AFHQ (5)
Chief Financial Advisor (AC)
Chief Legal Advisor (AC)
British Ambassador

L. W. STEARNS

Lt Col, AGD

Staff Officer to OC

2509

- 3 -
SECRET

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/53

13 March 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 13 March 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walters, Colonel Parkin, Brigadier Carr, Mr. Jones, Mr. Hopkinson, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine Moullec, Lieutenant Colonel Gros, Major Lencacos, Colonel Weber, Captain Garthwaite, Lieutenant Colonel Wilbe-Jones, Mr. Cleveland.

1. Future of AC

With reference to para 1 of Minutes of 27 February 1946, the Chief Commissioner reported that the only developments with regard to the future of the AC have been the recent discussions in Rome and at AFHQ. However, no directive has yet been received. The charges reported in para 1 of Minutes of 27 February in connection with the Economic Section have taken place.

2. Boundary Commission

With reference to para 3 of Minutes of 27 February 1946, the Chief Commissioner stated that the Venezia Giulia border commission had arrived in Trieste and begun its deliberations. The Italian Government has made a formal request that the commission visit all of the disputed areas including Trieste and Zara and that an Italian observer be attached to the commission, but so far no reply has been received. Mr. Jones stated that there is nothing official on the itinerary of the commission but it appears that the commission will go east of the Morgan Line.

3. Political Review

Mr. Jones gave a brief review of the general political situation. Legislation for the Constituentia has developed along the lines reported by Mr. Hopkinson on 27 February. The Council of Ministers agreed on 27 February to the draft law submitted by the Prime Minister, providing for referendum on the institutional question to be held simultaneously with the elections for the Constituentia, the question

0 2 3 6

Conference Room, Headquarters, ...
Present: Rear Admiral Stone, Brigadier Lush, Colonel Walters, Colonel
Parkin, Brigadier Carr, Mr. Jones, Mr. Hopkinson, Air Vice Marshal Brodie, Major
General Browning, Rear Admiral Warren, Colonel Savko, Capitaine Moullier, Lieutenant
Colonel Gros, Major Leacacos, Colonel Weber, Captain Outhertson, Lieutenant
Colonel Wilbe-Jones, Mr. Cleveland.

1. Future of AC

With reference to para 1 of Minutes of 27 February 1946, the Chief Commissioner reported that the only developments with regard to the future of the AC have been the recent discussions in Rome and at AFHQ. However, no directive has yet been received. The changes reported in para 1 of Minutes of 27 February in connection with the Economic Section have taken place.

2. Boundary Commission

With reference to para 3 of Minutes of 27 February 1946, the Chief Commissioner stated that the Venezia Giulia border commission had arrived in Trieste and begun its deliberations. The Italian Government has made a formal request that the commission visit all of the disputed areas including Fiume and Zara and that an Italian observer be attached to the commission, but so far no reply has been received. Mr. Jones stated that there is nothing official on the itinerary of the commission but it appears that the commission will go east of the Morgan Line.

3. Political Resumes

Mr. Jones gave a brief resume of the general political situation. Legislation for the Costituente has developed along the lines reported by Mr. Hopkinson on 27 February. The Council of Ministers agreed on 27 February to the draft law submitted by the Primo Minister, providing for referendum on the institutional question to be held simultaneously with the elections for the Costituente, the question (tentatively agreed upon) to be asked of the voters being "Do you want the constitution of a republic?" Legislative powers will remain in the hands of the Government during the period of the Costituente except as regards electoral laws and approval of international treaties. The Government will be responsible to the Costituente. However, a Government crisis cannot be created solely by the Costituente's disapproval of or failure to approve Governmental actions, but only on a specific motion of lack of confidence which must be passed by an absolute majority. The vote to be taken 48 hours after the motion has been made. The Costituente will have its first meeting in Rome on the 22nd day after the date of the elections. It shall cease its functions on the day the new constitution comes into force, and in any event it cannot last for more than a year. The law provides that any state officials not respecting decisions of the Costituente will be subject to heavy penalties. The law also prohibits ministers of religion and public officials from using their office to influence voters in the forthcoming elections. The Consulta passed the law limiting the powers of the Costituente and providing a referendum by a vote of 172 to 50 at a meeting that will probably

2508

SECRET

be its last plenary session, although some of its committees will continue. The date for the referendum and elections was set for 2 June. With regard to the question of obligatory voting, it was agreed to impose moral sanctions rather than material sanctions on those failing to vote by posting their names publicly for a period of five years and by an appropriate notation on their good conduct certificates.

The Italian Ambassador to France resigned last week in order to re-enter Italian politics prior to the elections.

At his press conference, the Prime Minister stated that Italy wants the Brenner as the boundary between Austria and Italy. He also announced that it had been decided to go ahead with the formation of a commission without the participation of the South Tyrol People's Party for establishment of an autonomous government in the Upper Adige. In response to a question, the Prime Minister stated that he would not sign a peace treaty which would deprive Italy of Trieste. With regard to the elections for the Constituent, the Prime Minister announced that on the advice of the Allies a state ballot had been adopted to guarantee impartiality.

4. Coal Situation

Colonel Walker reported that February arrivals amounted to 533,000 tons of coal, about 50,000 tons of which was for military use. The outlook is not good, however, because there is every indication that there may shortly be a coal strike in the U.S., which information has been passed on to the Italian Government. Every effort has been made to get coal from the Ruhr but the difficulty is in getting the coal from the source in Germany to the Swiss border. Discussions are continuing with regard to Polish coal, but at the moment it appears that it would be necessary to use Italian rolling stock to transport the coal. There is a possibility that petroleum coke from the Persian Gulf may be imported. The Chief Commissioner requested Colonel Walker to review the minutes of the Joint Economic Committee to see if renewed pressure should not be put to get coal out from the Arge coal mines. Brigadier Lush recommended that G-5 informed of the imminence of a coal shortage. /ba

5. Wheat Situation

Mr. Cleveland reported that the wheat picture was poor and referred to Mr. Lehman's statement that every development in the past few months has been for the worse. March arrivals will be 240,000 tons, but March loadings will drop to 150,000 tons, plus about 50,000 tons coming in under the FEA program. In addition, 19,000 tons of flour for the Italian Army will arrive in March and April. Monthly requirements for Italy are about 230,000 tons.

6. UNRRA Supply Program

UNRRA Supply Program has been recommended to

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

785015

stated that he would not sign a peace treaty unless the United States would agree to guarantee impartiality.

4. Coal Situation

Colonel Walker reported that February arrivals amounted to 533,000 tons of coal, about 50,000 tons of which was for military use. The outlook is not good, however, because there is every indication that there may shortly be a coal strike in the U.S., which information has been passed on to the Italian Government. Every effort has been made to get coal from the Ruhr but the difficulty is in getting the coal from the source in Germany to the Swiss border. Discussions are continuing with regard to Polish coal, but at the moment it appears that it would be necessary to use Italian rolling stock to transport the coal. There is a possibility that petroleum coke from the Persian Gulf may be imported. The Chief Commissioner requested Colonel Walker to review the minutes of the Joint Economic Committee to see if renewed pressure should not be put to get coal out from the Arsa coal mines. Brigadier Lusk recommended that G-5 be informed of the imminence of a coal shortage. /be

5. Wheat Situation

Mr. Cleveland reported that the wheat picture was poor and referred to Mr. Lehman's statement that every development in the past few months has been for the worse. March arrivals will be 240,000 tons, but March loadings will drop to 150,000 tons, plus about 50,000 tons coming in under the FEA program. In addition, 19,000 tons of flour for the Italian Army will arrive in March and April. Monthly requirements for Italy are about 230,000 tons.

6. UNRRA Supply Program

Mr. Cleveland stated that the local UNRRA organization has recommended to Washington that expenses incurred by the Italian Government in handling UNRRA supplies for other countries should be covered by an increase in the appropriation for Italy. Washington has replied that the Italian Government should make funds available, but the Government has not yet agreed to do so. At the moment Mr. Keery is at a meeting in Trieste on the problem of shipment of UNRRA supplies through North Italian ports. The total UNRRA supply budget for 1946 for Italy is \$383,000,000, of which \$325,000,000 has been earmarked for procurement during the first six months, so that almost all procurement is supposed to be made before 30 June. The money not spent at that time will revert to the general pool for reallocation.

7. Elections

With reference to para 5 of Minutes of 27 February 1946, Brigadier Carr reported that 98% of the electoral lists have been compiled, which virtually

- 2 -
SECRET

SECRET

completes the compilation, and that 75% of the rolls have been approved. With reference to the elections held on 10 March, Brigadier Carr stated that no official report has yet been received from the Ministry of the Interior. Mr. Jones stated that according to press reports 429 communes in Italy held elections 10 March, with accounts to date showing principal strength in the Socialist-Communist bloc and in the Christian Democrats. Out of 330 communes reported in the Christian Democrats won in 144, the left-wing groups in 123, and the other parties including independents in 63 communes. The elections held were mostly in the central and southern parts of Italy, although a few were held in the North. The Chief Commissioner requested that the AC observers note to see whether the electoral lists are being observed. Brigadier Carr reported that all the 91 communes of Bolzano have compiled electoral lists not including the cases of doubtful citizenship, but none of these lists have yet been approved. Mr. Jones added that the Government has stated that elections will not be possible in Venezia Giulia and in Bolzano because the electoral lists will not be possible. Brigadier Carr stated that the Government is still considering the decree relating to the Special Commission to decide cases of doubtful citizenship in Bolzano but it is not expected to be passed before 31 March. The Chief Commissioner asked Brigadier Carr to check with the political advisors to see if a letter should be prepared to the Prime Minister putting on pressure.

3. Disturbances

Brigadier Carr reported that information received by phone up to midday March 12th was that the situation in Trieste was quiet. The general strike in Gorizia had broken down. No reports have yet been received from the Liaison Officer at Palermo with regard to the disturbances there. It appears that 2 were killed and about 20 wounded in the outbreak.

9. Minesweeping

With reference to para 11 of Minutes of 27 February 1946, Admiral Warren stated that the British minesweepers have now left Leghorn and the minesweeping is now entirely up to the Italians under the direction of Mediterranean Zone Mine Clearance Board. A meeting was held at the Ministry of Marine to acquaint the Italians with the difficulties facing them and the Italians seem very keen to get on with the job. A further four crews have gone to Malta to take over British minesweepers.

10. Repatriation

With reference to para 12 of Minutes of 27 February 1946, Admiral Warren stated that the MONTAUDOLI has arrived with 800 POW's from Phillipville. The Chief Commissioner stated that he had seen a report that there were only 50 Italian POW's left in the U.S. He could not believe the figure was so low and asked General Browning to check. Mr. Hopkinson reported that a delegation had called on him protesting at the slowness of repatriating POW's from India and South Africa, claiming that non-communist

Jones added that the Government has stated that elections will not be possible in Venezia Giulia and in Bolzano because the electoral lists will not be ready. Brigadier Carr stated that the Government is still considering the decree relating to the Special Commission to decide cases of doubtful citizenship in Bolzano but it is not expected to be passed before 31 March. The Chief Commissioner asked Brigadier Carr to check with the political advisers to see if a letter should be prepared to the Prime Minister putting on pressure.

8. Disturbances

Brigadier Carr reported that information received by phone up to midday March 12th was that the situation in Trieste was quiet. The general strike in Gorizia had broken down. No reports have yet been received from the Italian Officer at Palermo with regard to the disturbances there. It appears that 2 were killed and about 20 wounded in the outbreak.

9. Minesweeping

With reference to para 11 of Minutes of 27 February 1946, Admiral Warren stated that the British minesweepers have now left Loughorn and the minesweeping is now entirely up to the Italians under the direction of Mediterranean Zone Mine Clearance Board. A meeting was held at the Ministry of Marine to acquaint the Italians with the difficulties facing them and the Italians seem very keen to get on with the job. A further four crews have gone to Malta to take over British minesweepers.

10. Repatriation

With reference to para 12 of Minutes of 27 February 1946, Admiral Warren stated that the MONTESCUCCOLI has arrived with 800 POW's from Phillipaville. The Chief Commissioner stated that he had seen a report that there were only 50 Italian POW's left in the U.S. He could not believe the figure was so low and asked General Browning to check. Mr. Hopkinson reported that a delegation had called on him protesting at the slowness of repatriating POW's from India and South Africa, claiming that non-cooperators were returning from India ahead of co-operators.

11. Liberty Ships

Mr. Cleveland stated that a law has been passed and signed in the U.S. making it possible for the U.S. Government to sell Liberty ships and that the Italian Ministry of the Treasury has earmarked money for down payments on fifty ships. The Chief Commissioner asked Mr. Jones to check on the channel to be used for private operators who desire to buy ships. The Chief Commissioner stated that the AC should call the Italian Government's attention to this matter, requesting them to circularize shipowners so that members can know if they are permitted to buy the ships and what channel should be used.

SECRET

S E C R E T

12. Italian Courier Service - Fare Paying

With reference to para 10 of Minutes of 27 February, AVN Brodie stated that the subject of fares has been agreed with the Legal S/C, Economic Section, and Transportation S/C. In discussion with Minister Cevolotto, it was agreed that he would speak with the Minister of Transport and that when the Plan has been approved in detail, the Air Ministry will coordinate action with the other sections of the Government.

13. Italian Flights Outside Theater

AVN Brodie stated that approval has been given in principle for Italian Military Courier flights outside the theater to transport Italian officials to international meetings, etc., but approval is required in advance for each flight (from AFHQ, etc.).

14. Commercial Air Travel

AVN Brodie reported that the BOMC has advised AFSC that a weekly schedule is now being flown between London, Marseilles, Rome, and Athens. 50% of the accommodations on each flight are reserved for military priorities and the other 50% are for civilians without priority. The fare to London is 27 pounds sterling, one way.

15. Summer Time

Brigadier Lush reported that at the request of the Italians, in order to conserve electric power, it has been decided to introduce summer time at 0200 hours 17 March, i.e., one hour advance.

16. Displaced Persons

Brigadier Lush stated that Colonel Findlay has returned from a trip through Austria and Germany and now believes that when the northern passes are open there will be a great increase in legal and illegal immigration into Italy. Colonel Findlay is preparing a full report on the trip. The Chief Commissioner suggested that a copy should go to the Italian Government. The necessity for tightening up on frontier control already has been brought to the attention of the Italian Government. The Chief Commissioner stated that the problem would not be really solved until it has been decided what to do with the refugees in Europe. Brigadier Lush observed that the desire of these displaced persons to come to Italy does in a way speak well for the comparative condition of this country with the rest of Europe.

Brigadier Lush stated that although UNRRA was supposed to have taken over all camps for displaced persons in Italy by 1 February, there are still five camps under the jurisdiction of the Displaced Persons S/C, although there are UNRRA representatives at the camps. UNRRA has taken the position that it has no responsibility until CCS ratify the agreement.

14. Commercial Air Travel

AVM Brodie reported that the BQAC has advised AFSC that a weekly schedule is now being flown between London, Marseilles, Rome, and Athens. 50% of the accommodations on each flight are reserved for military priorities and the other 50% are for civilians without priority. The fare to London is 27 pounds sterling, one way.

15. Summer Time

Brigadier Lush reported that at the request of the Italians, in order to conserve electric power, it has been decided to introduce summer time at 0200 hours 17 March, i.e., one hour advance.

16. Displaced Persons

Brigadier Lush stated that Colonel Findlay has returned from a trip through Austria and Germany and now believes that when the northern passes are open there will be a great increase in legal and illegal immigration into Italy. Colonel Findlay is preparing a full report on the trip. The Chief Commissioner suggested that a copy should go to the Italian Government. The necessity for tightening up on frontier control already has been brought to the attention of the Italian Government. The Chief Commissioner stated that the problem would not be really solved until it has been decided what to do with the refugees in Europe. Brigadier Lush observed that the desire of these displaced persons to come to Italy does in a way speak well for the comparative condition of this country with the rest of Europe.

Brigadier Lush stated that although UNRRA was supposed to have taken over all camps for displaced persons in Italy by 1 February, there are still five camps under the jurisdiction of the Displaced Persons S/C, although there are UNRRA representatives at the camps. UNRRA has taken the position that it has no responsibility until CCS ratify the agreement.

Mr. Hopkinson expressed his regrets to the members of the Vice Presidents' Meeting at his leaving the Allied Commission. On behalf of his colleagues, the Chief Commissioner stated that Mr. Hopkinson would be missed personally as well as officially, and thanked him for his excellent service to the Allied Commission.

Next Vice Presidents' Meeting: Wednesday, 20 March 1946, 1900 hours

R. W. Stearns
L. W. STEARNS
Lt Col, AGP
Staff Officer to CC

SECRET

Declassified E.O. 12356 Section 3.3/NND

No.

785015

DISTRIBUTION

Chief Commissioner
 Executive Commissioner
 VP, Civil Affairs Section
 VP, Economic Section (6)
 VP, Establishment Section (2) ✓
 Political Advisor (1)
 Political Advisor (1)
 Navy Subcommittee (3)
 Land Forces Subcommittee (MILA)
 Air Forces Subcommittee
 French Representative, AC
 Soviet Representative, AC
 Liaison Officer (EC)
 Public Relations Branch
 American Ambassador
 G-5, AFHQ (5)
 Chief Financial Advisor (AC)
 Chief Legal Advisor (AC)
 Division Administrator

10 2 4 4

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

785015

2506

Political Advisor (A)
Political Advisor (A)
Naval Subcommission (3)
Land Forces Subcommission (MMLA)
Air Forces Subcommission
French Representative, AC
Soviet Representative, AC
Liaison Officer (EC)
Public Relations Branch
American Ambassador
G-5, AFHQ (5)
Chief Financial Advisor (AC)
Chief Legal Advisor (AC)
British Ambassador

Declassified E.O. 12356 Section 3.3/NND No. 785015

HEADQUARTERS ALLIED COMMAND

APO 394

Office of the Executive Commissioner

Ref: 210/EC.

5 March 1946.

MINUTES OF EXECUTIVE COMMISSIONER'S MEETING - 5 MARCH.

1. Minutes of Last Meeting.

(a) - 2. Economic Section. Ex C stated that CC had approved the new set up of Econ Sec. Col. Walton said the new organization in HOLE was on conventional lines with the seven branches (formerly Sub-Commissions) operating on a reduced scale. No provision had been made for a Labour Branch. There were two food officers and a transportation officer in VENICE. Efforts had been made for parity in Econ Sec staff but this was difficult as the economic allocation was much smaller than the British. Ex C said that the whole part of the former Econ Sec would move to the U.S. building at the end of the week and he had directed HQ Commandant to contact Col. Walton on the question of office accommodation for the new Econ Sec.

(b) - 4. Italian Air Services. Ex C stated that a letter was being sent to AFHQ containing the proposals on this matter. He would inform the French Representative to AC of these proposals.

(c) - 5. Elections - Policy. Brig. Carr stated that the directive to AFHQs had been sent out. The Italian Government had been advised of this directive in discussions and Polaris had been given copies. Ex C thought that AFHQ should be asked to send a warning order to Commanders that Allied troops must not participate in any way in the elections. Brig. Carr would draft a letter to AFHQ.

(d) - 7. Food Situation. Col. Walton said the situation was little changed. February shipments had come in and the scheduled arrivals for March were good. If these were fulfilled the present ration would hold through March. Ex C stated that AFHQ reported food was available but there were no reserves. There was general discussion on the possibility of hidden hoards, not only of food, but of consumer goods generally, as well as lire currency. The prices of local produce seemed to be decreasing.

2. Electricity. Ex C stated that a very definite order had been received from AFHQ on the need for stringent economy in the use of electricity. Instructions had been given to HQ Commandant to enforce this and the

Ex O. (A)

File
CR

785015

efforts had been made for security in Hong Kong and that this was difficult as the situation was more complicated than the British.

- (b) - 4. Italian Air Services. Ex Q stated that a letter was being sent to AFHQ containing the proposals on this matter. He would inform the French Representative to AC of these proposals.
- (c) - 5. Elections - Policy. Brig. Carr stated that the directive to ACLOS had been sent out. The Italian Government had been advised of this directive in discussions and Polaris had been given copies. Ex Q thought that AFHQ should be asked to send a warning order to Commanders that Allied troops must not participate in any way in the elections. Brig. Carr would draft a letter to AFHQ.

- (a) - 7. Food Situation. Col. Walton said the situation was little changed. February shipments had come in and the scheduled arrivals for March were good. If these were fulfilled the present ration would hold through March. Ex C stated that JALON reported food was available but there were no reserves. There was general discussion on the possibility of hidden hoards, not only of food, but of consumer goods generally, as well as lire currency. The prices of local produce seemed to be decreasing.

2. Electricity. Ex C stated that a very definite order had been received from AMF on the need for strangers economy in the use of electricity. Instructions had been given to the Commandant to enforce this and the cooperation of all officers was required.

3. Summer Time. Ex C reported that the Italian Government had promised that summer time should be introduced on 1 May 1941. This was a sympathetic but as the Italian Government had agreed to postpone the European Summer Time Amendment action could not be taken. Ex C telephoned Brig. Fellowes, who had been very helpful and had rung up WOODHILL. Ex C was meeting the Minister of Transport with Brig. Fellowes this afternoon and hoped to be able to give him a reply.

- Duty Officers. Brig. Carr asked if one officer could do duty for Gd and Ben Soos on Sundays and half-holidays. Ex C stated that Gd and Ben Soos should keep its own duty officer in the present stage of reorganization and ruled that the following officers be on duty:

- 2 -

One Hq Duty Officer (in Adjutant's Office)

One Officer for San Sec

One Officer for Chief Commissioner's Office

The roster for the latter duty would be made up from the CC's and Ex C's staff, C. Sec and Est Sec.

5. UNRRA. Ex C stated that Mr. Koom of UNRRA was very concerned about Indians (distribution of medical stores). He reported that large supplies were available but had not been distributed for various reasons, one of which was that propaganda was insisted upon. Mr. Koom asked if AS would take the matter up with the Prime Minister. Ex C stated that we must get the Italian Government to issue these medical supplies quickly before they become useless. He directed C. Sec (Public Health S/C) to coordinate with UNRRA and put up a memorandum to the Prime Minister.

6. Shoes and Clothing. Col. Souther stated that one of the chief factors in the rehabilitation of the public services was the supply of shoes and clothing. He reported that in a warehouse near KMEZ there was a large consignment of shoes and clothing from USA which had been there since June 1945. Col. Walton said that full distribution had been indicated for these goods but for some reason delivery had not been effected. Ex C directed the matter be followed up by San Sec.

7. Textiles. Ex C said a report had been received that a firm in the North were making large quantities of suits for a private relief organization. C. Sec pointed out that a transaction of this nature would not be permitted if the material was going out of ITALY. Ex C directed Col. Walton to contact Lt. Col. Mansford who possessed more complete information on the matter.

8. Derequisitioning. Ex C directed that San Sec should deal with the whole question of derequisitioning. Col. Walton would arrange accordingly.

J. H. Hunt
 Chief Staff Officer,
 To the Executive Commissioner.

DISTRIBUTION:

6. Shoes and Clothing. Col. Scudder stated that one of the chief factors in the rehabilitation of the public services was the supply of shoes and clothing. He reported that in a warehouse near SOAS there was a large consignment of shoes and clothing from USA. which had been there since June 1945. Col. Walton said that full distribution had been indicated for these goods but for some reason delivery had not been effected. Ex O-directed the matter be followed up by Stan Ser.

7. Textiles. Ex C said a report had been received that a firm in the North were making large quantities of suits for a private relief organization. Ex. pointed out that a transaction of this nature would not be permitted if the material was going out of Italy. Ex C directed Col. Walton to contact Lt. Col. Monmouth who possessed more complete information on the matter.

8. Derequisitioning. Ex G direction that Son Geo should deal with the whole question of derequisitioning. Col. Walter would arrange accordingly.

Chief Staff Officer,
To the Executive Committee.

DISTRIBUTION:

G-5, Admin
Executive Organization
AC Chief Liaison Officer
Polat (A)
Polat (B)
G-300
Econ Sec
Ex O (A)
Ex O (B)
Chief Financial Officer
PMO
Land Forces S/G (M.L.)
Liaison Division
SpecOps
Billo

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/49

6 February 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 6 February 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Mr. Cleveland, Colonel Parkin, Brigadier Carr, Mr. Jones, Mr. Hopkinson, AVM Brodie, Major General Browning, Rear Admiral Warren, Major Leonidoff, Captain Moullec, Lieutenant Colonel Boragin, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel K. Wilbe-Jones.

1. Supplies to Venezia Giulia

Reference paragraph 1 of Minutes 30 January, the Chief Commissioner stated that a strongly worded telegram had been sent to AFHQ on this matter and he hoped it would be effective.

2. Future of AG

The Chief Commissioner reported no change.

3. Supplying of Venezia Giulia

Reference paragraph 7 of Minutes 30 January, the Chief Commissioner declared the situation remained more or less as reported in previous minutes.

4. Elections in Udine Province

Reference paragraph 11, Minutes 30 January, upon the Chief Commissioner's inquiry as to repercussions about the holding of elections in Udine, Brigadier Carr reported that there had been no substantial change.

5. Electoral Lists

Reference paragraph 12 of Minutes 30 January, the Chief Commissioner wished to know if there had been any increase in the number of approved lists. Brigadier Carr stated there had been a sharp rise in the number of final approvals as a result of the new system.

6. Political Resume

Mr. Hopkinson reported that the main interest of the week lay on the press

1. Supplies to Venezia Giulia

Reference paragraph 1 of Minutes 30 January, the Chief Commissioner stated that a strongly worded telegram had been sent to APHQ on this matter and he hoped it would be effective.

2. Future of AC

The Chief Commissioner reported no change.

3. Supplying of Venezia Giulia

Reference paragraph 7 of Minutes 30 January, the Chief Commissioner declared the situation remained more or less as reported in previous minutes.

4. Elections in Udine Province

Reference paragraph 11, Minutes 30 January, upon the Chief Commissioner's inquiry as to repercussions about the holding of elections in Udine, Brigadier Carr reported that there had been no substantial change.

5. Electoral Lists

Reference paragraph 12 of Minutes 30 January, the Chief Commissioner wished to know if there had been any increase in the number of approved lists. Brigadier Carr stated there had been a sharp rise in the number of final approvals as a result of the new system.

6. Political Resume

Mr. Hopkinson reported that the main interest of the week lay on the press reaction to the activities of the Deputy Foreign Ministers' meeting in London. Press comments revealed great anxiety in respect of Venezia Giulia and the impending arrival of the UNO Commission that is to investigate and report on the area. There is particular concern about the plans the Yugoslavs are making for the UNO Commission's reception. Their aim is to make Trieste appear to the UNO as a strong Yugoslav town. As regards Zone 'B', there is the feeling among the Italians that their case in this connection will not be upheld, and it has been suggested that the Italian Government have a liaison officer or observer with the UNO Group for the protection of Italian interests.

There has been also much comment relative to the Austrian Government claim to Adige and its suggestion that the territory be placed under UNO trusteeship but under Austrian administration. The Italians are opposed to the claim, and the Prime Minister in a recent newspaper interview spoke of the steps being taken to grant autonomy to the area. De Gasperi also presented to the various ambassadors a memorandum for formal transmission to the Foreign Ministers' Meeting.

- 1 -
SECRET

S E C R E T

It presented the Italian Government's claim to Adige, and the Prime Minister explained that such action had been taken not because the area was considered as disputed but so as to match the formal claim put in by Austria.

Mr. Hopkinson reported that Nenni had made an important speech in Geneva during which he discussed foreign and internal policy. Referring to the Adige question, he stated that Austria could claim the territory only on ethnic grounds. On the subject of the powers of the Constituent, he declared that some democratic parties were raising questions which appeared to tend to divert attention from the Constituent. He declared that compulsory voting was not undemocratic and that the Socialists would not oppose the referendum in principle.

Mr. Hopkinson further reported that two congresses had opened their sessions during the week -- that of the "Uomo Qualunque" front and Action Party's.

7. German Files in Bolzano

Mr. Cleveland reported that some discussions were taking place on the question of the disposition of German files in Bolzano. These are of value because of the information they contain on production capacity and related subjects in respect of Northern Italy. He explained that these files had records which could be the basis for various types of claims against German, Austrian, and Italian firms. An analysis is being made of the types of claims that might be gotten out of the files. The matter had been taken up with the Palais and it had been suggested that the Commission put up a paper to AFHQ embodying an appreciation of their value and recommendations for their disposition.

8. North Italian Industrial Council

Mr. Cleveland reported that the North Italian Industrial Council was functioning again. Under decree, the Council can continue only until 31 March. The question is now being discussed whether it will be succeeded by a national industrial council or a national economic council.

9. Cotton Textile Committee

Mr. Cleveland reported that the Committee had made the decision that no cotton textiles from Europe can be sent to the Western Hemisphere. Mr. Cleveland suggested that AC should protest this decision. The American Embassy had sent a strong cable of protest, and the Chief Commissioner suggested the British Embassy should do likewise. The matter called for a combined Allied decision.

10. Italian POWs

Rear Admiral Warren stated that both the "Duce degli Abruzzi" and the

0 2 5 4

attention from the Constituent. He declared that compulsory voting was not undemocratic and that the Socialists would not oppose the referendum in principle.

Mr. Hopkinson further reported that two congresses had opened their sessions during the week -- that of the "Uomo Qualunque" front and Action Party's.

7. German Files in Bologna

Mr. Cleveland reported that some discussions were taking place on the question of the disposition of German files in Bologna. These are of value because of the information they contain on production capacity and related subjects in respect of Northern Italy. He explained that these files had records which could be the basis for various types of claims against German, Austrian, and Italian firms. An analysis is being made of the types of claims that might be gotten out of the files. The matter had been taken up with the Palads and it had been suggested that the Commission put up a paper to AFHQ embodying an appreciation of their value and recommendations for their disposition.

8. North Italian Industrial Council

Mr. Cleveland reported that the North Italian Industrial Council was functioning again. Under decree, the Council can continue only until 31 March. The question is now being discussed whether it will be succeeded by a national industrial council or a national economic council.

9. Cotton Textile Committee

Mr. Cleveland reported that the Committee had made the decision that no cotton textiles from Europe can be sent to the Western Hemisphere. Mr. Cleveland suggested that AC should protest this decision. The American Embassy had sent a strong cable of protest, and the Chief Commissioner suggested the British Embassy should do likewise. The matter called for a combined Allied decision.

10. Italian POWs

Rear Admiral Warren stated that both the "Duca degli Abruzzi" and the "Montebonelli" had arrived with several hundred IOWs and Italian civilians. The "Eritree" is expected from the East with Italian and Dutch repatriates from the East Indies.

11. Minesweeping

Rear Admiral Warren reported that a general statement on minesweeping operations is being prepared by the Navy Subcommittee and that it would be ready by the end of the month.

12. Entry of Ships into La Spezia

Rear Admiral Warren announced that the approval that had been granted for vessels to enter the port of La Spezia had been revoked owing to the fact that the channel was not wide enough. The passage is being widened now by the Italian

SECRET

Government. Another cruiser had put in at La Spezia for complete outfit -- this made a total of two and was creating work for the unemployed in that area.

13. War Establishment

Brigadier Lush announced that the Commission's proposal for the British War Establishment had been put up to AFHQ for approval.

Next Vice Presidents' Meeting, 1000 hours, Wednesday, 13 February 46

L. W. Stearns
L. W. STEARNS
Lt Col, AGP
Staff Officer to CC

DISTRIBUTION:

Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (6)
VP, Establishment Section (2)
Political Advisor (A)
Political Advisor (B)
Navy Subcommittee (3)
Land Forces S/C (MILA)
Air Forces Subcommittee
French Representative, AC
Soviet Representative, AC
Liaison Officer (EE)
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Chief Financial Advisor (AC)
Chief Legal Advisor (AC)

0 2 4 4

Declassified E.O. 12356 Section 3.3/NND No. 785015


L. T. STEARNS
Lt Col, AGC
Staff Officer to CG

2503

DISTRIBUTION:

- Chief Commissioner
- Executive Commissioner
- VP, Civil Affairs Section
- VP, Economic Section (6)
- VP, Establishment Section (2)
- Political Advisor (A)
- Political Advisor (B)
- Navy Subcommittee (3)
- Land Forces S/C (MIA)
- Air Forces Subcommittee
- French Representative, AC
- Soviet Representative, AC
- Liaison Officer (EU)
- Public Relations Branch
- American Ambassador
- British Ambassador
- G-5, AFHQ (5)
- Chief Financial Advisor (AC)
- Chief Legal Advisor (AC)

- 3 -

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CO 551/48

30 January 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 30 January 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Mr. Cleveland, Colonel Parkin, Brigadier Carr, Mr. McBride, Mr. Hopkinson, Air Vice Marshal Brodie, Major General Browning, Captain Monti, Colonel Savko, Captain Moullec, Lieutenant Colonel Berin, Colonel Weber, Lieutenant Colonel Timmer.

1. Supplies Loaned to Venezia Giulia

Reference paragraph 4 of Minutes of 23 January 46, the Chief Commissioner stated that the draft cable mentioned therein had been revised and forwarded to AFHQ.

2. Future of AG

The Chief Commissioner reported there had been no developments in the situation.

3. Rationing of Electric Power

Reference paragraph 7 of Minutes of 23 January 46, the Chief Commissioner reported that a rationing commission was expected to be set up in the North. He added that strong instructions had gone out from the Ministry of the Interior consequent to his discussions with the Prime Minister. Mr. Cleveland observed that the rationing commission had not yet been established and the Chief Commissioner directed that this matter be followed up.

4. New Rate of Exchange

The Chief Commissioner made reference to press announcements appearing in "The Stars and Stripes" about the favorable rate of exchange enjoyed by the American and British Exchanges. The question came up as to whether Allied military personnel would be given the benefit thereof, and it was pointed out that this depended on whether the troop paymasters, who have been issuing AM lire, will be able to secure a favorable rate. It is very probable that the Americans will get it because of the new troop pay account. However, on the British side the outlook is not so bright since the British Government has not

0250

Colonel Weber, Lieutenant Colonel T...

1. Supplies Loaned to Venezia Giulia

Reference paragraph 4 of Minutes of 23 January 46, the Chief Commissioner stated that the draft cable mentioned therein had been revised and forwarded to AFHQ.

2. Future of AG

The Chief Commissioner reported there had been no developments in the situation.

3. Rationing of Electric Power

Reference paragraph 7 of Minutes of 23 January 46, the Chief Commissioner reported that a rationing commission was expected to be set up in the North. He added that strong instructions had gone out from the Ministry of the Interior consequent to his discussions with the Prime Minister. Mr. Cleveland observed that the rationing commission had not yet been established and the Chief Commissioner directed that this matter be followed up.

4. New Rate of Exchange

The Chief Commissioner made reference to press announcements appearing in "The Stars and Stripes" about the favorable rate of exchange enjoyed by the American and British Embassies. The question came up as to whether Allied military personnel would be given the benefit thereof, and it was pointed out that this depended on whether the troop paymasters, who have been issuing AM lire, will be able to secure a favorable rate. It is more probable that the Americans will get it because of the new troop pay account. However, on the British side the outlook is not so bright since the British Government has not yet granted pounds sterling credit for not British troop pay in Italy.

5. Quilting for Carabinieri

Reference paragraph 3 of Minutes of 23 January, the Chief Commissioner stated that he had not yet seen any request from the Prime Minister but that he understood a letter was coming in. Dr. Guelfo Carr observed that it had been received the day before (January 29) and passed to the Land Forces Subcommittee for action. 280?

6. Political Resume

Mr. McBride reported there had been much speculation in the past week regarding the Italian peace treaty and De Gasperi's telegram to the UNO. It was

SECRET

SECRET

still being discussed whether the Prime Minister's message could be construed as a formal request on the part of Italy to join the UNO. The General opinion is that it was not, and the only official action taken upon it was its publication in the official bulletin of the UNO. In respect to the peace treaty, many stories were trickling in from London. One report had it that the preliminary draft would be ready by the first or thirtieth of April; another was to the effect that the Italian peace treaty would have precedence over all others. None of these reports had received confirmation. On the question of disposal of the Italian colonies, Mr. McBride stated that, judging from the latest press reports, the setting up of a four power administration appeared likely. As for the mission to Venezia Giulia, he observed its arrival had been expected round 1 February; however, there was no official confirmation of this.

Mr. McBride further reported that: various lists had appeared of communes which will hold local elections between March 10-17 -- more of these lists were expected to follow; the Consulta, which closed its doors during the past week, would re-open on 11 February; the movement sponsored by "UCMO QUALUNQUE" is to have its first national congress in Rome the early part of February; public safety disturbances continued and in this connection a campaign had been started against High Commissioner Aldisio in Sicily -- he would, however, keep his post for the present; the press continued to comment on the Torre Annunziata explosion and some newspapers were trying to blame the Allies -- the Italian Government is carrying on an investigation of the cost of damage with the purported intention of filing a claim against the Allied governments.

Mr. McBride stated that the most important political speech of the week had been delivered by De Gasperi in Naples. The Prime Minister did not substantially alter his previous views. He declared that any sins Italy may have committed in the past had been fully expiated, and asked again for a just peace treaty. Another item of interest was the return of Nenni and Silone from London. The former made various statements as to the alleged position of the British Labor Party in respect to Italy. One of his statements was to the effect that the British Labor Party realized there was no danger in Italy of violence from the Left, and that the Party was anxious that elections be held soon.

Mr. Hopkinson stated that the first meeting of the Val d'Aosta Council had taken place on 24 January at the Viminale Palace in Rome to discuss problems arising from the grant of autonomy to that region. Mr. Hopkinson also called attention to reports appearing in the press to the effect that the Franco-Italian frontier had been closed. The report was denied by AC (based on AFHQ authority) and from Paris, but rumors kept trickling in about disturbances in the neighborhood of Ventimiglia.

7. Supplying of Venezia Giulia

Mr. Cleveland stated that a general proposition had been put up to G-5, AFHQ, to treat Venezia Giulia as economically a part of Italy and not separately, but that no formal answer had been received as yet. Such a policy would imply that the Italian Government would continue to supply Venezia Giulia from Italian sources. The Chief Commissioner suggested that concurrence might have to be sought from UNRRA, in view of UNRRA's responsibilities.

0 2 5 8

785015

expected to follow; the Consulate, which closed its doors during the past week, would re-open on 11 February; the movement sponsored by "UCMO QUALINQUE" is to have its first national congress in Rome the early part of February; public safety disturbances continued and in this connection a campaign had been started against High Commissioner Aldisio in Sicily -- he would, however, keep his post for the moment; the press continued to comment on the Torre Annunziata explosion and some newspapers were trying to blame the Allies -- the Italian Government is carrying on an investigation of the cost of damage with the purported intention of filing a claim against the Allied governments.

Mr. McBride stated that the most important political speech of the week had been delivered by De Gasperi in Naples. The Prime Minister did not substantially alter his previous views. He declared that any sins Italy may have committed in the past had been fully expiated, and asked again for a just peace treaty. Another item of interest was the return of Womni and Silone from London. The former made various statements as to the alleged position of the British Labor Party in respect to Italy. One of his statements was to the effect that the British Labor Party realized there was no danger in Italy of violence from the Left, and that the Party was anxious that elections be held soon.

Mr. Hopkinson stated that the first meeting of the Val d'Aosta Council had taken place on 24 January at the Vinsavolo Palace in Rome to discuss problems arising from the grant of autonomy to that region. Mr. Hopkinson also called attention to reports appearing in the press to the effect that the Franco-Italian frontier had been closed. The report was denied by AC (based on AFHQ authority) and from Paris, but rumors kept trickling in about disturbances in the neighborhood of Ventimiglia.

7. Supplying of Venezia Giulia

Mr. Cleveland stated that a general proposition had been put up to G-5, AFHQ, to treat Venezia Giulia as economically a part of Italy and not separately, but that no formal answer had been received as yet. Such a policy would imply that the Italian Government would continue to supply Venezia Giulia from Italian sources. The Chief Commissioner suggested that concurrence might have to be sought from UNRRA, in view of UNRRA's responsibility for the Italian basic supply line. In this connection he brought up the question of whether the UNRRA contract with the Italian Government applies to Venezia Giulia since that territory is being supplied as a military responsibility.

8. Abolition of Economic Control by AC

Mr. Cleveland reported that the Italian Government had just been informed that the Allied Commission had ceased to have control over Italian foreign trade activities with the exception of action as a channel for clearance of "reserved" commodity transactions with the Combined Boards in Washington, and that even that responsibility would be removed from the Commission as soon as appropriate notes have been sent to the Italian Government through diplomatic channels. A directive from the GCS to AFHQ had been received to this effect.

- 2 -
SECRET

SECRET

9. Re-opening of Pro to Creda

Mr. Cleveland announced that the Italian Government had agreed with AS and the American and British Embassies that February 13 be the date on which private foreign trade would be resumed in Italy; a release making the announcement would be published prior to that date. The Chief Commissioner inquired as to who could be allowed to import, and it was stated that such exchange would be carried by the Ministry for Foreign Affairs. In connection with the reopening of private foreign trade, the Chief Commissioner inquired as to what restriction had been made for the cultural side (imports of films, periodicals, etc., as distinguished from the economic side). The opinion was advanced that as long as Italy is in need of food there might be little foreign exchange allocated for importation of films since the latter are considered as a luxury. However, it was pointed out that there might arise a competition between the economic and the cultural sides, but that under the foreign exchange control system it would rest with the Italian Government to decide on such priority questions.

10. Transfer of AG Functions to UNRRA

Mr. Cleveland reported that the transfer of responsibilities was working out smoothly. The transfer of civilian personnel to UNRRA is going on and is expected to be completed by 1 March. However, a serious difficulty had arisen on the personnel side -- MTCUSA is apparently unwilling to release the American Army officers that were to go to UNRRA. The matter, Mr. Cleveland explained, is being taken up by UNRRA with Washington.

11. Elections in Udine Province

Brigadier Carr stated that the holding of elections in the Province of Udine was under consideration. He observed it was quite clear that elections should be held in that province and in this connection pointed out that the situation had been complicated by the fact that there are six communes whose airbases had been dismissed by AMI and the Provincial Commissioner is desirous of excluding those communes from the elections. The Chief Commissioner declared that the AG policy is that elections be held in all the communes.

12. Italy-Swiss Trade Agreement

Reference paragraph 1 of Minutes of 23 January, Lt Col Timmins reported no change had taken place in the situation. The Swiss Government's reply is still being awaited.

13. Electoral Lists

In connection with the preparation of electoral lists, Brigadier Carr announced that the Council of Ministers had passed a decree that should eliminate the bottleneck in the approving of electoral rolls. The removed restriction concerns the examination of local records. In appropriate cases the local

10. Transfer of AC Functions to UNRA

Mr. Cleveland reported that the transfer of responsibilities was working out smoothly. The transfer of civilian personnel to UNRA is going on and is expected to be completed by 1 March. However, a serious difficulty had arisen on the personnel side -- MTCUSA is apparently unwilling to release the American Army officers that were to go to UNRA. The matter, Mr. Cleveland explained, is being taken up by UNRA with Washington.

11. Elections in Udine Province

Brigadier Carr stated that the holding of elections in the Province of Udine was under consideration. He observed it was quite clear that elections should be held in that province and in this connection pointed out that the situation had been complicated by the fact that there are six communes whose sindaco had been dismissed by AMG and the Provincial Commissioner is declaring of excluding those communes from the elections. The Chief Commissioner declared that the AC policy is that elections be held in all the communes.

12. Italo-Swiss Trade Agreement

Reference paragraph 1 of Minutes of 29 January, Lt Col Timmons reported no change had taken place in the situation. The Swiss Government's reply is still being awaited.

13. Electoral Lists

In connection with the preparation of electoral lists, Brigadier Carr announced that the Council of Ministers had passed a decree that should eliminate the bottleneck in the approving of electoral rolls. The removed restrictions concerns the examination of penal records. In appropriate cases the local authorities can now take action without referring to Rome.

14. Currency Agreement and Foreign Trade

Lt Col Timmons stated that in connection with PAN 583 the Italian Government had accepted the Currency Agreement, and that GCS removed another restriction on foreign trade -- the necessity of the prior approval of insurance transactions. Also, discussions had been carried on with AMG concerning the requisitioning of the Italian customs services. As a result, AMG had issued a very good directive to Allied port commanders requesting them to cooperate to the fullest extent possible with the Italian customs authorities. Lt Col Timmons further reported that the customs services are now practically completely mobilized and come under the jurisdiction of the Ministry of Finance.

15. Mineclearing

Captain Mente announced that agreements had been signed by Italy and the Minister of Marine covering transfer on loan to the UK of 32 British mine-

SECRET

2801

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

785015

S E C R E T

sweepers and the mobile wiping unit HMS 185.

16. Repatriation of IPOMs

Captain Martz reported that the "Duca degli Abruzzi" sailed from Naples on 28 January to carry out a third lift of IPOMs from Port Said to Italy. The SS "Tosca" arrived in Tripoli on 26 January from Naples to disembark some 600 children who are returning to their homes from Italy. The "Tosca" will continue to Port Said, arriving on 3 February to disembark a further 400 children rejoining their families in Egypt. She will return to Italy with about 1500 IPOMs from the Levant. The cruiser "Montecuccoli" will arrive in Bizerte on 2 February to lift to Italy about 400 Italian civilians and some 300 IPOMs whom the French are releasing.

17. Allied Messes

It was stated that since the last meeting (see paragraph 12, Minutes of 23 January) the decision had been taken to establish a British mess at the Florn Hotel and move certain American officers from there to the Grand Hotel. The directive was issued by MTOUSA. The Chief Commissioner once more expressed his regret that such a decision had been forced on the Commission. Mr. Hopkinson brought up the question of the feeding of British visiting VIPs and Colonel Parkin explained that General Dasher, Commanding General of RASC, was sending over a letter authorizing the feeding of such personages at the Grand Hotel.

18. Liaison Groups

Brigadier Lush reported that liaison groups were now set up and that the two officers stationed on the islands of Lampedusa and Pantelleria had been withdrawn.

19. AG Weekly Bulletin

Brigadier Lush pointed out that at a meeting held the day before (January 29) the general opinion was that the Bulletin should be abolished but that he personally was opposed to such a course and defended the further publication of the Bulletin on the grounds of its value to the Commission and other organizations such as AFHQ, the War Department, the State Department, and the War Office. The Chief Commissioner concurred.

20. Parity in Venezia Giulia

Brigadier Lush stated that every available American had been sent to Venezia Giulia in order to help establish parity between American and British ranks. He added that the difficulty in establishing such parity rested mainly on the fact that there was a paucity of US officers -- they simply could not be found.

21. Allied Publication Board

It was stated that since the last meeting (see paragraph 12, Minutes of 23 January) the decision had been taken to establish a British mess at the Flora Hotel and move certain American officers from there to the Grand Hotel. The directive was issued by MTOUSA. The Chief Commissioner once more expressed his regret that such a decision had been forced on the Commission. Mr. Hopkins brought up the question of the feeding of British visiting VIP's and Colonel Parkin explained that General Dasher, Commanding General of RAAC, was sending over a letter authorizing the feeding of such personages at the Grand Hotel.

18. Liaison Groups

Brigadier Lush reported that Italian groups were now set up and that the two officers stationed on the islands of Lampedusa and Pantelleria had been withdrawn.

19. 60 Weekly Bulletin

Brigadier Lush pointed out that at a meeting held the day before (January 29) the general opinion was that the Bulletin should be abolished but that he personally was opposed to such a course and defended the further publication of the Bulletin on the grounds of its value to the Commission and other organizations such as AFHQ, the War Department, the State Department, and the War Office. The Chief Commissioner concurred.

20. Parity in Venezia Giulia

Brigadier Lush stated that every available American had been sent to Venezia Giulia in order to help establish parity between American and British ranks. He added that the difficulty in establishing such parity rested mainly on the fact that there was a paucity of US officers -- they simply could not be found.

21. Allied Publication Board

Lt Col Sargin stated that the following had been omitted from the Minutes of 23 January and he desired it made of record: "A final meeting of the Allied Publications Board was held in Rome on January 19th. Major Noble, Secretary of the Board, reported that the transfer of its functions to the Italian Government had taken place smoothly. Dr. Lazzaro of the Italian Government also expressed himself as pleased and stated the government would carry on along the lines previously followed by the APB."

Next Vice Presidents' Meeting, 1000 hours, Wednesday 5 February 46

W. J. Stearns
W. J. STEARNS
Lt Col, AGF
Staff Officer to CG

SECRET

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

785015

DISTRIBUTION

Chief Commissioner
 Executive Commissioner
 VP, Civil Affairs Section
 VP, Economic Section (6)
 VP, Establishment Section (2) ✓
 Political Advisor (A)
 Political Advisor (B)
 Navy Subcommittee (3)
 Land Forces S/C (MIL)
 Air Forces Subcommittee
 French Representative, AC
 Soviet Representative, AC
 Liaison Officer (EC)
 Public Relations Branch
 American Ambassador
 British Ambassador
 G-5, AFHQ (5)
 Chief Financial Advisor (AC)

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC. 563/44

4 January 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 4 January 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Mr. Cleveland, Colonel Parkin, Brigadier Carr, Mr. McBride, Mr. Halford, Brigadier General Lee, Major General Browning, Commodore Zirotti, Colonel Savko, Officier de Premiere Classe Guyot, Lieutenant Colonel Bergin, Colonel Weber, Colonel Monapace, Colonel Walton.

1. Restoration of Italian Provinces

Reference paragraph 1 of Minutes of 19 December, the Chief Commissioner reported that the Northern provinces, with the exception of Udine and Venetia Giulia, had been returned to the Italian Government on 31 December. In this connection an Associated Press dispatch in "The Stars and Stripes" reported that Udine had been held back as a disputed area. The Chief Commissioner pointed out that this was not correct and was contrary to the announcement he had made on 13 December. Lt Col Bergin had contacted AP and "The Stars and Stripes" about a correction. Of the papers that carried the announcement, "The Stars and Stripes" was the only one to have made that mistake.

2. 1946 Import Program

The Chief Commissioner reported that the first portion of the funds had been voted -- \$750,000,000 for 1946. Beginning 1 January, the responsibility of supply had passed to UNRRA. Many of the personnel of the Economic Section would be transferred to UNRRA, but the Economic Supply Group would still continue for some time in order to handle January and February arrivals that had been procured by FEA.

3. Italo-Swiss Trade Agreement

Colonel Walton reported that the agreement has not yet gone into effect because the two interested parties are still arguing about the question of payment of back debts.

4. Future of AC

The Chief Commissioner stated that AFHQ had not yet received a reply to its signal to the Combined Chiefs on the future of the Commission.

5. Political Resume

Reference paragraph 1 of Minutes of 19 December, on the subject of elections, Mr. Halford reported that it may not be possible to hold elections for the Constituent until the coming Summer because of the slow pace at which election lists

Reference paragraph 1 of Minutes of 19 December, the Chief Commissioner reported that the Northern provinces, with the exception of Udine and Venezia Giulia, had been returned to the Italian Government on 31 December. In this connection an Associated Press dispatch in "The Stars and Stripes" reported that Udine had been held back as a disputed area. The Chief Commissioner pointed out that this was not correct and was contrary to the announcement he had made on 13 December. It Cal Bergin had contacted AP and "The Stars and Stripes" about a correction. Of the papers that carried the announcement, "The Stars and Stripes" was the only one to have made that mistake.

2. 1946 Import Program

The Chief Commissioner reported that the first portion of the funds had been voted -- \$750,000,000 for 1946. Beginning 1 January, the responsibility of supply had passed to UNRRA. Many of the personnel of the Economic Section would be transferred to UNRRA, but the Economic Supply Group would still continue for some time in order to handle January and February arrivals that had been procured by FEA.

3. Italy-Switzerland Trade Agreement

Colonel Walton reported that the agreement has not yet gone into effect because the two interested parties are still arguing about the question of payment of back debts.

4. Future of AC

The Chief Commissioner stated that APHQ had not yet received a reply to its signal to the Combined Chiefs on the future of the Commission.

5. Political Resume

Reference paragraph 1 of Minute 6, Minutes of 19 December, on the subject of elections, Mr. Halford reported that it may not be possible to hold elections for the Constituents until the coming Summer because of the slow pace at which election lists are being approved.

With regard to the handover of Northern provinces to the Italian Government, there had been a favorable reaction in the press. However, the statement released after the meeting of Foreign Ministers at Moscow had brought about immediate protest. The papers denounced the fact that Italy had been relegated to the same position as Bulgaria, Rumania, Hungary and other former Nazi satellites in spite of her contribution as a co-belligerent.

A crisis seemed to be brewing in the Socialist Party. Signor Bertini, the Secretary of the party, had resigned on 21 December and Signor Morandi had taken his place. The new Secretary claimed there was no crisis in the party, but Mr. Halford pointed out that the old problem of fusion of the Socialist and Communist parties had been very much in debate recently. In spite of the new Secretary's statement, the press and prominent Socialists had continued to speculate on the subject. Morandi is reported to be in favor of fusion.

SECRET

SECRET

3. Political Resurgence (Continued)

The Italian Communist Party has been having a national congress. It started on 29 December and is supposedly still going on. Togliatti came out strongly against compulsory voting in all elections. From the Communist Party viewpoint, voting is a right of the individual and not a duty. On foreign policy, Togliatti drew attention to the need for peace and the necessity of Italy's collaboration with the democratic powers. He also stated that Italy must become economically independent if she is to play her part among the United Nations. On the question of frontiers, Togliatti's statements showed a clarification in his attitude toward Trieste. He revealed that the Communist position on Trieste had been misrepresented -- Trieste is Italian. It seemed that at a time the Communists did not consider Trieste as such, Togliatti took much the same attitude towards Bolzano. There would be no question of ceding territory there, either. On the matter of restoration of the monarchy, he said it was not a question of whether to have a republic or the monarchy but of whether to have a republic or fascism. On the subject of the church, he emphasized freedom of religion but did not denounce the interference of ecclesiastical authorities. This accusation was general, not specific.

6. Transfer of AC Functions

Mr. Cleveland reported that in addition to the transfer of responsibility to UNRRA, conversations were being carried on with the American Embassy about those functions of the Economic Section which will be assumed by the Embassy. First in the program is the transfer of those remaining functions of the Labor Subcommittee, which is scheduled to be effected this month. The Chief Commissioner observed that the transfer depended on the approval of the Combined Chiefs and AC had no authority to take such action without word from them.

7. Wheat Situation

Mr. Cleveland stated that the wheat situation was not good. He explained that at the beginning of the FEA program supplies were in bad shape, but it was hoped that through the FEA program they would be built up. There will be a shortage by the end of this month due to the lateness of the FEA program and the fact that UNRRA is some 90,000 tons short for the first month of its program. The Italian Government is aware of the situation and efforts are being made to distribute incoming supplies so that the bread ration will not be affected. However, Mr. Cleveland pointed out that if the continuation of the UNRRA program does not come close to the requirements needed, the situation will probably get worse than better. Most of the wheat is expected to come in during the latter part of January and early February. Mr. Cleveland explained that the trouble in getting the wheat was due mainly to three factors: 1) the cumulative effect of strikes in the United States; 2) the paralysis of shipping due to reluctance of crews to sign up for trips scheduled for the holiday period; 3) the fact that the biggest wheat movement toward the Atlantic seaboard is now taking place in the United States and this has been hampered by the disruption of railway traffic by the holidays and redeployment of military personnel.

8. Import Requirements - 1946

0 2 6

6. Transfer of AC Functions

Mr. Cleveland reported that in addition to the transfer of responsibility to UNRRA, conversations were being carried on with the American Embassy about those functions of the Economic Section which will be assumed by the Embassy. First in the program is the transfer of those remaining functions of the Labor Subcommittee, which is scheduled to be effected this month. The Chief Commissioner observed that the transfer depended on the approval of the Combined Chiefs and AC had no authority to take such action without word from them.

7. Wheat Situation

Mr. Cleveland stated that the wheat situation was not good. He explained that at the beginning of the FEA program supplies were in bad shape, but it was hoped that through the FEA program they would be built up. There will be a shortage by the end of this month due to the lateness of the FEA program and the fact that UNRRA is some 90,000 tons short for the first month of its program. The Italian Government is aware of the situation and efforts are being made to distribute incoming supplies so that the bread ration will not be affected. However, Mr. Cleveland pointed out that if the continuation of the UNRRA program does not come close to the requirements needed, the situation will probably get worse than better. Most of the wheat is expected to come in during the latter part of January and early February. Mr. Cleveland explained that the trouble in getting the wheat was due mainly to three factors: 1) the cumulative effect of strikes in the United States; 2) the paralysis of shipping due to reluctance of crews to sign up for trips scheduled for the holiday period; 3) the fact that the biggest wheat movement toward the Atlantic seaboard is now taking place in the United States and this has been hampered by the disruption of railway traffic by the holidays and redeployment of military personnel.

8. Import Requirements - 1946

The Chief Commissioner commended the Economic Section and those concerned with the publication of this report for having done an excellent job. He observed that it was a worthwhile piece of work which deserved careful reading.

9. Financing of Additional Credits and Loans

Mr. Cleveland reported that the financing of programs other than that of UNRRA does not seem very likely. The question of the formal channel for requesting additional funds was brought up and it was stated that the official channel probably will be for the Italian Government to approach the US and British Governments through its representatives in those countries. In this connection the Chief Commissioner observed that if this method were followed, AC would be left in the dark as to the progress of negotiations. There has been talk about sending a Mission abroad to treat the matter, but thus far nothing concrete has happened.

SECRET

SECRET

10. Troop Pay Account

Colonel Menapace reported that definite advice had been received as to the quantity of money in the troop pay account. Definite certifications amount to \$120,000,000 through 31 March 45, and an additional \$20,000,000 has been certified provisionally. Colonel Menapace also reported unofficially that the first of February is being considered as the date for Government participation in the troop pay account.

11. Local Elections

Brigadier Carr stated that the Council of Ministers had approved new decrees for local elections. All the points raised by AC had been incorporated and all major requirements met.

12. American Officer Personnel

Colonel Parkin stated that under a new circular the War Department had cancelled all officers' signed service commitments and had redivided service into five new categories: 1) elect to continue on extended active service for an unlimited time; 2) those who signed until 30 June 1947; 3) those who signed until 31 December 1946; 4) those who are to serve for a period to be agreed upon between the commanding officer and officer involved; 5) those to be relieved as soon as possible. A circular on this matter is being prepared for distribution to all American AC officers.

13. Report by Brigadier Lush

Brigadier Lush reported that the handover had gone over perfectly. Regional Commissioners are liquidating and liaison officers are already set up and functioning. The AC directive to the liaison officers had been approved by APHQ and a letter to the Prime Minister is being drafted suggesting instructions for the prefects. The Brigadier called attention to the fact that some 45 British warrant officers, WO's and OR's of high caliber had recently left AC and that this would undoubtedly result in a falling off in the efficiency of some of the services of this Headquarters.

Next Vice Presidents' Meeting - 1000 hours, Wednesday, 9 January 1946

L. W. STEARNS
Lt Col., ADP
Staff Officer to CC

DISTRIBUTION:

Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (5)
VP, Establishment Section (2)

0 2 6 7

2789

Colonel Parkin stated that under a new circular the War Department had ordered all officers' signed service commitments and had redivided service into five new categories: 1) elect to continue on extended active service for an unlimited time; 2) those who signed until 30 June 1947; 3) those who signed until 31 December 1946; 4) those who are to serve for a period to be agreed upon between the commanding officer and officer involved; 5) those to be relieved as soon as possible. A circular on this matter is being prepared for distribution to all American AG officers.

13. Report by Brigadier Lush

Brigadier Lush reported that the handover had gone over perfectly. Recital Commissioners are liquidating and liaison officers are already set up and functioning. The AG Directive to the liaison officers had been approved by AFHQ and a letter to the Prime Minister is being drafted suggesting instructions for the prospects. The Brigadier called attention to the fact that some 45 British warrant officers, NCO's and OR's of high caliber had recently left AC and that this would undoubtedly result in a falling off in the efficiency of some of the services of this Headquarters.

Next Vice Presidents' Meeting - 1000 hours, Wednesday, 9 January 1946

L. W. STEARNS
 L. W. STEARNS
 Lt. Col., AGO
 Staff Officer to CC

- DISTRIBUTION:
- Chief Commissioner
 - Executive Commissioner
 - VP, Civil Affairs Section
 - VP, Economic Section (5)
 - VP, Establishment Section (2)
 - Political Adviser (A)
 - Political Adviser (B)
 - Navy Subcommittee (B)
 - Land Forces Subcommittee (MOLIA)
 - Air Forces Subcommittee
 - French Representative, AC
 - Soviet Representative, AC
 - Liaison Officer (EC)
 - Public Relations Branch
 - American Ambassador
 - British Ambassador
 - G-3 AFHQ (5)
 - Chief Financial Adviser (AC)

SECRET

0 2 7 0

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

785015

REF. 301

HEADQUARTERS ALLIED COMMISSION
APO 994
ESTABLISHMENT SECTION

162/ET

8 January 1945

SUBJECT: Information for Acting President.

TO : Chief of Staff

1. Reference your 219/4/COB, 6 Jan. 45, and 219/5/COB, 8 Jan. 45.
2. The Deputy Chief of Staff, Establishment Section, is currently on a trip, and is not expected to return for some days -- probably the latter part of this week or the first of next week.
3. Your 219/4/COB has been shown to and discussed with the Executive Officers (A) and (B). Due to the extremely confidential nature of the subject (demilitarization of Allied Commission), and also due to the fact that a part of the dealings on this subject took the form of conversations between the interested parties, it is considered advisable to await the return of Colonel Fiske before submitting the paper requested.
4. This matter will be brought to the attention of the COB, Establishment Section, immediately upon his return.
5. May this office be advised, please, of your agreement to this postponement.

L.T. MONTAG, JR.,
1st Lt., AGC

Copy filed and 50

2798

SECRET

HEADQUARTERS ALLIED COMMISSION

APO 394.

Office of the Chief of Staff

Ref: Z16/003

21st November, 1944.

MINUTES OF ACTING PRESIDENT'S CONFERENCE - 20 NOVEMBER 1944.

The following Memoranda were debated in support of the points outlined in the Agenda:-

- Memorandum "A" - Functions of the Sub-Commission of the Civil Affairs Section in Italian Government Territory (By CA Sec).
- Memorandum "B" - Future of the Commission (By Chief of Staff).
- Memorandum "C" - Approval of Appointments of Italian Officials by the Allied Commission (By CA Section).
- Memorandum "D" - Approval of Decrees passed by the Italian Government (By CA Section).

1. Future of the Allied Commission.

A/President asked the meeting to give special consideration as to what the implications were in connection with the removal of "Control" from the title of the Commission. He invited Brigadier Upjohn to read his Memorandum on the functions of the Sub-Commission of the Civil Affairs Section in Italian Government Territory (Memorandum "A").

There were no comments on the introduction.

PART I.

Para 4(c) - Legal Sub-Com. 16 comments.

Para 4(b) - Local Government Sub-Com. This Sub-Com is represented in the field by Civil Affairs Officers.

Para 4(c) - Public Safety Sub-Com. A/President asked whether in the event of Allied Public Safety Officers being withdrawn the Public Safety Sub-Com could be represented in the field.

The following Memoranda were submitted in support of the points outlined in the Agenda:-

- Memorandum "A" - Functions of the Sub-Commissions of the Civil Affairs Section in Italian Government Territory (By CA Sec).
- Memorandum "B" - Future of the Commission (By Chief of Staff).
- Memorandum "C" - Approval of Appointments of Italian Officials by the Allied Commission (By CA Section).
- Memorandum "D" - Approval of Decrees passed by the Italian Government (By CA Section).

1. Future of the Allied Commission.

A/President asked the meeting to give special consideration as to what the implications were in connection with the removal of "Control" from the title of the Commission. He invited Brigadier Upjohn to read his Memorandum on the functions of the Sub-Commissions of the Civil Affairs Section in Italian Government Territory (Memorandum "A").

There were no comments on the introduction.

PART I.

Para 4(a) - Legal Sub-Com. No comments.

Para 4(b) - Local Government Sub-Com. This Sub-Com is represented in the field by Civil Affairs Officers.

Para 4(c) - Public Safety Sub-Com. A/President asked whether in the event of Allied Public Safety Officers being withdrawn the Public Safety Sub-Com could be incorporated in the Local Government Sub-Com for purposes of control. The answer was in the negative.

Para 4(d) - Public Health Sub-Com. Chief of Staff mentioned that the arrival of UNRRA would be of some assistance in the event of the withdrawal of Public Health officers.

Para 4(e) and (f) were the subject of detailed discussion later in 2707 meeting under Point 2(b) of the Agenda.

The general feeling of the meeting on this point was that many important functions performed by Allied officers in Italian Government territory could not be dispensed with.

-2-

2. Conversions which might be made by Allied Commission in implementation of the Change of Title.

Chief of Staff read out Memorandum "B". Chief Commissioner queried the second sentence in para 2 regarding the exercise of control. He thought that up till recently a good degree of control had in fact existed, as for example, when the prior of wheat was decided in May. Later, however, when the Italian Government announced the change in wage rates our control was very nominal. A/President compared the situation to the control exercised by the House of Lords. The discussion then turned to:-

(a) Removal of Officers in the Field from the Islands and Southern Region.

Chief of Staff said that even if we withdrew Provincial Commissioners retention of specialist officers of Economic Section would be necessary. Economic Section were prepared to give up field control and would certainly control from HQ. Finance Sub-Com were in agreement but thought that OCS would need to authorize certain arrangements. Political Section thought that it would be helpful for the overall political position if such officers could be converted to Liaison Officers. A/President said that the functions of our officers were:

- (i) to protect our direct military and Allied Commission interests;
- (ii) to protect our good name, if, for example, a school or hospital was requisitioned.

Major-General Lewis said that if 30 officers were withdrawn it might throw extra functions on to Areas and Districts who would have to be consulted. A/President said that we should have to go sometime, the point was, when, and how little damage need be done. A good instance was the withdrawal of transportation and public utility officers of whom there were 26 in Southern Region. Major-General Lewis said that their withdrawal might be damaging to military interests.

The consensus of the meeting was that officers could be withdrawn from their appointments under the Allied Commission but in several instances would have to be replaced or returned under another name, e.g., as Liaison Officers attached to military formations (District, Area HQ).

(b) Abandonment of certain functions at HQ and in the Field.

Economic Section were prepared to withdraw certain officers in the field, for example, Supply Officers, but not from HQ. In G.I. Section, Brigadier Upjohn said that Monuments & Film Arts Sub-Com could be withdrawn from Italian Government territory and the Chief Commissioner approved. Education officers were definitely required in ASG territory. The decision as to whether they could be withdrawn from Italian Government territory depended on whether our policy was to abandon our control of education in Italy. The withdrawal of other Sub-Commissions officers would depend on the decision taken on Point 2(c) in the Agenda.

Chief of Staff thought that control of labour

(1) to protect our direct military and Allied Commission interests;
(11) to protect our good name, if, for example, a school or hospital was requisitioned.

Major-General Lewis said that if AC officers were withdrawn it might throw extra functions on to Areas and Districts who would have to be consulted. /President said that we should have to go sometime, the point was, when, and how little damage need be done. A good instance was the withdrawal of transportation and public utility officers of whom there were 26 in Southern Region. Major-General Lewis said that their withdrawal might be damaging to military interests.

The consensus of the meeting was that officers could be withdrawn from their appointments under the Allied Commission but in several instances would have to be replaced or returned under another name, e.g., as Liaison Officers attached to military formations (District, Area HQ).

(b) Abandonment of certain functions of HQ and in the Field.
Secondo Section were prepared to withdraw certain officers in the Field, for example, Supply Officers, but not from HQ. In 44 Section, Brigadier Urquhart said that Monuments & Fine Arts Sub-Com could be withdrawn from Italian Government territory and the Chief Commissioner approved. Education officers were definitely required in 443 territory. The decision as to whether they could be withdrawn from Italian Government territory depended on whether our policy was to abandon our control of education in Italy. The withdrawal of other Sub-Commissions officers would depend on the decision taken on Point 2(c) in the Agenda.

Chief of Staff thought that control of labour was necessary because of its relation with the armed forces. /President thought that OACG would insist on some control as long as they were sending us supplies for distribution in Italy. Chief Commissioner said he thought the two most vexatious points of control were the control of appointment of officials and submission of Italian decrees for approval by Allied Commission (See Para 2(e)).

The consensus of the meeting was that all Sub-Commissions must remain in order to carry on the functions of Allied Commission in 443 territory and to plan for Kesselring's Italy; but that in respect of some Sub-Commissions (Education, Monuments & Fine Arts) all functions, and in respect of others, some functions, could be dispensed with in dealing with Italian Government Italy unless the Italian Government asked for assistance.

(c) Demilitarization.
Colonel Fiske was doubtful whether this proposal had been fully considered in WASHINGTON. A/President referred to three divisions of Italy in two of which uniform was essential, i.e., Kesselring's Italy and AMG territory. Security Section raised the point of the competency of civilians collected as replacements. A/President asked whether there should be a balance between British and Americans as regards civilian and military personnel. Chief Commissioner said he wished a proper balance. Chief of Staff mentioned the question of exchange of officers. The general opinion of the meeting was that it was impossible for officers in AMG territory to perform their duties unless they were in uniform, and difficult in AMG territory. A/President said he thought that there should be a balance maintained between British and American aid, as regards interchangeability, that it might be possible to make certain appointments of civilians to posts at HQ, when each case should be decided on its merits.

The consensus of the meeting was that at this stage the appointment of civilians to posts in the field, either in AMG or Italian Government territory, was impracticable and that demilitarization of the Allied Commission should be confined to certain posts at HQ, the holders of which would clearly remain at HQ, maintaining as far as possible a balance between American and British.

(d) Appointment of Civilian Advisors.
Chief of Staff proposed the appointment of certain civilian advisors to be appointed to headquarters of the Italian Government as servants of the Italian Government, with residual responsibility to the Allied Commission. The general opinion of the meeting was that the adoption of such a measure would be premature although it might be suitable after hostilities had ceased. Political Section said the Italian Government wanted the reverse procedure - Italian advisors appointed to the Allied Commission. A/President said that if his conception of Allied control was correct, the performance of the Sub-Commission was to not as advisors. He would prefer the roles to be reversed and for the Italian Government, after the withdrawal of the Allied Commission (at end of hostilities) to come forward with a request for advisors.

(e) Supervision of Control by Allied Commission of Legislation and Appointment of Italian Officials.
(1) Appointment of Italian Officials.
Brigadier Upjohn produced Memorandum "a" on the question of appointment of Italian officials. A/President read this out. Chief Commissioner said that this summary was the most important contribution LG could make in the elimination of "control" in the eyes of the Italian Government. In appendix "a" to Memorandum "a" were the appointments which the Italian Government suggested should still be appointed to LG for approval. A/President asked whether he had by

The outcome of the meeting was that at this stage the appointment of civilians to posts in the field, either in the Italian Government territory, was impracticable and that militarization of the Allied Commission should be confined to certain posts at HQ, the holders of which would clearly remain at HQ, maintaining as far as possible a balance between American and British.

(d) Appointment of Civilian Advisers.

Chief of Staff proposed the appointment of certain civilian advisers to be appointed to Ministries of the Italian Government as servants of the Italian Government, with residual responsibility to the Allied Commission. The General opinion of the meeting was that the adoption of such a measure now would be premature although it might be suitable after hostilities had ceased. Political Section said the Italian Government wanted the reverse procedure - Italian advisers appointed to the Allied Commission. A/President said that if his conception of Allied control was correct, the performances of the Sub-Commissions was to not as advisers. He would prefer the roles to be reversed and for the Italian Government, after the withdrawal of the Allied Commission (at end of hostilities) to come forward with a request for advisers.

(e) Surrender of Control by Allied Commission of Legislation and Appointment of Italian Officials.

(i) Appointment of Italian Officials.

Brigadier Upjohn produced Memorandum "B" on the question of appointment of Italian officials. A/President read this out. Chief Commissioner said that this surrender was the most important contribution AC could make in the elimination of "control" in the eyes of the Italian Government. In Appendix "B" to Memorandum "B" were the appointments which the Italian Government suggested should still be submitted to AC for approval. A/President asked whether he had any right to veto Ministers. Chief Commissioner said that as held by virtue of the secret agreement between General MacFarlane and General Bolognino, which had been recognized by the present Government. A/President asked about diplomatic representatives. Political Section said that the Italian Government had submitted names for heads of missions but not for Junior officials. The latter, however, could be controlled if necessary by the withholding of military travel authorizations.

A/President expressed doubt as to the propriety of Allied

Commission exercising control over appointment of Ministers, but said that this was a matter for the Allied Governments to decide. It was decided to accept List "B" as it stood with a very few additions to be made by Civil Affairs and Economic Section.

(ii) Approval of Decrees.

Brigadier Upjohn produced Memorandum "D" which the A/President read out. After discussion as to our legal rights over the approval of decrees, it was generally agreed that though AC had no specific right to be consulted on all decrees, the Italian Government usually

-4-

submitted the more important decrees for approval, if not before discussion by Council of Ministers, at least before publication. Exceptions to this were the labour wage decrees and the decrees on the distribution of unutilized land to the peasants. A/President said that we could not demand to see decrees as a right but it would be useful if we were consulted.

It was agreed that the AS had no legal right and should not attempt to obtain the right to scrutinize decrees, but that the necessary atmosphere of mutual confidence should be built up (sometimes perhaps by exercise of pressure), so that the Italian Government spontaneously submitted draft decrees on important subjects for discussion before they became law.

3. Organization of the Economic Section.

DOS, Economic Section, Mr. Antolini, read his paper on the subject of the set-up of his Section, and explained the functions of each Division and Sub-Commission. (Copy of this paper is with the A/President).

(a) Committee of Industrial Reconstruction.

He referred to this Committee as the central authority to which the various Ministries should refer.

(b) Labour Sub-Commission.

The Chief of Staff gave news of a cable just received from THOMPSON cancelling Mr. Kravyn's appointment, on the authority of the Ministry of Labour. Investigation of this Sub-Commission with the Economic Sub-Commission was discussed but rejected.

(c) Transportation Sub-Commission.

DOS, Economic Section described this Sub-Commission as having the function of implementing the planning made by the Priorities & Movement Division of his Section Staff.

4. Implementation of General Wilson's W.P. 210.

(a) Food Position of Italy.

DOS, Economic Section submitted a paper showing the wheat assets and liabilities and the balance for the North which included all Northern Italy as well as the North-East portion. The A/President asked Mr. Antolini to give him the references of the various letters and signals on which Mr. Antolini based his probable import figures of 786,000 tons from 1 November 1944 through June 1945, as mentioned in Para 11 of the paper. In regard to the amounts of wheat that we might find available in the North when we went in, Mr. Antolini mentioned a figure of 860,000 tons. The A/President asked him for a note on this. Mr. Antolini attended the important of obtaining a decision to raise the ration to 300 grams. He mentioned that if it were decided to raise the ration North of the Garigliano it would not be possible to give effect to this before 15 December.

0 2 7 8

Declassified E.O. 12356 Section 3.3/NND No. 785015

set-up of his Section, and explained the functions of each division of the Commission. (Copy of this paper is with the A/President).

(a) Committee of Industrial Reconstruction.

He referred to this Committee as the central authority to which the various Ministries should refer.

(b) Labour Sub-Commission.

The Chief of Staff gave news of a cable just received from MRAPERS cancelling Mr. Bryne's appointment, on the authority of the Ministry of Labour. Amalgamation of this Sub-Commission with the Finance Sub-Commission was discussed but rejected.

(c) Transportation Sub-Commission.

DGS, Economic Section described this Sub-Commission as having the function of implementing the planning made by the Priorities & Movement Division of his Section Staff.

4. Implementation of General Wilson's NF 810.

(a) Food Position of Italy.

DGS, Economic Section submitted a paper showing the wheat assets and liabilities and the balance for the North which included all Northern Italy as well as the North-East portion. The A/President asked Mr. Antolini to give him the references of the various letters and signals on which Mr. Antolini based his probable import figure of 788,000 tons from 1 November 1944 through June 1947, as mentioned in Part II of the paper. In regard to the accounts of wheat that we might find available in the North when we went in, Mr. Antolini mentioned a figure of 860,000 tons. The A/President asked him for a note on this. Mr. Antolini stressed the importance of obtaining a decision to raise the ration to 500 grams. He mentioned that if it were decided to raise the ration North of the Gila-LIING it would not be possible to give effect to this before 15 December. The Chief Commissioner emphasized the importance of raising the ration if disorders were to be avoided.

(b) Miscellaneous Pools.

DGS, Economic Section produced a paper on this, copy of which is with the A/President:-

(1) Milk.

The A/President asked what was the fresh milk supply in Italy, to which he received the answer - negligible. Mr. Antolini was instructed to give the A/President a note on this.

(ii) Olive Oil.

DGS Economic Section thought that with successful marketing the oil situation would not be bad.

(c) Price of Bread.

Mr. Antolini submitted a paper on this, copy of which is with the A/President. After discussion it was agreed that the price of wheat should be withheld until 1 December. General Spofford hoped that within this period of grace he would receive the approval of the CCS to raise the basic ration to 300 grams. In sending up the A/President stated that the price of bread should not be raised in his territory unless a 300 gram ration had been approved therein and that the Italian Government should be strongly urged to follow the same procedure in the territory for which they were responsible.

(d) Proposed plan for Italy under Secretariat of Food.

CCS Economic Section presented a paper on this, copy of which is with the A/President, who read it through and agreed in principle. Mr. Antolini pointed out that the plan required good administrative personnel. He must, he said, be careful not to hand back territory too soon.

(e) Essential Civilian Requirements.

CCS Economic Section submitted a paper on this, copy of which is with the A/President. The A/President said that the vital points to be discussed were these requirements to be supplied as a military equivalent for all Italy, including the Italian Government portion, or was there to be a distinction between the requirements for Italian Government territory and Allied Military Government territory. The A/President also stressed that there were four important points in regard to this matter:

- (i) Prices.
- (ii) Availability.
- (iii) Shipping.
- (iv) Port Clearance.

The first three were the responsibility of the CCS and port clearance was the problem of ARAC and Allied Commission.

5. UNRRA.

After a short discussion it was agreed that Allied Commission could only request UNRRA's proposals provided they were self-supporting in respect of:-

- (a) Supplies;
- (b) Ships;
- (c) Transport;

and that adequate facilities existed at the ports for their supplies. Until these were provided, the proposals of UNRRA were not practicable, except in respect of taking over Refugee Camps in the South.

6. Channels of Communication.

Be met, he said, be careful not to get back into the same old same old.

(c) Essential Civilian Requirements.
DCS Economic Section submitted a paper on this, copy of which is with the A/President. The A/President said that the vital points at issue were, were these requirements to be supplied as a military commitment for all Italy, including the Italian Government portion, or was there to be a distinction between the requirements for Italian Government territory and Allied Military Government territory. The A/President also stressed that there were four important points in regard to this matter:

- (i) Piracy.
- (ii) Availability.
- (iii) Shipping.
- (iv) Port Clearance.

The first three were the responsibility of the CCS and port clearance was the problem of ARMC and Allied Commission.

5. UNRRA.
After a short discussion it was agreed that Allied Commission could only accept UNRRA's proposals provided they were self-supporting in respect of:-

- (a) Supplies;
- (b) Ships;
- (c) Transport;

and that adequate facilities existed at the ports for their supplies. Until these were provided, the proposals of UNRRA were not practicable, except in respect of taking over Refugee Camps in the South.

6. Chapelle de Communication.
General Spafford read a paper, a copy of which he gave to the A/President setting out the personnel and functions of C-5, ARMC. The A/President said that there were some matters which could be handled direct with CCS or the CIG with out even a copy to ARMC, other matters which could be handled direct but with a copy to ARMC, and that there were, of course, matters of a more technical nature (for instance, C-4 matters) which should continue to be handled by C-5 Section. He directed that General Spafford's paper should be considered by the Allied Commission and specific proposals submitted in due course.

7. Relations between Allied Commission with the Political Section and the Allied Commission. 2795

The A/President read a paper he had himself prepared on this subject. Reference was made to a letter written by the Chief Commissioner on 5th November, Ref: A/GC 201, on the subject of relations between the Italian Government and the United Nations. The A/President said that as he saw it there were two problems:

-6-

(a) Can the Italian Government communicate with other Governments without their communications being scrutinized?

(b) If so, can they use ciphers?

It was agreed that to allow communications but to forbid ciphers really implied prohibition of communications of a secret nature. Mr. Hopkinson said that all existing communications of the Italian Government were, at present, read, except in the case of the Russians. Mr. Hopkinson also said there was a technical matter in regard to ciphers to which he would like the President to give consideration and on which he preferred to submit a note.

11/2/20

Brigadier,
Chief of Staff.

GMH/M.

DISTRIBUTION:

- Acting President, HQ. AG.
- Chief Commissioner, HQ. AG.
- Major-General R.G. Lewis, G-4, AGHQ.
- Brig-General C.M. Spafford, G-5, AGHQ.
- Chief of Staff, HQ. AG.
- DCS, AG Section.
- DCS, Economic Section.
- DCS, Establishment Section.
- V.P., Political Section (C)
- DCS, AG Ad.
- Col. Geoffrey Smith, Airman Sub-Gen.
- Pilo.
- Spurs (3).

0 2 8 2

Declassified E.O. 12356 Section 3.3/NND No. 785015

178 (10)
Chief of Staff.

GWJ/JC.

DISTRIBUTION:

- Adjutant President, HQ, AD.
- Chief Commissioner, HQ, AG.
- Major-General R.G. Lewis, G-4, AEMO.
- Major-General C.M. Spafford, G-5, AFHQ.
- Chief of Staff, HQ AD.
- DDPS, G-1 Section.
- DDPS, Economic Section.
- DDPS, Establishment Section.
- V.P., Political Section (2)
- DDPS, HQ AD.
- Col. Griffithy Smith, Finance Sub-Com.
- File.
- Spars (3).

Declassified E.O. 12356 Section 3.3/NND No. 785015

HEADQUARTERS ARMY AIR FORCE
 NO. 17
 Office of the Chief of Staff

Date: 20 Nov 1964

REF: 210/1121 November 1964

SUBJECT: Acting President's Meeting - 20 November 1964
 TO : Distribution Below.

1. The attached memorandum, reference 2/10/11 dated 18 November 1964, is substituted for Memorandum "D", reference 2/1713/11 dated 18 November 1964, submitted at the meeting on 20 November 1964.

L. W. Stupp Sr. CA
 Brigadier,
 Chief of Staff.

Encl.

DISTRIBUTION

- 1 cc: Chief Commandant,
 Major-General Lewis, (44, AFM),
 Brigadier-General Spafford, (4-9, AFM),
 Chief of Staff,
 JCS, Civil Affairs Section,
 JCS, Establishment Section,
 JCS, Logistics Section,
 JCS, Political Section,
 Col. Geoffrey Smith.

2794

SECRETD R A F T

Ref:- 9/1 A/CA

SUBJECT:- Approval of the appointment of Italian officials by A.C.

TO:- Acting President, Allied Commission.

18 Nov '44.

1. It is requested that clarification may be obtained as to the policy which should be adopted by the Allied Commission in the approval of appointments made by the Italian Government in Italian Government territory, i.e. territory which has been handed back to the administration of the Italian Government and is no longer administered by Allied Military Government. For your information the following is a brief history of the policy hitherto adopted by the Allied Commission, and a statement of the present position.

2. Shortly after the first handover of territory to the Italian Government which took place on the 11th February '44, there was an exchange of letters between the then Chief Commissioner, Lt. Gen. Sir Noel Mason MacFarlane and the then Prime Minister Marshal Badoglio. (Copies of these letters are at App. "A"). In effect by these letters it was agreed that all senior Government appointments would be subject to the prior approval of the Commission.

3. Details were worked out between the Sub-Commissions and the Ministries concerned as to the level down to which appointments made by the Italian Government would be subject to the Commission's approval. Appendix "B" Part I gives a list of offices as finally agreed between the Commission and the Government which were to be subject to the Commission's approval.

With regard to Sub-Commissions in the Economic Section, no detailed arrangements were made, but the practice grew up whereby the Ministries concerned did in fact submit for approval, to the appropriate Sub-Commission, appointments down to the level set out in App. "B" Pt II.

4. The arrangements so made have worked quite smoothly in practice. It is fair to say that in the vast majority of cases no difficulty has arisen and appointments have been approved almost as a matter of course, but the right of approval has proved useful in practice, and occasionally approval for good reason has been withheld and the Italian Government has been required to submit another appointment for the office.

tion of the Italian Government. For your information the following is a brief history of the policy hitherto adopted by the Allied Commission, and a statement of the present position.

2. Shortly after the first handover of territory to the Italian Government which took place on the 11th February '44, there was an exchange of letters between the then Chief Commissioner, Lt. Gen. Sir Noel Mason MacFarlane and the then Prime Minister Marshal Badoglio. (Copies of these letters are at App. "A"). In effect by these letters it was agreed that all senior Government appointments would be subject to the prior approval of the Commission.

3. Details were worked out between the Sub-Commissions and the Ministries concerned as to the level item to which appointments made by the Italian Government would be subject to the Commission's approval. Appendix "B" Part I gives a list of offices as finally agreed between the Commission and the Government which were to be subject to the Commission's approval.

With regard to Sub-Commissions in the Economic Section, no detailed arrangements were made, but the practice grew up whereby the Ministries concerned did in fact submit for approval, to the appropriate Sub-Commission, appointments down to the level set out in App. "B" Pt II.

4. The arrangements so made have worked quite smoothly in practice. It is fair to say that in the vast majority of cases no difficulty has arisen and appointments have been approved almost as a matter of course, but the right of approval has proved useful in practice, and occasionally approval for good reason has been withheld and the Italian Government has been required to submit another appointee for the office.

5. Recently, and in view of the change of name of the Commission, the Italian Government has requested that the practice be revised and they have submitted a very short list of offices which they suggest should be submitted to the Commission for approval. (App. "C").

6. It appears to be a matter of overall policy as to whether or not the Commission should agree to the revised list. It is the opinion of the Civil Affairs Section that the list is too short, and that at any rate the names of directors of personnel in each Ministry should be submitted to the Commission for approval. The main reason for this is that appointments in Allied Military Government territory are always made by the Allied Commission, but in practice the Italian Government is usually consulted over such appointments, and it seems desirable that the Director of personnel should be the person approved by the Commission.

7. In view also of the importance of the C.C.S.E. in Military Government territory, and the important negotiations now in train with

203

0 2 8 4

Declassified E.O. 12356 Section 3.3/MND No. 785015

regard to the reorganization of that body, it is suggested that the senior staff officers of the Commanding General G.I.R. should be subject to approval, and also appointments to the Court of Cassation, the supreme judicial body of the country.

6. In this connection it must be remembered that in the secret terms agreed between the Commission and the Italian Government on each successive restoration of territory to the administration of the Government, it is always provided that no person appointed by the Allied Military Government may be removed, except with the consent of the Commission. If policy demands that the Italian Government is to have greater latitude in future, then it would seem necessary to modify or abandon this term, because so many appointments involve removal or transfer which requires the consent of the Commission, and thus indirectly the Commission controls appointments in many cases on a far lower level than those indicated in Art. 78. Except as a matter of "senior posts" there does not seem to be any objection to abandoning this provision.

G R Lyle

S. S. LYLE, Brigadier.
VP DA Sec.
D. G. O. S.

APPENDIX TO 2/14/54 dated 18 Nov 44.

Ref: CC/7/134/000.1

10 March 44.

Recent events over certain appointments have shown that it is clearly desirable for us to have a mutually satisfactory arrangement to prevent misunderstandings and subsequent difficulties which it is in all our interests to avoid. I would suggest, therefore, that it should be agreed that you will let me know before any appointment to the Government is actually announced. Equally, I should be glad if you will impress upon all the members of your Government that they should, in turn, consult the appropriate authorities in the Allied Control Commission before making any senior appointments in their own departments either at the seat of the Italian Government or in those provinces under Italian jurisdiction. As they already enjoy close and friendly relations with the Sub-Commission with whom they work, this should be an easy matter to arrange. It is clear that each minister must be strictly accountable for all appointments in his department and the arrangement which I propose should be to their interests in carrying out the work which we are doing together.

I should be glad if you will let me know whether you are in full agreement with the proposals made in this letter. If so, I will give the necessary instructions to the various heads of Sections and Sub-Commissions of the Allied Control Commission as soon as you confirm that members of your government have been notified of our agreement.

M E Marshal Pietro Badoglio
Capo del Governo.

NOEL WSON MACFARLANE,
Lieutenant General
Chief Commissioner.

SALERNO, 13 March, 1944.

Dear General,

After having worked with me for quite some time, you know that it is my absolute decision to proceed in any matter in full accord with the Allied Control Commission over which you preside.

With regard to this, at next Thursday's Council of Ministers, I shall give definite orders to the effect that no government appointment be made without previous agreement with the Commission.

I hope that the same feelings prevail with the Control Commission 2192

I should be glad if you will let me know whether you are in full agreement with the proposals made in this letter. If so, I will give the necessary instructions to the various heads of Sections and Sub-Commissions of the Allied Control Commission as soon as you confirm that members of your government have been notified of our agreement.

H E Marshal Pietro Badoglio
Capo del Governo.

NOEL MASON MACFARLANE,
Lieutenant General
Chief Commissioner.

Salerno, 13 March, 1944.

Dear General,

After having worked with me for quite some time, you know that it is my absolute decision to proceed in any matter in full accord with the Allied Control Commission over which you preside.

With regard to this, at next Thursday's Council of Ministers, I shall give definite orders to the effect that no government appointment be made without previous agreement with the Commission

I hope that the same feelings prevail with the Control Commission toward us, so that it might be possible to come, in common agreement, to a revision of certain positions given to certain persons in the provinces recently turned over to the Italian Government, and which render nearly impossible a normal functioning of government.

With cordial greetings,

/s/ Badoglio.

To General Noel Mason MacFarlane
Chief of the Allied Control Commission,
Naples.

APPENDIX "B" TO O/LA/CA dated 18 Nov 44.

LEGAL

First Presidente of Courts of Appeal
 Consiglieri of Cassation and Appeal
 Procuratori Generali
 Sostituti di Procuratori Generali
 Presidenti di Tribunali
 Procuratori del Re
 Primo Pretori (of towns of pop. 50,000)

INTERIOR

Prefects
 Vice Prefects
 Vice Prefect Inspectors
 Consiglieri Primo Grado
 Consiglieri Secondo Grado
 First Secretary to Prefect
 Special Secretary
 Director of Religious Affairs
 Sindaci) of communes of
 Town (large) - pop. 15,000

PUBLIC SAFETY

Legion Commanders - CC, RR
 Legion Commanders - Guardia di Finanza
 Questori Pubblici Security Service
 Regional Directors Prison Service
 Commandants (and upwards) Fire Service.

EDUCATION

Rectors
 Professors (titular)
 Presidi of Faculties
 Academy Inspectors of
 schools (local and centralised)
 Heads of Divisions in Ministry
 of Education
 Provveditori
 Presidi of Schools
 Inspectors of Schools
 University Lecturers.

PUBLIC HEALTH

Chief Medical Officer at
 Ministry of Interior.

PUBLIC SAFETY

Legion Commanders CC, JR
Legion Commanders Guardia di Finanza
Carabinieri Public Security Service
Regional Directors Prison Service
Commandants (and up-wards) Fire Services.

PUBLIC HEALTH

Chief Medical Officer at
Ministry of Interior.

EDUCATION

Rectors
Professors (titular)
Presidents of Faculties
Academy Inspectors of
Schools (local and centralized)
Heads of Divisions in Ministry
of Education
Provveditori
Presidents of Schools
Inspectors of Schools
University Lecturers.

279

8
"Apr. 32 to 9/14/44" a 13 Dec 44

SUBJECT: Level at which Appointment of Italian Officials should be approved by Allied Commission.

FINANCE: All appointments down to the level of Grade 4., Comissari, Direttore Generale, Segretario Generale of banks, insurance companies and other finance institutions clothed with public interest. Other appointments which the Italian Government may believe to be of interest to the Commission.

PUBLIC WORKS AND UTILITIES: Appointments down to Grade 5 (Ispectore Generale del Genio Civile, Capo Compartimento, etc).

COMMERCE & INDUSTRY: Heads and Deputies of Direzione Generale, titular and managing directors of industrial or parastatal institutions. Vice Commissioners of important companies.

LABOR: Commissioners of National Insurance Agencies and other national agencies formerly linked into the Fascist cooperative structures concerned with such labour matters as welfare, assistance, protection and safety of workers. Appointments to the position of Regional and Provincial Labour Director.

AGRICULTURE: Chiefs of Ministerial Bureaus such as Bonifica and Opere, Compartimento officials of the rank of agricultural inspectors and Consorzio Agrario officials.

TRANSPORTATION: Director of Mercantile Marine, Principal Inspector of the General Inspectorate of civil motorization and transportation connections. Director General of the Italian State Railways.

SHIPPING: Commissioners of the four subsidized Italian steamship companies, "Italia", "Ariston", "Firinna" and "Orion", formerly "Lloyd Triestino".

FOOD: Direttore Generale dell'Alimentazione and the Head of the Ufficio Nazionale dell'Approvvigionamento e Distribuzione Alimentare.

COMPETITIVE ADVANTAGE: Heads and activities of various managing directors of industrial or parastatal institutions. Vice Chairman of important companies.

LABOUR: Commissioners of National Insurance Agencies and other national agencies formerly linked into the Fascist cooperative structures concerned with such labour matters as welfare, assistance, protection and safety of workers. Appointments to the position of Regional and Provincial Labour Director.

ADDITIONAL: Chiefs of Ministerial Bureaus such as Pontifical and Lycées,
Compartimento officials of the rank of agricultural Inspectors and Comorato
Agriculto Officials.

TRANSPORTATION: Director of Maritime Marine, Principal Inspector of the General Inspectorate of civil motorization and transportation concessions, Director General of the Italian State Railways.

Shipping: Commission of the four subsidized Italian shipping companies, "Adriaticus", "Alberonia", "Orion", formerly "Lloyd Triestino", "Vitalia".

FOOD: Direttore Generale dell'Alimentazione and the Head of the Ufficio Nazionale dell'Approvvigionamento e Distribuzione Alimentare.

2799

ATTACHED TO 9/14/CA dated 18 Nov 44

Ministri e Sottosegretari di Stato
Capo di Stato Maggiore Generale dell'Esercito
Capo di Stato Maggiore Esercito
Capo di Stato Maggiore Marina
Capo di Stato Maggiore Aviazione
Principali Rappresentanti diplomatici
Alto Commissario per l'Eruzione
Vice Alti Commissari per l'Eruzione
Direttore Generale della Pubblica Sicurezza
Comandante Generale dei Carabinieri

Added Suggestions:-

High Commissioners for Sicily and Sardinia.

Declassified E.O. 12356 Section 3.3/WND No. 785015

Alto Commissario per l'Eruzione
Vice Alti Commissari per l'Eruzione
Direttore Generale della Pubblica Sicurezza
Comandante Generale dei Carabinieri

Added Suggestions:-

High Commissioners for Sicily and Sardinia.

2789

A meeting will be held in the Chief Commissioner's Office from 1400 hours to 1500 hours and 1500 hours to 1700 hours on Monday, 20 November 1944, under the Chairmanship of the Acting President, The Hon E. Macmillan, who has invited the following to attend:-

Chief Commissioner, Allied Commission, Comodore Henry W. Stone,
Major-General H. Lewis,
Brigadier-General Charles Spafford (1500 to 1700 hours)
Chief of Staff, Allied Commission, Brigadier M. S. Lamb,
Deputy-Chief of Staff, Civil Affairs Section, Brigadier G. H. Upjohn,
Deputy-Chief of Staff, Establishment Section, Colonel H. F. Pike,
Deputy-Chief of Staff, Economic Section, Mr. A. G. Antolini,
Vice-President, Political Section, Mr. H. Dickinson, Mr. Schott,
Financial Advisor, Col. A. P. Crafton-Smith.
Secretary - Lt Col G. H. I. Shipp.

AGENDA

1. Future of the Allied Commission.

To consider the removal of "Control" from the title of the Commission as it applies to the Commission's relations with the Italian Government and the Italian Government's powers. Brigadier Upjohn will submit a memorandum describing the functions of the Sub-Commissions of the Civil Affairs Section in Italian Government territory.

2. To consider any concessions which can be made in implementation of the change of title

(1) In reality

(11) As 'non saving' to the Italian Government, for example:-

(a) the removal of officers in the field from the Italian and Southern Region.

(b) Abandonment of certain functions at headquarters and in the field.

(c) Facilitation of the Commission. According to the Commission should not take place until the end of hostilities, as recommended by the Commission, what steps can be taken to prepare for this event.

(d) Appointment of civilian advisors to the Italian Government.

SECRETARY

1. Future of the Allied Commission.

To consider the removal of "Control" from the title of the Commission as it applies to the Commission's relations with the Italian Government and the Italian Government's powers. Brigadier Upjohn will submit a memorandum describing the functions of the Sub-Commissions of the Civil Affairs Section in Italian Government territory.

2. To consider any proposals which can be made in implementation of the change of title

(1) In reality

(11) As "face saving" to the Italian Government, for example:-

(a) the removal of officers in the field from the Islands and Southern Region.

(b) Abandonment of certain functions at Headquarters and in the field.

(c) Demilitarization of the Commission. Assuming the demilitarization should not take place until the end of hostilities, as recommended by the Commission, what steps can be taken to prepare for this event.

(d) Appointment of civilian advisers to the Italian Government.

(e) Surrender of control by Allied Commission of legislation and appointments of Italian officials.

The Chief of Staff will produce a memorandum on the above points.

3. To consider the organization of the Economic Section and the nomination of a Vice-President and senior officials or officers at the Headquarters of the Section and in charge of the Sub-Commissions. Deputy-Chief of Staff, Economic Section, will produce a plan of the Economic Section, with names of Directors and Deputy-Directors. Chief of Staff will produce a memorandum on the provision of British civilian staff.

4. To consider the proposals of the Allied Commission prepared in implementation of General Wilson's WAF 610. Deputy-Chief of Staff, Economic Section, will produce memoranda

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

785015

(1) on feeding of Italy

(ii) Nation and supply position in Italy (with regard to transfer of responsibilities to Italian Government)

(iii) Joint programming situation

5. To consider the position of UNRRA and representations to be made by the Acting President in London and Washington on this matter.
6. To consider channels of communication between the Allied Commission and AFHQ, OMA, COMAC, CMA, etc. Brigadier General Spofford will submit a staff study.
7. To consider the relations between Allied Commission, the Political Advisors, and the Allied Education, in light of a memorandum drawn up by the Acting President and agreed provisionally with the Embassy and Chief Commissioner.

Brigadier,
Chief of Staff

207-10-10

(5)

0 2 *

Declassified E.O. 12356 Section 3.3/NND No. 785015

7. To consider the relations between Allied Command, the Political Advisors, and the Allied Subscribers, in light of a memorandum drawn up by the Acting President and agreed provisionally with the Secretary and Chief Commissioner.

Brigadier,
Chief of Staff

1675-1247

1675-1247

2787

NOTES ON AGENDA.1. Future of Commission.

The Commission has consistently urged that there should be no fundamental change in its organization until the end of hostilities. This was contained in a Memorandum of July 29th and telegram of September 12th, both sent to AFHQ but, as it is believed, not forwarded by AFHQ to OCS. The War Office have received both documents and the War Department certainly the latter through the Embassy in Rome.

There is both in London and in Washington a growing desire on the part of the War Department to divest themselves of responsibilities regarding rehabilitation in Italy. But however logical may be this desire, the procedure which it is proposed to adopt on either side of the Atlantic bears little relation to reality. The proposal that the Headquarters of the Commission should be decentralized (with the exception of the Establishment Section) has already been answered by the Chief Commissioner's telegram of 4 Nov 44, received the War Office through diplomatic channels. The other proposal mooted in London that the authority for Allied Military Government in Italy (Answerable through AFHQ to the War Office) should be made distinct from the Allied Commission which it is proposed should be made answerable to the Foreign Office, is equally unacceptable. This point was dealt with in the Memorandum of July 29th, written when the possibility of the total liberation was probable by the end of the year, and the arguments are even more cogent now than before. It would be politically, economically and administratively unsound to attempt to run Italy by two Allied authorities. ~~Proposals to consider the possibility of the Commission at a distance and the necessity of the establishment of a central authority.~~

2. It is however, essential that we should put forward some proposals which can be regarded as an earnest to implement the Quebec statements and all that followed since, including the removal of "Control" from the Commission.

It must be remembered, however, (1) that probably nearly 80% of the Commission's work (except in the field of politics) is taken up with AFHQ problems and forward planning and (2) that the exercise of "control" when it came to the point was really only nominal, at any rate vis a vis the central Government, because the Commission either had no sanctions to impose in order to enforce control or was unwilling to use them.

(a) The physical removal of officers from the Islands and in Southern Region is an obvious and ostensible form of implementation but one which except in part is popular neither with the Italian Government nor with the Allied Military Authority. The Italians indeed have proposed our abandonment of Calabria and part of Apulia (the territory South of Salerno), by January 1st. But it is doubtful whether the authorities at Fiume would be disposed to complete withdrawal now, in face of the Calabrian oil situation, whether it would be commercially sound. It has been suggested that such of

-2-

as a post hostilities measure. Its immediate adoption could be considered now, would certainly be practicable and probably politic, provided it was made clear that the advisors were the servants of the Italian Government (according to the various ministries) and were not merely members of the sub-commissions sitting on the other side of the road. For control it might be argued that the imposition of advisors at this stage attached of a more rigid control than before but that is a matter for the Italian Government to decide - the conclusion after all is from us. The presence of such advisors would certainly not be a buffer against any mistaken form of control which members of the Commission might wish to impose on the Italian Government.

- (c) Hiterto control has been effected on legislation and appointments of Italian officials. It is probable that much if not all of this should be changed.

0302

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

785015

HEADQUARTERS ALLIED COMMISSION
ECONOMIC SECTION
APO #394

HC/mrh

20 November 1944

8.10/ES

SUBJECT: Agenda for Meeting 20 November 1944.

TO : Chief of Staff

1. The following documents are attached for consideration at the meeting to be held 20 November 1944:

- a. Food Position of Italy
- b. Price of Bread and Pasta
- c. Summary of Proposed Plan for Italian Undersecretariat of Food
- d. Joint Programming of Essential Imports into Italy

2. In addition, there are available four sets of documents relating to joint programming.


A. G. ANTOLENTI
Acting Deputy Chief of Staff
Economic Section

10 3 0 3

Declassified E.O. 12356 Section 3.3/HND No. 785015

2785

TO : Chief of Staff

1. The following documents are attached for consideration at the meeting to be held 20 November 1944:

- a. Food Position of Italy
- b. Price of Bread and Pasta
- c. Summary of Proposed Plan for Italian Undersecretariat of Food
- d. Joint Programming of Essential Imports into Italy

2. In addition, there are available four sets of documents relating to joint programming.


A. G. ANTOLINI
Acting Deputy Chief of Staff
Economic Section

FOOD POSITION OF ITALY

A. SUMMARY

1. ASSETS. As of November 1, we have on hand; we should expect this much more; from November 1 through next June, we will probably get imports of about:

504,000 tons
<u>80,000</u>
728,000
<u>1,475,000 tons</u>

Making the total available: *
2. LIABILITIES South of P-R line. To feed everybody south of the P-R line, at 300 grams, without any supplementary rations, it takes:

1,132,000 tons
<u>141,000</u>
1,280,000 tons
<u>188,000 tons</u>

plus supplementaries (heavy workers, public safety, hospitals, industrial shiftworkers -- all programs approved by AG);
3. BALANCE FOR NORTH. All that remains for the northern stockpile is therefore:
If resistance in the north collapses suddenly, this stockpile could last for:

52 days at 300-gram level or
41 days at 300-gram level

It will go proportionately farther if:

- (a) Occupation of the north is gradual and slow
- (b) We find grain (wheat, corn or rice) available in the north when we go in.

4. THREATS:

To raise the ration up to 300 gram is a straight gamble. We are gambling on a slow occupation of the north, on small withdrawal of grain by the Germans. We are also betting that if we gamble on the wrong side, the U.S. and U.K. Governments will have to make good on their commitments with additional wheat and additional shipping.

* Even these availabilities will not materialize unless we get sufficient transport to make the fullest use of local resources.

safety, hospitals, industrial and shift work
 will be -- All programs approved by AC:

147,000

1,280,000 tons

128,000 tons

1. PLAN FOR NORTH. All that remains for the northern stockpile is therefore:

If resistance in the north collapses suddenly, this stockpile would last for:

62 days at 200-grain level or
 41 days at 300-grain level

It will go proportionately farther if:

- (a) Occupation of the north is gradual and slow
- (b) We find grain (wheat, corn or rice) available in the north when we go in.

4. CONCLUSIONS

To raise the ration now to 300 grain is a straight gamble. We are gambling on a slow occupation of the north, on small withdrawal of grain by the Germans. We are also betting that if we gamble on the wrong side, the U.S. and U.K. Governments will have to make good on their commitments with additional wheat and additional shipping.

Even these availabilities will not materialize unless we get sufficient transport to make the fullest use of local resources. This in turn depends on (a) whether Washington comes through with at least the 1,700 trucks now under requisition (for the south), and with the additional trucks needed for the north (at least 3,500 under the most favorable possible conditions); and (b) on getting additional coastal ships, locomotives and freight cars from the military for the long-distance hauling of wheat.

2784

- 2 -

B. MISCELLANEOUS FOODS1. Dried Vegetables, Dehydrated Soup, Meat and Vegetable Stew

Stocks of all these foods are very low, with no additional shipments approved (although bids were put into Washington two months ago). If no general issues are continued, stocks will last as follows:

Dried Vegetables - until 20 December
Dehydrated Soup - until 15 January
Meat & Vegetables - until 1 March

In order to keep some stocks of these foods on hand for special needy consumer groups, the Economic Section will discontinue the general issue of dried vegetables and soup on 1 December, and of meat on 1 January. The stocks will then be furnished only to special classes such as hospitals, public safety agents, school children, relief and welfare institutions, and civilians working for Allied agencies.

2. Meat.

Ration is 125 grams per person per month, on a when and if basis. Only issues that can be made will be from imports (one ship is due in a couple of weeks), and the ration is foregone as often as it is issued.

3. Milk

No stockpile whatever on hand, and no advice of any future arrivals.

4. Fat

Distribution and ration depend on the success in smearing the Italian crop of olive oil. If smearing estimates are realized a ration of 400 grams per person can be issued.

From November arrivals a stockpile is being built for the North, but it will only be large enough to last one month (2,200 tons, which will take care of 17,000,000 people at 125 grams per capita).

5. Soap - No imports of soap are scheduled. Production in territory controlled by the Italian Government is sufficient only for ration of 100 grams per head per month.

0307

Declassified E.O. 12356 Section 3.3/NND No. 785015

Dehydrated Soup - until 15 January
Meat & Vegetables - until 1 March

In order to keep some stocks of these foods on hand for special needy consumer groups, the Economic Section will discontinue the general issue of dried vegetables and soup on 1 December, and of meats on 1 January. The stocks will then be furnished only to special classes such as hospitals, public safety agents, school children, relief and welfare institutions, and civilians working for Allied agencies.

2. Meat.

Ration is 125 grams per person per month, on a when and if basis. Only issues that can be made will be from imports (one ship is due in a couple of weeks), and the ration is foregone as often as it is issued.

3. Milk

No stockpile whatever on hand, and no advice of any future arrivals.

4. Eggs

Distribution and ration depend on the success in amassing the Italian crop of olive oil. If amassing estimates are realized a ration of 400 grams per person can be issued.

From November arrives a stockpile is being built for the North, but it will only be large enough to last one month (2,200 tons, which will take care of 17,000,000 people at 125 grams per capita).

5. Soap - No imports of soap are scheduled. Production in territory controlled by the Italian Government is sufficient only for ration of 100 grams per head per month.

2783

THE PRICE OF BREAD AND PASTA

(Report of a meeting held between representatives of the Economic Section, AC, and of the Italian Government, 18 November 1944.)

1. A Committee of the Italian Government composed of the Minister of Treasury, Soleri; Minister of Agriculture, Guillo; and Minister (without portfolio) DiGaspero, has submitted a proposal to increase the price of bread from 5 lire per kilo to 8 lire per kilo.

2. The cost of bread, otherwise known as the economic price, was formerly 12 lire and is now 15 lire a kilo. Hence, the increase in the retail price is in direct relation to the increase in cost, i.e. 3 lire per kilo. The Government intends to continue to subsidize the spread between the economic price and the price paid by the public.

3. The Government intends to establish some special provision for certain categories of consumers such as the unemployed and displaced persons. The Committee is not prepared at this moment to present any formal plan but we have indicated that we shall review the matter with them and offer some suggestions on the categories to be included in any "special ration" scheme.

4. The Government has indicated that the price of pasta will be correspondingly increased. It is now 7 lire and will be increased to a maximum of 12 lire.

5. While agreeing in principle with the proposition that the price of bread should be increased, the Economic Section suggested that the publication of the new price should be so timed as to tie in with a possible increase in the ration to 300 grams, and the transfer to the Italian Government of administrative responsibility for feeding of Italy.

6. The Ministers have agreed that a single press release should be issued on all these points. In the event that we are unable by 23 November 1944 to assure them of a satisfactory solution of the bread ration problem, the information on the price increase will be released.

0307

price, was formerly 12 lire and is now 15 lire a kilo. Hence, the increase in the retail price is in direct relation to the increase in cost, i.e. 3 lire per kilo. The Government intends to continue to subsidize the spread between the economic price and the price paid by the public.

3. The Government intends to establish some special provision for certain categories of consumers such as the unemployed and displaced persons. The Committee is not prepared at this moment to present any formal plan but we have indicated that we shall review the matter with them and offer some suggestions on the categories to be included in any "special ration" scheme.

4. The Government has indicated that the price of pasta will be correspondingly increased. It is now 7 lire and will be increased to a maximum of 12 lire.

5. While agreeing in principle with the proposition that the price of bread should be increased, the Economic Section suggested that the publication of the new price should be as timed as to tie in with a possible increase in the ration to 300 grams, and the transfer to the Italian Government of administrative responsibility for feeding of Italy.

6. The Ministers have agreed that a single press release should be issued on all these points. In the event that we are unable by 23 November 1944 to assure them of a satisfactory solution of the bread ration problem, the information on the price increase will be released.

2782

SUMMARY OF PROPOSED PLAN FOR THE
UNDER-SECRETARIAT OF FOOD

1. To raise only wheat and olive oil.
2. To ration only Bread, Pasta, Olive Oil and imported commodities such as sugar.
3. To leave other locally produced foodstuffs to free enterprise, subject only to transport control, leaving these to find their own price level.
4. As fixed and low income classes will not be able to buy sufficient foodstuffs at these expected high prices, and low range of rationed commodities will not cover their fundamental food needs, to make provision for these by:
 - (a) Organising Cooperatives of State Employees, workers, etc., and assign foodstuffs, other than rationed items, to them. These to be controlled by a Commissioner for Cooperatives, who will be an expert executive directly under the Under Secretary of Food.
 - (b) Supplies for these cooperatives will be obtained by:
 - (i) Direct purchases by the State of a certain amount. This not fixed and modus operandi not yet stated.
 - (ii) Taking a percentage (not stated) of commodities imported from surplus regions into large towns in this free market system.
 - (c) The responsibility for obtaining these supplies will be vested in a Commissioner for Supplies who will be an expert executive directly under the Under Secretary of Food. He will be assisted in the obtaining of information about surpluses by Regional officials who will assess surpluses, have them allocated to needy areas by his superior, and then assist in the movement. Control that these will, in fact, go to the areas nominated will be exercised by control of transport media only - all permits to move goods, etc., will be abolished. Food movement permits would be needed only for these specific surpluses.
5. Existing Direzione Generale of Alimentation will be retained for control of rationing system, supervision of the Consorzio Agrario and the movement and distribution of rationed items only.

(a) Organising Cooperatives of State Employees, workers, etc., and assign foodstuffs, other than rationed items, to them. These to be controlled by a Commissioner for Cooperatives, who will be an expert executive directly under the Under Secretary of Food.

(b) Supplies for these Cooperatives will be obtained by:

(1) Direct purchases by the State of a certain amount. This not fixed and modus operandi not yet stated.

(11) Taking a percentage (not stated) of commodities imported from surplus regions into large towns in this free market system.

(c) The responsibility for obtaining these supplies will be vested in a Commissioner for Supplies who will be an expert executive directly under the Under Secretary of Food. He will be assisted in the obtaining of information about surpluses by Regional officials who will assess surpluses, have them allocated to needy areas by his superior, and then assist in the movement. Control that these will, in fact, go to the areas nominated will be exercised by control of transport media only - all permits to move goods, etc., will be abolished. Food movement permits would be needed only for these specific surpluses.

5. Existing Direzione Generale of Alimentation will be retained for control of rationing system, supervision of the Consorzio Agrario and the movement and distribution of rationed items only.

2781

HEADQUARTERS ALLIED COMMISSION

APO 394

ECONOMIC SECTION

RC:RSH

MEMORANDUM

SUBJECT: Status of Joint Programming of Essential Civilian Requirements

1. On 31 October 1944, the Economic Section of the Allied Commission was authorized to begin the job of programming with the Italian Government essential civilian supplies over and above those provided by the military. The authorization is contained in Appendix 'A' attached and resulted from a series of meetings held in Rome and in AFHQ.

2. The terms of reference within which it is necessary to program are somewhat indefinite, but can be summarized as follows:

a. The Combined Chiefs of Staff will approve only those supplies which they consider to fall within the military mission of 'preventing disease and desert'. Roughly, this includes limited amounts of food, fuel, medical and sanitary supplies, electric generating plants, transportation equipment, and a few miscellaneous finished products.

b. The U.S. Government is making available to the Italian Government a limited amount of foreign exchange in dollars, which is represented by the dollar equivalent of net troop pay, immigrant remittances, and the proceeds from exports to the U.S. in return to purchase 'non-military' equipment.

c. The British Government, while it has not made a similar arrangement, has indicated that it will provide the agreed British share of an agreed 'non-military' program.

3. The Allied Commission has already done a considerable amount of work with the Italian Government in developing plans for first aid repairs to essential industries, for the provision of needed transportation facilities, and for the limited rehabilitation of the electric power industries on which nearly all other forms of economic activity depend. A quick summary of the thinking up to October 1944 was prepared in the form of a 'Summary Outline of Essential Italian Imports,' which is attached at Appendix 'B'. Also attached, as Appendix 'C', is an outline of an Emergency Industrial Program for the rehabilitation of certain basic Italian industries during the year 1944. Appendix 'D' is a summary of plans for the rehabilitation of the electric power industry in Italy, and Appendix 'E' summarizes the status of a plan for non-military imports, in the transportation field.

1. On 31 October 1944, the Economic Section of the Allied Commission was authorized to begin the job of programming with the Italian Government essential civilian supplies over and above those provided by the military. The authorization is contained in Appendix "A" attached and resulted from a series of meetings held in Rome and in AFHQ.

2. The terms of reference within which it is necessary to program are somewhat indefinite, but can be summarized as follows:

a. The Combined Chiefs of Staff will approve only those supplies which they consider to fall within the military mission of "preventing disease and hunger". Roughly, this includes limited amounts of food, fuel, medical and sanitary supplies, electric generating plants, transportation equipment, and a few miscellaneous finished products.

b. The U.S. Government is making available to the Italian Government a limited amount of foreign exchange in dollars, which is represented by the dollar equivalent of net troop pay, immigrant remittances, and the proceeds from exports to the U.S., and is to be used to purchase non-military equipment.

c. The British Government, while it has not made a similar arrangement, has indicated that it will provide the agreed British share of an agreed "non-military" program.

3. The Allied Commission had already done a considerable amount of work with the Italian Government in developing plans for first aid repairs to essential industries, for the provision of needed transportation facilities, and for the limited rehabilitation of the electric power industries on which nearly all other forms of economic activity depend. A quick summary of the thinking up to October 1944 was prepared in the form of a "Summary Outline of Essential Italian Imports," which is attached at Appendix "B". Also attached, as Appendix "C" is an outline of an Emergency Industrial Program for the rehabilitation of certain basic Italian industries during the year 1944. Appendix "D" is a summary of plans for the rehabilitation of the electric power industry in Italy, and Appendix "E" summarizes the status of a plan for non-military imports, and the transportation facilities.

4. As soon as the authority was given, a meeting was held between the Economic Section, Allied Commission, and ministers of the Italian Government concerned with economic problems. The agenda for this meeting is attached as Appendix "F", and the minutes as Appendix "G". At this meeting, the Italian Government agreed to prepare a first draft of a program of essential Italian imports, related to three possible levels of foreign exchange which might become available to Italy - 150, 200, 250 million dollars. The establishment of these hypothetical credit limits made it unnecessary to give the Italian Government an specific figure which might be taken as firm.

2789

- 2 -

5. Following this meeting, the Italian Government set up a Committee for Reconstruction (Comitato del Riconstruzione) headed by Bartolomeo Ruffini, Minister without Portfolio. This Committee is to coordinate the planning for all reconstruction in the Italian Government, and for the time being will assume the direct administrative responsibility for the present task of programming essential non-military imports.
6. The Committee for Reconstruction has now established transportation, electric power, and agricultural supplies as being the top most priority group followed by textile and other industries. Their priority thinking is conditioned by the fact that it is unrealistic to plan for the repair of essential industries until the transportation and power bottlenecks have been first dealt with. A draft program, based on these priorities, will be submitted to the Allied Commission by 24 November. Inasmuch as we have agreed with the Italian Government on an overall scheme of non-military imports, the various ministries and sub-commissions will translate that scheme into specific requisitions to be transmitted to the Combined Liberated Areas Committee in Washington.

1031

Declassified E.O. 12356 Section 3.3/NND No. 785015

622
2779

followed by textile and other industries. Their priority thinking is conditioned by the fact that it is unrealistic to plan for the repair of essential industries until the transportation and power bottlenecks have been first dealt with. A draft program, based on these priorities, will be submitted to the Allied Commission by 24 November. As soon as we have agreed with the Italian Government on an overall scheme of non-military imports, the various ministries and sub-commissions will translate that scheme into specific requisitions to be transmitted to the Combined Liberated Areas Committee in Washington.

CR

SECTION STAFF

1. Section Staff

a. Executive

- 4. Acting Section Head
- 5. Executive Director
- 6. Chief Staff Officer

A. G. Arnold (Div.) (A)
Harlan Cleveland (Div.) (A)
Col. L. D. Deane (A)

b. Information & Research Division

- 7. Chief of Division
- 8. Assistant
- 9. " "
- 10. " "

Herbert H. Taylor (Div.) (A)
Anthony L. Villa (Div.) (A)
Kenneth E. Stumffer (A)
Major W. A. Russell (B)
Major J. P. Richardson (B)

c. Policy & Research Division

- 11. Chief of Division
- 12. Deputy Chief of Division
- 13. Chief of Research Unit
- 14. Asst.
- 15. Policy Report
- 16. Asst. Policy Report

Harlan Cleveland (Div.) (A)
Maj. W. E. Toole (A)
Lt. Col. R. A. Martin (A)
James H. Hurley (Div.) (A)
Henry H. Hudson (Div.) (A)
Capt. W. C. Murphy (A)

d. Administration & Personnel Division

- 17. Chief of Division
- 18. Staff Officer
- 19. " "
- 20. " "
- 21. Div. Rep. Officer

Maj. B. B. Smith (A)
Maj. G. A. Sullivan (A)
Capt. S. J. Macmillan (A)
Lt. C. W. Adams (A)
David S. Johnson (Div.) (A)

e. Agriculture & Forestry

- Director
- Deputy Director

Leland Allbaugh (Div.) (A)
British civilian to be selected.

f. Commerce & Industry

- Director
- Deputy Director

Col. S. P. Evans (B)
Maj. W. C. Hartman (A)

g. Finance & Administration

Col. S. P. Evans (B)
Maj. W. C. Hartman (A)

Declassified E.O. 12356 Section 3.3/NND No. 785015

1. Major L. Villa (Div.) (A)
2. Parvath N. Shastri (A)
3. Major S. A. Sewell (B)
4. Major P. P. Richardson (B)

Isabel Cleveland (Div.) (A)
Maj. R. E. Paddy (B)
Lt. Col. E. A. Martins (A)
James S. Hurlay (Div.) (A)
Henry R. Hudson (Div.) (A)
Capt. E. G. Murphy (A)

Maj. R. L. Hugh (A)
Maj. G. N. Sullivan (A)
Col. G. J. Prosser (B)
Lt. G. W. Atkins (B)
David S. Johnson (Div.) (A)

Isabel Albaugh (Div.) (A)
British civilian to be selected. (B)

Col. S. P. Evans (B)
Maj. R. S. Bostick (A)

Col. A. J. Gentry (Div.) (B)
Lt. Col. J. T. Lawler (A)

Col. W. J. Loe (B)
Maj. J. Davis (B)

W. S. Vaughan (Div.) (A)
British civilian to be selected. (B)

2778

1. Supply & Maintenance Division

- 10. Chief of Division
- 11. Deputy Chief of Division
- 12. Chief Registration Unit
- 13. Asst.
- 14. Price Expert
- 15. Asst. Price Expert

2. Administration & Personnel Division

- 16. Chief of Division
- 17. Staff Officer
- 18. " "
- 19. Div. Per. Officer

3. Agriculture & C/O

Director
Deputy Director

4. Commerce & C/O

Director
Deputy Director

5. Finance & C/O

Joint Director

6. Food & C/O

Director
Deputy Director

7. Industry & C/O

Director
Deputy Director

0315

Declassified E.O. 12356 Section 3.3/NND No. 785015

- 2 -

- | | | | | |
|-----|---|---|--|-------------------|
| 7. | Labor R/O | Director Designate
acting Director
acting Deputy Director | Col. J. H. Smith
Maj. J. C. Hubbard | (B)
(A)
(A) |
| 8. | T. H. & H. R/O | | | |
| 9. | Director
Deputy Director
Transportation R/O | | 1st Col. L. A. Jency
1st Col. G. E. Thomas | (A)
(B) |
| 10. | Director
Deputy Director | | Col. J. B. Adams
Maj. (1st) officer to be selected. | (A)
(B) |
| 11. | Director
Deputy Director | | M. J. J. Graham
M. G. H. Hubbard | (B)
(A) |

* Mediterranean Shipping Board (Italy)

0319

Declassified E.O. 12356 Section 3.3/NND No. 785015

2777

14 MAR 68 10 10 AM

Transmitted in 1/0

Director
Deputy Director

Col. D. B. Adams
British officer to be selected.

10. Northern Shipping 2/0

Director
Deputy Director

Mr J. J. Graham
Mr G. B. Elliott

2 Mediterranean Shipping Board (Italy)

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

MEMORANDUM

Ref: W/2.1/CA

Tel: 575

SUBJECT: Functions of the Sub-Commissions
of Civil Affairs Section in
Italian Government territory.

10 Nov 44.

TO: Chief of Staff.

INTRODUCTION

1. The purpose of this Memorandum is to set out shortly the functions and work performed by the Sub-Commission and in the Civil Affairs Section in Italian Government territory.

- a) In so far as the functions concern Sub-Commissions in Headquarters.
- b) The work of their representatives in the regions.

2. The Sub-Commission concerned are:-

Displaced Persons and Italian Refugees,
Education,
Legal,
Local Government Sub-Commission and Patriotic Branch,
Monuments, Arts and Archaeology,
Public Health,
Public Safety.

3. The main body of this Memorandum is divided into two parts, one part dealing with the functions in general of Sub-Commissions in Italian Government territory, and part two dealing with the particular functions which derive directly from presence of Allied troops in Italian Government territory. It is emphasized that this memorandum is NOT concerned with the many and various functions of Sub-Commissions, both at Headquarters and in the field, with regard to Allied Military Government territory.

PART I

Functions of Sub-Commissions in Italian Government territory.

4. a) LEGAL ADVISORY

To act as Legal Adviser to the Chief Commissioner.
Advice and assist in the drafting of decrees submitted by the various Sub-Commissions in this Government. When no objections are in progress.

INTRODUCTION

1. The purpose of this Memorandum is to set out shortly the functions and work performed by the Sub-Committee on the Civil Affairs Section in Italian Government territory.
 - a) In so far as the functions concern Sub-Committee in Headquarters,
 - b) The work of their representatives in the regions.
2. The Sub-Committee concerned are:
 - Displaced Persons and Italian Refugees,
 - Education,
 - Legal,
 - Local Government Sub-Commission and Patriotic Branch,
 - Monuments, Fine Arts and Archives,
 - Public Health,
 - Public Safety.
3. The main body of this Memorandum is divided into two parts, one part dealing with the functions in general of Sub-Committees in Italian Government territory, and part two dealing with the particular functions which derive directly from presence of Allied troops in Italian Government territory. It is emphasized that this memorandum is NOT concerned with the many and various functions of Sub-Committees, both at Headquarters and in the field, with regard to Allied Military Government territory.

PART I

Functions of Sub-Committees in Italian Government territory

- a) LEGAL ADVISORY BOARD

To act as legal advisor to the Chief Commissioner.
Advise and assist in the drafting of decrees submitted by the various Sub-Committees in this Commission when regulations are in progress between Sections of this Commission and the various Italian Ministries.
The reviewing of all cases heard before Allied Military Courts.
Advise the Chief Commissioner on the approval of the higher courts to the Italian Ministry of Justice.
- LOCAL GOVERNMENT SECTION IN THE FIELD

To act as advisors to Regional Commissioners in local matters and Italian legislation.
To supervise and act upon Allied Military courts if such be specially authorized.
- b) LOCAL GOV. TRENCH SUB-COMMISSION - HEADQUARTERS

Receive for approval from the Ministry of Interior decrees of appointment which concern Provincial personnel originally appointed under Allied Military Government.
- LOCAL GOV. TRENCH SUB-COMMISSION - IN THE FIELD

Not represented.

2776

and with the policy of the Government of Italy in regard to the control of the movement of persons and property.

1. TO SECURE THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

2. TO SECURE THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

2) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

3) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

4) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

5) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

6) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

7) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

8) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

9) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

10) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

11) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

12) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

13) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

14) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

15) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

16) THE POLICY OF THE GOVERNMENT OF ITALY IN REGARD TO THE CONTROL OF THE MOVEMENT OF PERSONS AND PROPERTY.

See last page. In the event of a large number of prisoners of war, the Italian Government should take in hand the disposal, feeding and care of them, in cooperation with the Italian Government in the area administered by it.

6) INTERNATIONAL RELATIONS - ITALIAN INTERESTS
 In close conjunction with the various international representatives in all matters connected with the welfare and feeding of displaced persons.

Coordinate with other Sub-Commissions of this Commission, and other Military Headquarters (both higher and lower) movement of Italian refugees. This involves both the primary evacuation and the eventual repatriation of these persons.

5. This Section also coordinates the work of the Sub-Commissions concerned in this Section and in the Economic Section with regard to questions of administration, and devastated areas. All Sub-Commissions are concerned with supervising execution of the first-named; various other Sub-Commissions are concerned in the other two.

PART II

6. Functions of Sub-Commissions deriving directly from the presence of Allied troops in Italian Government territory.

a) LEGAL AND ADMINISTRATIVE
 The setting up and conduct of allied military courts. Those are necessary to deal with the cases in which allied personnel and stores are concerned. All such cases are reviewed in the Headquarters office of the Legal Sub-Commission. It is pointed out that these functions involve a considerable amount of work, and as at present, the need for a considerable number of legal courts in the first place, to deal with statistics from the ammunition dumps is noted.

b) ARMED FORCES SUB-COMMISSION
 Organized the armistice. Given by Italian police or order to prevent further fighting. It is noted for the maintenance of law and order during periods and the investigation of cases in which allied personnel and stores are involved. Participation in the gold and supervision of the execution of measures taken in V.I. control, and in any matters connected with the control of government requisitioned by authorities of epidemic diseases for security reasons.

refugees. This involves both the primary examination and the eventual repatriation of these persons.

5. This Section also coordinates the work of the Sub-Commissions concerned in this Section, and in the Economic Section with regard to expropriation, and devastated areas. All Sub-Commissions are concerned with supervising execution of the first-mentioned; various other Sub-Commissions are concerned in the other two.

PART II.

6. Functions of Sub-Commissions deriving directly from the presence of Allied troops in Italian Government territory.

a) LEGAL SUB-COMMISSION

The activities of the Commission of Allied Military Courts. These are necessary to deal with the cases in which Allied personnel and stores are concerned. All such cases are reviewed in the headquarters office of the Legal Sub-Commission. It is pointed out that these functions involve a considerable amount of work, and as an instance, the recent necessity for setting up special courts in the Bari area to deal with stealing from the ammunition dumps is noted.

b) PROSECUTION SUB-COMMISSION

Organizes the investigations given by Italian police or orders to Provost in regard to the crimes of the various forces of law and order, gangs, groups and the investigation of cases in which Allied personnel and stores are involved.

Formulates the policy and supervision of the execution of measures taken in V.D. control, and in any matters connected with the control of movement necessitated by outbreaks of epidemic diseases for security reasons.

c) PUBLIC HEALTH SUB-COMMISSION

Determines the requirements and the measures to be taken by the Italian Ministry of Interior in connection with epidemic and other disease control.

d) PROSECUTION SUB-COMMISSION

Assists the Italian Government and determines the real requirements of the education authorities in regard to educational buildings are about to be, or have been, requisitioned for military purposes.

e) M.P.A. & A. SUB-COMMISSION

Are the charged through which settlement of cases arising from occupation by Allied troops of apartment and sub-subsistent buildings are made.

Working of inspections of buildings so occupied.

6.2.1950, 1518,
VI. 21 Section,
1950.

277

QUARTERS ALLIED COMMISSION
APO 984
OFFICE OF CHIEF COMMISSIONER

Ref: 9/178/54

18 Nov 44.

SUBJECT: Approval of Decrees passed by the Italian Government.

TO: Acting President, Allied Commission.

1. It is desirable that policy should be clarified with regard to the attitude of the Allied Commission in approving decrees proposed by the Italian Government.

2. Up to the present time no definite arrangements have been made with the Italian Government, but in practice a large proportion of decrees proposed by them are in fact studied with the Sub-Commission concerned. It has occasionally happened, however, that some decrees of importance, e.g. the decree raising wage rates, are discussed by the Council of Ministers without receiving prior detailed approval from the Allied Commission, and difficulty has resulted.

3. Although it is comparatively easy to lay down principles and to say that all decrees coming within a certain category must be submitted for approval by the Allied Commission before being discussed at a Council of Ministers, it is exceedingly difficult to work out the detailed application of such principles. For instance, it has been suggested that all decrees which may have the following effects should be submitted for approval to the Commission:-

- a) interference with Allied war effort,
- b) increase of the degree to which Italy is a drag on the economy of the United Nations, or
- c) re-introduction of persons or practices identified with Fascism into the functioning of the economic and governmental machinery.

In practice it is very difficult to determine what decrees fall within the above categories and what do not, and it is for this reason that a decision must be made as to whether or not decrees are to be approved by Allied Commission. If they are to be approved, then to be on the safe side, it is recommended that all decrees should be submitted for scrutiny for determination by AC as to whether or not they are interested.

4. This, however, does not entirely dispose with the question, for within the Commission it is desirable to lay down principles indicating in what decrees we are interested. Plainly any decrees affecting the operation of the Armistice terms is one which should receive detailed scrutiny, but

10 3 2 7

Italian Government.

2. Up to the present time no definite arrangements have been made with the Italian Government, but in practice a large proportion of decrees proposed by them are in fact studied with the Sub-Commission concerned. It has occasionally happened, however, that some decrees of importance, e.g. the decree raising wage rates, are discussed by the Council of Ministers without receiving prior detailed approval from the Allied Commission, and difficulty has resulted.

3. Although it is comparatively easy to lay down principles and to say that all decrees coming within a certain category must be submitted for approval by the Allied Commission before being discussed at a Council of Ministers, it is exceedingly difficult to work out the detailed application of such principles. For instance, it has been suggested that all decrees which may have the following effects should be submitted for approval to the Commission:-

- a) interference with Allied war effort,
- b) increase of the degree to which Italy is a drag on the economy of the United Nations, or
- c) re-introduction of persons or practices identified with Fascism into the functioning of the economic and governmental machinery.

In practice it is very difficult to determine what decrees fall within the above categories and what do not, and it is for this reason that a decision must be made as to whether or not decrees are to be approved by Allied Commission. If they are to be approved, then to be on the safe side, it is recommended that all decrees should be submitted for scrutiny for determination by AC as to whether or not they are interested.

4. This, however, does not entirely dispense with the question, for within the Commission it is desirable to lay down principles indicating in what decrees we are interested. Plainly any decree affecting the operation of the Armistice terms is one which should receive detailed scrutiny, but this category would not cover a number of decrees in which the Commission would be interested, e.g. decrees affecting overall economic policies, and it is requested that the lines on which the Commission is to operate in this respect be clarified.

J. R. White
 G. P. WILSON, MAIG.
 VP C.A. Sec.
 D. C.O.S.

2777

10 3 2 8