Declassified E.O. 12356 Section 3.3/NND No. 785016

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Allied Control Commission

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Declassified E.O. 12356 Section 3.3/NND No. 785016

Political

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner

Ref: 4001/155/3C. 27 February 1945.

SUBJECT: New Post for ITALY.

TO: Distribution below.

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

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Encl.

DISTRIBUTION:

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

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Declassified E.O. 12356 Section 3.3/NND No. 785016

24th February, 1945

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph, such as, fertiliser,

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fertiliser, raw materials, machinery and equipment.

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

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

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

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

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

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

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

HAROLD MACMILLAN

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APPENDIX "A".

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

Minister of War

Minister of Marine

Minister of Air

Any other Minister of Armed Forces who may be created

Under Secretary for Telecommunications

Director of Railroads

Director General of Pubblica Sicurezza

Commanding General, CC.RR

Chief of Staff, CC.RR

Commanding General, CC.FF.

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

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Declassified E.O. 12356 Section 3.3/NND No. 785016

SECRET
and URGENT.

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief of Staff

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Ref: A001/CCS. 5 February 1945.

SUBJECT: New Directive from CCS on the Allied Commission.

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

1. Attached is copy of the new directive from the Combined Chiefs of Staff addressed to the Supreme Allied Commander.

2. The Chief Commissioner will discuss the implications of this directive with you at 1600 hours, Tuesday, 6 February, and directs that you should study it in the meantime.

3. The terms of the directive are to be considered as SECRET and should not be referred to publicly in any way. The CCS are at present considering a simultaneous announcement in the United States, United Kingdom and Italy.

F T Brook

Brigadier,
Chief of Staff.

MSL/JG.

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

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COPY.

SECRET.

NEW DIRECTIVE FROM COMBINED CHIEFS OF STAFF ON THE ALLIED COMMISSION.

FAN 487.

Following is Directive from Combined Chiefs of Staff.

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

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

POLITICAL SECTION.

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

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

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

(d) The Allied Commission shall abandon the practice of approving any Italian appointments in territory under

Declassified E.O. 12356 Section 3.3/NND No. 785016

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

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

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

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

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

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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

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

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

ADMINISTRATIVE SECTION.

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

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785016

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

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

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

ECONOMIC SECTION.

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

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

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

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

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

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785016

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

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

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

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

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

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

FINANCIAL SECTION.

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

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

JAQ/dfs

6 February 1945

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

Present: Colonel Densmore, Mr. Cleveland, Brigadier Upjohn, Colonel Behrens, Lieut. Colonel Campbell, Mr. Schott, Mr. Halford, Colonel Jones, Brigadier Dunlop, Colonel Fiske, Colonel Scudder, Brigadier Lush, and Major Talbot.

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

No other comments.

2.

POLITICAL SECTION

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

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

Admiral Stone pointed out in reply that the Allied Commission had never received an answer to their question as to whether Italians might have the usual cipher and code facilities, since diplomatic relations had been resumed with other countries. It was decided that this point must be taken up with APHQ. AFHQ 1

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

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

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

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

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

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

Brigadier Upjohn maintained that a preview of proposed decrees was necessary/[illegible] as a measure of control, but in order to avoid difficulty in implementation in AMG territory. Brigadier Upjohn believed that it was possible to take a step which would be something less than the present method of approving decrees.

not so much

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

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

AFHQ 2. Admiral Stone directed that the attention of AFHQ be drawn to the necessity of amending "Transfer of Territory Documents" so as to enable the Italian Government to remove appointees ~~officials~~ previously made by AMG without reference to the Allied Commission.

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

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

2. (a)* After some discussion on the desirability of maintaining any officers at all to give advice on the output of the Sardinian coal mines,, it was decided that AFHQ should be informed AFHQ 3. that the Allied Commission proposed to withdraw all such personnel in compliance with FAN 487 unless desired not to do so by SACMED.

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

When Mr. Cleveland stated that the four export officers were not under the control of the Economic Section although carried on the strength of the Allied Commission, Admiral Stone directed AFHQ 4. that the attention of AFHQ be drawn to the fact that these men were not in fact working for the Allied Commission but were engaged in exporting unilaterally for the British market.

On Brigadier Upjohn's recommendation it was decided that an officer should be left in both Sardinia and Sicily to supervise the distribution of medical supplies, but that the Italian Government be warned to have their own organization ready by March 31st, on which date the Allied Commission medical supply officers would be withdrawn.

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785016

Withdrawal of Allied Commission Officers from Italian Government Territory.

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

On Brigadier Upjohn's recommendation it was decided that an officer should be left in both Sardinia and Sicily to supervise the distribution of medical supplies, but that the Italian Government be warned to have their own organization ready by March 31st, on which date the Allied Commission medical supply officers would be withdrawn.

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

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

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

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

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

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2.(c) (ii)* (continued) to the Allied Commission to turn over to the Italian Government the 400 trucks operating down there, as the responsibility for their maintenance lay with the Allied Commission. The Chief Commissioner directed that a letter on this subject should be written to AFHQ. AFHQ 5

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

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

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

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

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

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

(This finished discussion of the draft directive on withdrawal)

[* CLAUSES OF DRAFT DIRECTIVE 'WITHDRAWAL OF AC OFFICERS' ch]

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

(g) No comments.

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

ADMINISTRATIVE SECTION

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

(c) No comments.

(d) The Chief Commissioner pointed out that the clause was

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

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

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

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(This finished discussion of the draft directive on withdrawal)

[* CLAUSE 1 OF DRAFT DIRECTIVE "WITHDRAWAL OF A.C. OFFICERS"]

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

(g) No comments.

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

ADMINISTRATIVE SECTION

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

(c) No comments.

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

ECONOMIC SECTION

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

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

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

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

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

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

J. A. Quayle.

J. A. QUAYLE
Major, R. A.
Staff Officer to CC

DISTRIBUTION:

C.C.
C.O.S.
Political Section.
Economic "
C.A. -

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WS

SECRET and
URGENT.

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief of Staff
++++++++++++++++++++++++++++++

Ref: 7002/COS. 6 February 1945.

SUBJECT: Withdrawal of AC Officers from SICILY, SARDINIA and S.ITALY.

TO : VP, CA Sec
VP, Est Sec
VP, Econ Sec
VP, Pol Sec (2)
Director, Communications Sub-Com.
Director, WAD & IPW Sub-Com.

1. I attach draft directive relating to para 2(e) of COS telegram FAN 487 for use as a basis for discussion at the Chief Commissioner's meeting this afternoon.

2. I should be grateful if you would be ready, so far as is possible, to make suggestions as to the formation of the staffs of the Allied Commission Liaison Officers mentioned therein, remembering that the number must be kept at a minimum.

Brigadier,
Chief of Staff.

MSL/JG.

Copy to: Chief Commissioner.
RC, Southern Region
Ex.Offr (B).

Declassified E.O. 12356 Section 3.3/NND No. 785016

SUBJECT: Withdrawal of AC Officers from SICILY, SARDINIA and S.ITALY.

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Brigadier,
Chief of Staff.

MSL/JG.

Copy to: Chief Commissioner.
RC, Southern Region
Ex.Offr (B).

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Declassified E.O. 12356 Section 3.3/NND No. 785016

DRAFT DIRECTIVE. SECRET.

WITHDRAWAL OF ALLIED COMMISSION OFFICERS FROM ITALIAN GOVERNMENT TERRITORY.

1. Para 2(e) of COS telegram FAN 487 transmitting the directive on the "New Deal for Italy" directs that:

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

2. As a result of this the following action will be taken with regard to Allied Commission functions in SARDINIA, SICILY and SOUTHERN ITALY:

(a) SARDINIA. All Allied officers will be withdrawn with the exception of the officers and staff of the Mining Division who will restrict their functions entirely to advice regarding the output of the Sardinian coalmines. This will involve the withdrawal of the Regional Commissioner and 10 officers, and the retention of 2 Mining Division Officers.

(b) SICILY. All Allied officers will be withdrawn with the following exceptions:

(i) Export Officer, Western SICILY.

(ii) Regional Mining Officer.

(iii) CAO, LAMPEDUSA.

(iv) CAO, PANTELLERIA.

(v) 4 Export Officers loaned by the Ministry of Food (British) and attached to the Commerce Sub-Commission.

(vi) In addition, Allied Commission Liaison Officers will

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(b) SICILY. All Allied officers will be withdrawn with the following exceptions:

(i) Export Officer, Western SICILY.

(ii) Regional Mining Officer.

(iii) CAO, LAMPEDUSA.

(iv) CAO, PANTELLERIA.

(v) 4 Export Officers loaned by the Ministry of Food (British) and attached to the Commerce Sub-Commission.

(vi) In addition, Allied Commission Liaison Officers will be appointed:

(a) In PALERMO to correlate the functions of the US Navy Base with the Italian authorities.

(b) In CATANIA to correlate the functions of 204 Sub-Area with the Italian authorities.

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2. (c) SOUTHERN REGION. All officers will be withdrawn with the following exceptions:

(i) Provincial Commissioner and staff for Allied Military Government, NAPLES Commune (See Appendix "A"). This officer will also act as AC Liaison Officer in order to correlate the functions of No.3 District and PBS with the Italian authorities in the compartimenti of CAMPANIA and CALABRIA.

(ii) There will also be established an AC Liaison Officer at BARI with the same functions in connection with the compartimenti of APULIA and LUCANIA, together with the Provinces of FOGGIA and CAMPOBASSO. This Liaison Officer and his staff will work with the Sub-Areas operating in this area and the 15th USAAF at FOGGIA. The AC Liaison Officer will have a small staff consisting of:

(a) 2 Legal Officers (so long as Allied Military Courts operate in BARI).

(b) 1 Public Safety Officer (so long as Allied Military Courts operate in BARI).

(c) 3 Representatives of the Economic Section.

(d) LAZIO-UMBRIA REGION. All officers will be withdrawn with the exception of the Provincial Staffs of PERUGIA and TERNI who will continue to administer Allied Military Government in these two Provinces under the command of the Provincial Commissioner, PERUGIA, reporting direct to the Allied Commission.

In addition an Allied Commission Liaison Section will be attached to Rome Area Allied Command consisting of the following:

Declassified E.O. 12356 Section 3.3/NND No. 785016

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(c) 3 Representatives of the Economic Section.

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In addition an Allied Commission Liaison Section will be attached to Rome Area Allied Command consisting of the following:

(i) 1 Public Safety Officer

(ii)

(iii)

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(c) ABRUZZI-MARCHE REGION. All Allied Commission officers will be withdrawn from the Provinces of AQUILA, PESCARA and CHIETI. Regional Headquarters will be moved to (?) and will administer Allied Military Government in such Provinces of the compartimento which have not been handed back to the Italian Government. The Regional Commissioner will also act as Liaison Officer with the Sub-Area concerned in the Provinces administered by the Italian Government.

3. The duties of the Allied Commission Liaison Officers retained in Italian Government territory will be to watch over the inter-relation of Allied and Italian interests insofar as the Allied war effort is directly concerned and to assist the Allied military authorities in their relations with the Italian local authorities. They will give advice to the Allied military authorities on any matter pertaining to Italian civil affairs but they will no longer be concerned with the assumption of control or advice or guidance to the Italian authorities. They will be careful not to assume functions which are properly those of the military authorities and must retain their purely advisory capacity. It may well be that functions hitherto carried out by Allied Commission officers such as supervision of railroads on behalf of the military authorities will have to be handed over to these military authorities. They will normally confine their activities to the neighbourhood of the Headquarters in which they are located, ie, PALERMO, CATANIA, NAPLES and ROME, but in cases of necessity they will, of course, take cognizance of all matters arising from civil affairs affecting Allied interests.

4. They will correspond direct with HQ. Allied Commission under whose authority they will work and to whom they will render regular and frequent

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officer with the Sub-Area concerned in the Provinces administered by the Italian Government.

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4. They will correspond direct with HQ. Allied Commission under whose authority they will work and to whom they will render regular and frequent reports on their day to day work and on the political, administrative and economic situation in the areas which they cover.

5. Distribution of Allied Commission staff released from Italian Government territory. Generally speaking Allied officers released in the manner described above who have not already been earmarked for other Regions

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or AUSTRIA, will be re-assigned as follows:

(a) SARDINIA and SICILY to VENEZIA GIULIA.

(b) SOUTHERN REGION to VENEZIA.

(c) LAZIO-UMBRIA to LOMBARDIA.

(d) ABRUZZI-MARCHE to PIEMONTE.

There will, of course, be exceptions from this rule which should, however, be followed as closely as circumstances allow.

6. All withdrawals indicated above and the establishment of AC Liaison Officers will be completed by 1st March 1945.

Appendix "A".

COMPOSITION OF STAFF FOR ALLIED MILITARY GOVERNMENT, NAPLES COMMUNE.

Provincial Commissioner	1	B
Executive Officer	1	A
Adjutant	1	A
Provincial Officer	1	B
Commander, Coy "C"	1	A

Civil Affairs Section.

Legal	1	B
Public Health	1	A
Public Safety	2	A

Economic Section.

Commerce
Food
Industry
Finance
PW & Utilities

Declassified E.O. 12356 Section 3.3/NND No. 785016

There will, of course, be exceptions from this rule which should, however, be followed as closely as circumstances allow.

6. All withdrawals indicated above and the establishment of AC Liaison Officers will be completed by 1st March 1945.

Appendix "A".

COMPOSITION OF STAFF FOR ALLIED MILITARY GOVERNMENT, METZ'S COMMUNE.

Provincial Commissioner	1	B
Executive Officer	1	A
Adjutant	1	A
Provincial Officer	1	B
Commander, Coy "C"	1	A

Civil Affairs Section.

Legal	2
Public Health	3
Public Safety	4

Economic Section.

Commerce
Food
Industry
Finance
PW & Utilities
Transportation
Communications

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SECRET.

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner
++++++++++++++++++++++++++++++++

Ref: 4001/EC

19 February 1945.

SUBJECT: New SCS Directive on the Allied Commission.

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

1. It may be of interest to you to know the action which I propose to take as a result of the receipt of FAN 487, communicated to me by the Acting President:

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

(b) Para 2(B).

(i) I have asked on more than one occasion whether the Italians might be allowed to use the usual cipher and code facilities to their representatives in the countries with which diplomatic relations have been resumed. I have had no answer to this request and I should be glad if this point could be cleared at once. A separate cable has been despatched on this point.

(ii) I shall request the Italian Government to advise me of negotiations with other Governments in which the Italian Government may engage themselves.

(iii) It will be to our advantage and to the advantage of the Italian Government that direct relations should be resumed as soon as possible with the French, Yugoslav and Greek Governments and I shall urge the Italian Government to this end. It is expected that the Allied Embassies will take a similar position.

(c) Para 2(C), states "The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors".

(i) I interpret the words "in the territory" to mean "affecting the territory". Certain Italian decrees may affect Allied

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Attn: G-5 Section.

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(i) I interpret the words "in the territory" to mean "affecting the territory". Certain Italian decrees may affect Allied Military Government territory and since it is considered desirable to coordinate policy in territory which will be ultimately transferred, I shall cause informal consultations to be continued between the Allied Commission and the Italian Government, particularly in relation to economic decrees.

(ii) I also interpret this clause, read with 1(A), to vest in SACMED the right, when necessary, to exercise control in any decree affecting military needs and the requirements of the campaign.

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(d) Para 2(D). The transfer of territory documents (Document "A") will now have to be amended in order to enable the Italian Government to remove officials previously nominated by AMG officials without reference to the Allied Commission. This will be taken up under separate cover. All Service Sub-Commissions desire to retain the right of vetoing military appointments. The technical posts of Directors of Telecommunications and Railroads will be considered as military appointments hitherto.

(e) Para 2(E).

(i) I attach draft directive which will be issued shortly in order to withdraw Allied officers of the Commission from the Islands and Southern Regions. (See Annexure "").

(ii) It is essential that we should implement this clause to the maximum. There will be great temptation on the part of military formations and services, Italian local authorities and Allied Commission officers to regret the departure of Allied Commission officers and to retain a "small" number which will gradually grow and will lead us to fall between the two stools of (a) control, which necessitates many officers, and (b) decontrol, which should need none. It is essential that military formations and services should be instructed not to ask for the retention of Allied Commission officers but to take their share in some of the difficulties which will have to be faced by Allies and Italians alike as a result of the COS directive. The Allied Commission will be compelled to give up responsibilities and duties which have been of value to the Allied military formations: Allied officers who have been the proper media between Allied military authorities and the Italian local governments will disappear. I would ask that a direction be issued to military formations and services on this and other matters arising out of the directive.

(iii) It may be thought necessary for the military authorities to assume responsibility for any necessary supervision of public utilities of military importance, e.g., railways, power, highways, through their own officers. This would impose an even more rigid military control than that which the present directive instructs us to remove.

(iv) Allied Military Government will continue in MIGLIES Commune unless it is your desire that it should be removed. It would, of course, be an advantage to withdraw all officers but I assume that the local military authorities will insist on retention of AMG. AMG Courts in BARI will cease.

(v) I submit for consideration the withdrawal, insofar as is possible, of HQ 204 Sub-Area from SICILY and any other Sub-Area Headquarters which are not absolutely essential.

(f) Para 2(F). The implementation of this clause depends upon the repeal or amendment of the "Trading with the Enemy Act" so far as

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order to withdraw [illegible] officers of the [illegible] the Islands and Southern Regions. (See Annexure "").

(ii) It is essential that we should implement this clause to the maximum. There will be great temptation on the part of military formations and services, Italian local authorities and Allied Commission officers to regret the departure of Allied Commission officers and to retain a "small" number which will gradually grow and will lead us to fall between the two stools of (a) control, which necessitates many officers, and (b) decontrol, which should need none. It is essential that military formations and services should be instructed not to ask for the retention of Allied Commission officers but to take their share in some of the difficulties which will have to be faced by Allies and Italians alike as a result of the COS directive. The Allied Commission will be compelled to give up responsibilities and duties which have been of value to the Allied military formations: Allied officers who have been the proper media between Allied military authorities and the Italian local governments will disappear. I would ask that a direction be issued to military formations and services on this and other matters arising out of the directive.

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(iv) Allied Military Government will continue in NAPLES Commune unless it is your desire that it should be removed. It would, of course, be an advantage to withdraw all officers but I assume that the local military authorities will insist on retention of A.M.G. A.M.G Courts in BARI will cease.

(v) I submit for consideration the withdrawal, insofar as is possible, of HQ 204 Sub-Area from SICILY and any other Sub-Area Headquarters which are not absolutely essential.

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

(g) Para 2(G). This has already been done and the Italian Government have the matter in hand. It is most probable that local government elections will take place throughout the major portion of liberated Italy in the spring.

(h) Para 2(H). The status of Italian POW in Italy is the subject of a separate memorandum which will be submitted to you.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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

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

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

(l) Para 3(D). My Deputy Chief Civil Affairs Officer is already located at a place other than Allied Commission Headquarters. Further separation is not feasible at the moment.

(m) Para 4. It will be necessary to represent to the Italian Government the contents of this and other clauses in the directive. This will be done. I do not propose communicating the last sentence of this paragraph to the Italian Government, since it is not reconcilable with the spirit of the rest of the directive.

(n) Para 5.

(i) The Italian Inter-Ministerial Committee for Reconstruction and the Economic Section of the Allied Commission are now preparing a joint programme of essential Italian imports. The Italian Government will be informed of the three categories for which the US/UK military authorities assume responsibility.

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

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

(p) Para 7(A). This will to some extent modify the work of price control now done by the Allied Commission. It is assumed to be a partial reply to recommendations made by the Anti-Inflation Committee in June 1944.

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

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

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 785016

(l) Para 3(D). My Deputy Chief Civil Affairs Officer is already located at a place other than Allied Commission Headquarters. Further separation is not feasible at the moment.

(m) Para 4. It will be necessary to represent to the Italian Government the contents of this and other clauses in the directive. This will be done. I do not propose communicating the last sentence of this paragraph to the Italian Government, since it is not reconcilable with the spirit of the rest of the directive.

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ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Copy to: Acting President.
The Hon. Mr. Alexander Kirk, US Ambassador.
Sir Noel Charles, Bt, KCMG, British Ambassador.
VP, Economic Section
VP, Civil Affairs Section.
VP, Establishment Section.
VP, Political Section.
Land Forces Sub-Commission
Air Forces Sub-Commission
Navy Sub-Commission
WMD & IPW Sub-Commission
Communications Sub-Commission

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Declassified E.O. 12356 Section 3.3/NND No. 785016

Annexure "A" to 4001/EC
dated 19 February 1945.

2nd DRAFT DIRECTIVE.

SECRET.

WITHDRAWAL OF ALLIED COMMISSION OFFICERS
FROM ITALIAN GOVERNMENT TERRITORY.

1. Para 2(e) of COS telegram FAN 487 transmitting the directive on the "New Deal for Italy" directs that:

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

2. As a result of this the following action will be taken with regard to Allied Commission functions in SARDINIA, SICILY and SOUTHERN ITALY:

(a) SARDINIA. All Allied officers will be withdrawn with the exception of the officers and staff of the Mining Division who will restrict their functions entirely to advice regarding the out put of the Sardinian coalmines. This will involve the withdrawal of the Regional Commissioner and 10 officers, and the retention of 2 Mining Division Officers.

(b) SICILY. All Allied officers will be withdrawn with the following exceptions:

(i) 2 Finance Officers
(ii) 1 Supply Accountant
(iii) 1 Property Control Officer
} Until 1st April 1945.

(iv) (i), (ii) and (iii) will work under Allied Commission Liaison Officers who will be appointed:

(a) In PALERMO to correlate the functions of the US Navy Base with the Italian authorities.

(b) In CATANIA to correlate the functions of 204 Sub-Area with the Italian authorities

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"The Allied Commission ... all its officers stationed in the field in the territory under the jurisdiction of the Italian Government. However, the Allied Commission should retain the right to send its representatives into territory under the jurisdiction of the Italian Government for any special tasks when Allied interests require it".

2. As a result of this the following action will be taken with regard to Allied Commission functions in SARDINIA, SICILY and SOUTHERN ITALY:

(a) SARDINIA. All Allied officers will be withdrawn with the exception of the officers and staff of the Mining Division who will restrict their functions entirely to advice regarding the out put of the Sardinian coalmines. This will involve the withdrawal of the Regional Commissioner and 10 officers, and the retention of 2 Mining Division Officers.

(b) SICILY. All Allied officers will be withdrawn with the following exceptions:

(i) 2 Finance Officers
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(iv) (i), (ii) and (iii) will work under Allied Commission Liaison Officers who will be appointed:

(a) In PALERMO to correlate the functions of the US Navy Base with the Italian authorities.

(b) In CATANIA to correlate the functions of 204 Sub-Area with the Italian authorities

(v) A Transportation Officer will be attached to the Liaison Officer in CATANIA to regulate rail transport into REGGIO on the mainland.

(vi) The Regional Mining Officer will be assigned to Headquarters, Industry Sub-Commission, and will be despatched to SICILY as occasion demands.

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(vii) The 4 Export Officers loaned by the Ministry of Food (British) will be attached to the Commerce Sub-Commission and sent to SICILY as the occasion demands. There numbers will be reduced if possible.

(viii) LAMPEDUSA and PANTELLERIA will remain under Allied Military Government. CAO's will report to the AC Liaison Officer at PALERMO.

(c) SOUTHERN REGION. All officers will be withdrawn with the following exceptions:

(i) ~~Provincial Commissioner~~ Local Commissioner and staff for Allied Military Government, NAPLES Commune (See Appendix "A"). This officer will also act as AC Liaison Officer in order to correlate the functions of No.3 District, PBS and other military authorities with the Italian authorities in the compartimenti of CAMPANIA and CALABRIA.

(ii) There will also be established an AC Liaison Officer at BARI with the same functions in connection with the compartimenti of APULIA and LUCANIA., together with the Province of CAMPOBASSO. This Liaison Officer and his staff will work with the Sub-Areas operating in this area and the 15th USAAF at FOGGIA. The AC Liaison Officer will have a small staff consisting of:

(a) 5 Representatives of the Economic Section (Transportation Sub-Commission) 3 of whom will work in connection with truck pools and will be withdrawn when truck pools are handed over to the Italian Government.

(d) LAZIO-UMBRIA REGION. All officers will be withdrawn with the [illegible] and TERNI who will

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Officer at PALERMO.

(c) SOUTHERN REGION. All officers will be withdrawn with the following exceptions:

(i) ~~Provincial Commissioner~~ Local Commissioner and staff for Allied Military Government, NAPLES Commune (See Appendix "A"). This officer will also act as AC Liaison Officer in order to correlate the functions of No.3 District, PBS and other military authorities with the Italian authorities in the compartimenti of CAMPANIA and CALABRIA.

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(a) 5 Representatives of the Economic Section (Transportation Sub-Commission) 3 of whom will work in connection with truck pools and will be withdrawn when truck pools are handed over to the Italian Government.

(d) LAZIO-UMBRIA REGION. All officers will be withdrawn with the exception of the Provincial Staffs of PERUGIA and TERNI who will continue to administer Allied Military Government in these two Provinces under the command of the Provincial Commissioner, PERUGIA, reporting direct to the Allied Commission. 3338

In addition an Allied Commission Liaison Section will be attached to Rome Area Allied Command consisting of the following:

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(i) 1 Public Safety Officer

(ii) 1 AFA Officer, ROME.

(iii) 1 Supply Accountant.

(iv) 1 Property Control Officer.

3 officers of the Transportation Sub-Commission and 1 officer of the Public Works & Utilities Sub-Commission now operating at the port of CIVITAVECCIA will be retained there under the direct control of the Economic Section. They will be withdrawn before 1st June 1945.

(c) ABRUZZI-MARCHE REGION. All Allied Commission officers will be withdrawn from the Provinces of AQUILA, PESCARA and CHIETI. Regional HQ will be moved to (?) and will administer Allied Military Government in such Provinces of the compartimento which have not been handed back to the Italian Government. The Regional Commissioner will also act as Liaison Officer with the Sub-Area concerned in the Provinces administered by the Italian Government.

3. The duties of the Allied Commission Liaison Officers retained in Italian Government territory will be to watch over the inter-relation of Allied and Italian interests insofar as the Allied war effort is directly concerned and to assist the Allied military authorities in their relations with the Italian local authorities. They will give advice to the Allied military authorities on any matter pertaining to Italian civil affairs but they will no longer be concerned with the assumption of control or advice or guidance to the Italian authorities. They will be careful not to assume functions which are properly those of the military authorities and must retain their purely advisory capacity. (It may well be that functions hitherto carried

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officer of the Public Works & Utilities Sub-Commission now operating at the port of CIVITAVECCIA will be retained there under the direct control of the Economic Section. They will be withdrawn before 1st June 1945.

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Allied interests.

4. They will correspond direct with HQ. Allied Commission under whose authority they will work and to whom they will render regular and frequent reports on their day to day work and on the political, administrative and economic situation in the areas which they cover.

5. All withdrawals indicated above and the establishment of AC Liaison Officers will be completed by 1st March 1945.

Appenxix "A".

COMPOSITION OF STAFF FOR ALLIED MILITARY GOVERNMENT, NAPLES COMMUNE.

Provincial Commissioner	1	B
Executive Officer	1	A
Adjutant	1	A
Provincial Officer	1	B
Commander, Coy "C"	1	A
Civil Affairs Section.		
Legal	3	
Public Health	3	
Public Safety	4	
Economic Section.		
Commerce	2	
Food	1	
Industry	2	(Hemp Control)
Finance	5	
PW & Utilities	2	
Transportation	5	
Communications		

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DRAFT ONLY.

SECRET.

ANNEXURE "B" to 4001/EC
dated 19 February 1945.

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner
++++++++++++++++++++++++++++++++

My Dear Mr. Prime Minister:

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

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

3. The Political Section of the Allied Commission is being abolished as of February 1945. Your Ministry of Foreign Affairs will thus have no direct counterpart in the Commission. It will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to the Economic Section or the Civil Affairs Section of the Commission, whichever may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission

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

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

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

We may also wish to work out jointly an arrangement for the preparation by the Italian Government of a periodic summary of negotiations completed or pending with other Governments.

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

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

6. It will no longer be necessary for the Italian Government to obtain approval of the Allied Commission for Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government, except with regard to the attached list (Appendix "A") of positions having military significance.

7. The Allied Commission officers stationed in the field in the territory under the jurisdiction of the Italian Government will be withdrawn [illegible] Allied Commission will, however,

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generally represented.

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6. It will no longer be necessary for the Italian Government to obtain approval of the Allied Commission for Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government, except with regard to the attached list (Appendix "A") of positions having military significance.

7. The Allied Commission officers stationed in the field in the territory under the jurisdiction of the Italian Government will be withdrawn as soon as possible. Representatives of the Allied Commission will, however, be sent into territory under the jurisdiction of the Italian Government when it considers such action necessary.

In line with this policy, it is intended to abolish by 1945 the Regional Offices of the Allied Commission for Sicilia, Sardegna, Southern and Lazio-Umbria Regions.

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

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

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

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

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

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

13. It is essential that the Italian Government formulate and implement

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

13. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured and as a prerequisite to increased economic assistance. 3334

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

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

(b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purpose referred to in this paragraph, such as, fertiliser, raw materials, machinery and equipment. When requisitions are being prepared and considered the time when/US-UK military responsibility will terminate will not be known. The importation of supplies under this sub-paragraph, therefore, will not be excluded merely because the effect of such imports may not be felt during the period of combined military responsibility.

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

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

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supplies which fall into Category "A" follows:

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

(b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purpose referred to in this paragraph, such as, fertiliser, raw materials, machinery and equipment. When requisitions are being prepared and considered the time when/US-UK combined military responsibility will terminate will not be known. The importation of supplies under this sub-paragraph, therefore, will not be excluded merely because the effect of such imports may not be felt during the period of combined military responsibility.

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

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

16. In addition to the programme of supplies for which the military assume responsibility for procurement (Category "A") it will be our intention to assist your Government in the preparation of programmes of supplies designed to rehabilitate Italian industry. Such programmes, which we refer to as Category "B", are to be handled under procedures already notified to you in my letter of . It has been agreed that the purchasing of supplies in Category "B" programmes should immediately be undertaken, without reference to the present difficult shipping position in order that the supplies

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so purchased may be called forward as and when shipping space becomes available.

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

18. It is desired to make clear that the prime responsibility for the control of inflation in Italy, including the imposition and administration of the appropriate financial controls and economic controls, and appropriate utilization of supplies, rests with the Italian Government. In this connection, as in others, the Allied Commission stands ready to advise and assist you.

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

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permitted by Italian resources [illegible] import under the terms of Paras 14, 15 and 16 above, are subject to the limitation in para 20 below. The sole exception to this principle is to be made in the case of industries involving the production or repair of munitions or other implements of war, which should be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the military effort in other theatres. It is contemplated that the priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

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

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ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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ANNEXURE "C" to 4001/EC
dated 19 February 1945.

MEMORANDUM SHOWING SOME OF THE FUNCTIONS OF THE ALLIED COMMISSION WHICH WILL CEASE UPON THE WITHDRAWAL OF ALLIED COMMISSION OFFICERS FROM ITALIAN GOVERNMENT TERRITORY.

1. Civil Affairs Section.

(a) Advice on maintenance of law and order: organisation of police: stimulation Italian Courts of Law, particularly in dealing with offences against Allied troops.

(b) Distribution of medical supplies: assistance in organisation of civilian hospitals.

(c) Treatment of civilian epidemics and diseases such as typhus, smallpox, diphtheria, etc., except that a team of officers stationed in NAPLES may be available to deal with typhus or malaria in an advisory capacity.

(d) Appointment, transfer, promotion or dismissal of Italian officials.

(e) Italian refugees and partisans.

(f) Derequisitioning of schools, distribution of educational books.

(g) Preservation of monuments and fine arts.

(h) Epuration and defascistization.

(i) Mine Clearance.

(j) Welfare in devastated areas.

2. Economic Section.

(a) Commerce Sub-Commission. Export trade: reprocessing of salvaged clothing and footwear: uncovering of availabilities of local resources.

(b) Industry Sub-Commission. Advice on sugar production: paper production: caustic soda and chlorine: sulphur mining: automobile spare parts: cement and bricks: requisitioning and derequisitioning of factories and industries.

(c) Public Works & Utilities Sub-Commission. All work on military and secondary highways: reconstruction and maintenance of electric power plants and transmission lines.

(d) Ports Sub-Commission. Port clearance: checking and reporting

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(a) Advice on maintenance of law and order: organisation of police: stimulation Italian Courts of Law, particularly in dealing with offences against Allied troops.

(b) Distribution of medical supplies: assistance in organisation of civilian hospitals.

(c) Treatment of civilian epidemics and diseases such as typhus, smallpox, diphtheria, etc., except that a team of officers stationed in NAPLES may be available to deal with typhus or malaria in an advisory capacity.

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(c) Public Works & Utilities Sub-Commission. All work on military and secondary highways: reconstruction and maintenance of electric power plants and transmission lines.

(d) Food Sub-Commission. Port clearance: checking and reporting of ship unloadings: movement of supplies to the interior: prevention of pilferage: procurement and movement of local resources to devastated areas.

(e) Labour Sub-Commission. Prevention of strikes and labour unrest: wages.

(f) Finance Sub-Commission. Intervention where the Italian Government fail to make financial provision for essential services, many of which affect military interests.

(g) Transportation Sub-Commission. Coordination of civilian traffic with military traffic: clearance of rail wagons: movements work.

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HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner.
++++++++++++++++++++++++++++++++

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

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1. The President and Prime Minister on September 26, 1944 issued on the topic of Allied policy in Italy a joint declaration. In particular they announced that, subject to effective maintenance of law and order as well as the regular administration of justice, an increasing measure of control would be handed over gradually to the Italian administration, and for the restoration of Italian economy, the initial steps would be taken.

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

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

4. The Italian Government will conduct its relations with those Governments with which it has diplomatic relations in the future not through the Allied Commission but directly. Any negotiations in which the Italian

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

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

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

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

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

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

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

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

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24th February 1945.

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DRAFT TELEGRAM TO

COMBINED CHIEFS OF

STAFF

In preparing this reply I have consulted the Acting President and the Chief Commissioner of the Allied Commission. This represents an agreed view.

TAM 445 makes two major proposals. First, that the control of foreign exchange transactions should revert to the Italian Government. Second, that the Italian Government should become the sole issuing authority for all lira currency (including all AM lire now in circulation) whether this is for their own use or to meet their obligations to the Allies under Clause 23 of the Armistice. I support both these proposals in principle since they are in conformity with the developing policy of the Allied Governments towards Italy, which is to place upon the shoulders of the Italian Government those responsibilities normally associated with sovreignty.

2. In both cases, however, the question arises as to the timing for such change.

3. The technique of exchange control is not an easy one. It demands both experience and probity. Neither of these are readily available in Italy at the moment. Some of the individuals most expert in the matter have unfortunately gone into that portion of Italian territory at present under German control. Those who remain behind are suspended and awaiting epuration hearings. We are attempting to expedite these hearings in the hope of obtaining at least a competent

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1917-1919. Neither the public nor the Government have ever made, so far as we know, any request for acceleration of the date when full responsibility would pass to Italian hands. Moreover, to the extent to which the Allied Governments find it a necessity to make available some foreign exchange either now or in the future to the Italians, they have an interest in securing that the slender foreign exchange resources now at the disposal of the Italian Government shall not be wasted either by improper or imprudent management. You seem to share this view since in several telegrams (TAM 136 and 398 and TAM Airgram 24) you have urged the necessity for exercising control not only on the operation of post-liberation accounts in the United States and the United Kingdom but also in all transactions in the currencies of neutral countries. You may feel that these considerations weigh against any premature relinquishment of controls, meanwhile I shall continue the policy of preparing for transfer to the Italians of full responsibility whenever you may so direct.

4. With regard to the second proposal, it is clear that at some date the Italians must publicly shoulder the burdens which they have escaped only because the Allies invaded from Sicily and the South and in consequence had no access to note printing facilities for almost a year and found them destroyed when they were reached. This has resulted in the inability of the Italian Government to fulfill its obligations to make currency available under

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The fact that Allied Military lire have had to be printed and imported is due purely to the above military circumstance, but I have no doub that in the minds of both of the public and of the Government, (as evidenced by its recent memorandum), there is a hope that the Allies might be persuaded to make available dollar and sterling credits commensurate with the currency thus created. I must warn you that this control over currency issue so far from being a welcome concession may well seem to the Italians no advantage since it involves the overt assumption of an armistice obligation which the Government has publically stated it is seeking to avoid. The institution of the lira account proposed last autumn would have meant a budgetary charge to the Italian Government of some fifteen-eighteen billion lire per annum. The new proposal would result in an immediate increase in the debt owed by the Italian Government to the Banca d'Italia, of some fifty billion lire, and a continuing budgetary charge of some five billion lire per month.

5. The Italian Government has recently presented a memorandum to the United States and United Kingdom Governments and to the Allied Commission requesting the dollar and/or sterling counterpart not only for all Allied Military lire outstanding but also to cover all the payments made or to be made by the Italian Government for requisitions, supplies, services and work furnished to or ordered by the Allied forces. Unless, as I do not think likely, the two Governments propose to accept this demand, the question must be faced as to whether it is wise in

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of doing so without further delay are very strong both in logic and in equity: the Italians should face the realities. The issue and control of their own money is the outward and visible sign of a sovereign state, and since at some time or other they will have to swallow this bitter medicine they might as well do so at once. On the other hand, it is arguable that in present circumstances the Italian Government is probably weaker than it will ever be again. At the last crisis it took twelve days to produce an Italian Government. If a crisis were precipitated by the proposal in TAM 445 it may be that no Government can be formed at all. Moreover, in spite of the grave financial situation of the country, the people generally retain what has been called an uncritical confidence in the value of the lira. Bank deposits continue, savings are made, contributions to life insurances, friendly societies and the like flow in, and there has been so far no sign of any panic flight from money into goods. I should not like to do anything to destroy the present confidence in the currency.

6. In view of all these circumstances, while I accept the desirability of the assumption of currency responsibility by the Government, I should like to invite your attention to the fact that this question should not be decided without due regard for the wide issues and potential dangers which I have brought to your attention. If, however, you decide to go ahead with the proposal

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7. As to the establishiment of a lira account, all of the same considerations apply but in a reduced form. It is technically desirable but is politically difficult to make informal soundings of the Italians as to how they are likely to react before presenting an official demand.

8. TAM 445 also makes certain proposals with reference to AFA, concerning which my experts at A.C. and this Headquarters have advised me as follows;

A. AFA must continue to provide an adequate volume of lire currency to the Allied Forces in Italy regardless of their location with reference to Italian Government or AMG territory. Therefore, if the Italian Government assumes responsibility for all currency AFA should either physically draw currency from the Government or receive currency from overseas as at present for account of Italian Government but for military use. Moreover, after non-military currency arrives, AFA should retain remaining stocks of AM lire and have the right to use them in an emergency.

B. Finance Sub-Commission (including AFA) is in process of ridding itself of financial operations such as mentioned in para 1 A. of TAM 445, but some months will be necessary to complete this process. Certain operations such as civilian supply and financial accounting, financing of AC/AMG and Advisory Council, must be continued by AC and are in addition to those stated in para 1 C. of TAM 445.

C. In view of above, transfer of AFA to AFHQ could not be accomplished for some months and even then such transfer would necessitate creation of another section in Finance Sub-Commission to carry on many of AFA's present functions.

9. TAM 445 deals only with a limited part of the wider problem

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C. In view of above, transfer of AFA to AFHQ could not be accomplished for some months and even then such transfer would necessitate creation of another section in Finance Sub-Commission to carry on many of AFA's present functions.

9. TAM 445 deals only with a limited part of the wider problem of giving "a greater measure of responsibility in financial matters" to the Italian Government. At present the Allied Commission concerns itself in varying degrees between control and advice with many other areas of financial operations. For instance; (A) In the control of expenditure the Allied Commis-

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sion assists the Italian Government in its own territory and to a certain extent finds it necessary to bring pressure upon the Italian Government from time to time to prevent the breakdown of essential communications and other services necessary to the Allied war effort.

(B) In the collection of revenue the Allied Commission works with the Italian Government in developing new sources of revenue and in attempting to improve existing collection techniques, lower collection costs and in general stimulate the efficiency of the revenue service.

(C) In connection with Governmental accounting within and without the budget, the A.C. works with the central accounting authority in an effort to maintain a close check on expenditure, budget deficit and disbursement deficit.

(D) In the field of insurance the A.C. with the Italian Government is attempting to bring about normal operations of domestic insurance but at the same time is retaining a tight control over insurance interests abroad as required by TAM ____.

(E) In connection with property control the A.C. in the absence of any detailed instruction from the Combined Chiefs of Staff has been attempting to conserve the property of Allied nationals in Italy and to make suitable arrangements for the transfer of this responsibility to the Italian Government.

10. Until otherwise instructed I intend to continue as heretofore.

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S E C R E T

Copy No. 24

HEADQUARTERS ALLIED COMMISSION
APO 394

Ref: A001/00S.

5 January 1945.

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785016

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ALLIED POLICY TOWARDS ITALY.

Note by the Resident Minister, Central Mediterranean.

PART ONE.

Introductory.

I

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

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

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

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

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

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

It is not always recognised that for the greater part of the work of the Commission, with the exception of the Political Section (for which I am making separate proposals) concerns the first two of these territories. Moreover, the advisory duties will tend to decrease for Italian Government territory; although participation in planning of imports, both consumption and capital goods, must necessarily continue. Some degree of inspection must also be maintained in order to secure the maximum use of their own facilities by the Italian Government. This is the normal practice of screening authorities (such as the Middle East Supply Centre, North African Joint Economic Board and other similar bodies) which have operated under the general guidance of the Combined Authorities in Washington.

This situation presents an exceedingly difficult administrative problem. Any reorganisation of the functions and composition of the Allied Commission in order to carry out the new policy towards Italy must have regard to these overriding facts or disaster will ensue.

II

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Italy, like Gaul, is to be divided into three parts:

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II

Apart from the psychological difficulty inherent in maintaining Allied Military Government in a part of the liberated area while allowing the Italian Government to administer the rest, there has been a duality in Allied policy to Italy ever since the signing of the Armistice was followed by the doctrine of co-belligerency. Sometimes we have stood upon one leg - the strict enforcement of Armistice terms upon a defeated enemy; sometimes upon the other - friendship and assistance to a co-belligerent whose relations with us are becoming more and more those of an Ally.

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We must now, I think take the line that the recent formal change of name from Allied Control Commission to Allied Commission has a real meaning. It should be our purpose only to exercise control where our military needs require it. Whenever possible the function of the Commission should be that of a mission of experts offering advice. If our advice is not accepted, we must shrug our shoulders and allow affairs to take their course. Only in this way can we bring a sense of reality and responsibility to the Italian authorities.

We should now inform the Italian Government that while we propose to hold absolutely to all our rights under the Armistice, and do not intend to discuss any settlement of purely post-war problems (for instance, territorial and colonial arrangements), yet, subject to the overriding military needs for the conduct of the campaign, we shall hold these rights largely in reserve. We shall make the transfer of authority to the Italian Government as great a reality as possible. In consultation with them we shall provide, if they require it, expert advice on such questions as justice, education, fine arts, and the like. If they prefer to do without these experts in their territory, we shall raise no objection. In the more important sphere of finance, labour regulation and wage negotiation, we should strongly urge them to listen to our views, although the principle would be that the final decision would rest with them. Indeed in every matter which is within the competence of the Italians to do for themselves, that is, regulation of their own internal political and economic life, we shall play the role of advisers, except to the extent that the military authorities require to control specific functions or to take over particular properties.

There are, however, two stern warnings which we should not hesitate to give. First, insofar as the scale of Allied imports depends upon the efficiency or otherwise of home production, we must make it clear that we shall have regard to the degree of Italian self-help - within the physical possibilities of their present situation - in fixing the standard of our help to them. Secondly, we must insist on the maintenance of law and order. If security is threatened, in a way to impede or imperil our military operations, we should not hesitate to reimpose military government either in whole or in part. Subject to these provisos, our handing over of control to the Italian Government in their territory should be far reaching and sincere.

PART TWO.

Muting the Middle "C".

(The Allied Control Commission has been renamed the Allied Commission).

There are certain specific changes which I recommend in pursuance of this policy. I have discussed them informally with the Chief Commissioner and some of the more important officials of the Commission and we have reached a broad measure of agreement.

I

I propose that the Political Section of the Commission be abolished.

This Section, which is managed by an American and British Vice-President of equal rank, belongs to the early post-Armistice period. Then Italian sovereignty was little more than a fiction, resting upon an aged and

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Since that time policy has developed. The Italians have received in Rome an American and a British Ambassador. They are sending their Ambassadors in return to Washington and London. Although there is some fine distinction (in the British, not the American case) between the pre-War and the post-Armistice relations, the ordinary public, not appreciative of the niceties

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of the Protocol, do not easily differentiate between a diplomatic representative with the personal rank of Ambassador and a "right-down regular royal" Ambassador, old style.

Moreover, the Italians are now themselves in direct relations with United Nations and neutral Powers. Interchange of ambassadors and Ministers is going on at an ever-increasing pace, the Latin republics of South America being particularly prominent in this diplomatic pilgrimage to Rome.

In theory all formal communications between the representatives of other Powers and the Italian Government should pass through the Commission, there being no objection to informal and unofficial contacts. This has not applied to Russia; and the United States and British representatives have now notified the Commission of the resumption of direct relations between their Governments and the Italian Government. It would seem, therefore, that to maintain in theory a rule which was never in practice enforced or even capable of being enforced, would be useless and even ludicrous. I propose that we should confirm to the Italian Government that they may have direct relations with Foreign representatives accredited to the Quirinal, and at the same time tell them that they will be expected to keep us generally informed on any negotiations in which they may be engaged.

Similarly, in theory all Italian communications to their representatives abroad are made through the Allied Commission. They are either sent in a cypher of which we hold the key or in Allied cyphers. Copies "en clair" are sent to the Political Section. In the case however of Russia, messages are sent through Soviet cyphers, no copy being sent to the Commission.

The Soviet representative on the Advisory Council has proposed that the Italian representative in Moscow be given his own cypher. It seems difficult to refuse this request. The question of the provision of independent cyphers for the Italian representatives in London and Washington has been raised by the Italians. It has been referred by the Commission to Allied Headquarters and by them to the Combined Chiefs of Staff.

I propose that this request should be granted.

I propose that this privilege should be extended to their representatives in other countries.

The original insistence upon the communication of copies of telegrams to the Political Section was based partly on considerations of military security. But members of the Advisory Council (including Greece, France, and Yugoslavia) have cypher facilities; so has the Brazilian Charge d'Affaires. It is true that other United Nations and neutral representatives accredited to the Quirinal have no facilities; but the representatives of the same Powers at the Vatican have them.

Thus, so far as military news coming out of Italy is concerned, we are already trying to block the channel with a sieve. Another lock or two are of little consequence.

If these concessions are made, there is no need for the Political

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I propose that this privilege should be extended to their representatives in other countries.

The original insistence upon the communication of copies of telegrams to the Political Section was based partly on considerations of military security. But members of the Advisory Council (including Greece, France, and Yugoslavia) have cypher facilities; so has the Brazilian Charge d'Affaires. It is true that other United Nations and neutral representatives accredited to the Quirinal have no facilities; but the representatives of the same Powers at the Vatican have them.

Thus, so far as military news coming out of Italy is concerned, we are already trying to block the channel with a sieve. Another leak or two are of little consequence.

If these concessions are made, there is no need for the Political Section as such to continue. The function of giving political advice to the Commission can be undertaken by the British and American Embassies. In order to effect this, I have worked out a plan (details of which are given in Appendix A 1) with the British and American Ambassadors in Rome and it has their approval. I propose that it should be put into effect forthwith.

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II

I propose that we surrender the control over Italian legislation in Italian territory.

In point of fact, nothing in the Armistice terms gives the Commission any right to be consulted on all decrees of the Italian Government. In practice, a large proportion of decrees proposed are sent for study and advice by the appropriate Sub-Commission. Sometimes, as in the case of a recent decree raising wage rates, the Council of Ministers approved the decree without prior and detailed approval from the Commission. (I am bound to observe that in this instance my sympathies were with the Italian Government, who as sometimes happens with Governments, could not withstand powerful political pressure fortified only by the theoretical arguments of civil servants and statisticians.) The formal claim to approve decrees is difficult to enforce - as has been proved - since the only remedy would involve the removal of the Minister or the fall of the Ministry. It is wiser, in the new conditions, to rely on moral persuasion and even, when required, pressure; and to develop a normal habit of consultation on matters, particularly economic, when our joint interests are involved or when action taken in Italian Italy must, in fact, be followed in Allied Italy. The formal reaffirmation of this right to approve decrees, would certainly be welcomed by the Italians.

III

Similarly, I propose that the control of Italian appointments in Italian Italy be modified or surrendered.

Again, it is doubtful whether we have a right to this control under the Armistice terms. But shortly after the first transfer of territory (11th February, 1944) there was an exchange of letters between General Mason MacFarlane and Marshal Badoglio. In effect, by these letters it was agreed that all appointments to the Government and all senior appointments by the Government would be subject to the prior approval of the Commission. I attach in Appendix B.i. a list of offices finally agreed to be subject to this control, so far as the Civil Affairs Section is concerned. It will be seen that it goes down to the Mayors and Town Clerks of towns of 15,000 inhabitants. Appendix B.ii. gives a similar list affecting the Economic Section.

The Italian Government has recently requested that the position be revised. They have submitted a very short list of offices to which this right should apply. It includes Ministers and Under Secretaries of the Government, the heads of the fighting services and so forth (Appendix B.iii).

So far as the approval of officials in Appendices B.i. and B.ii. is concerned, I take it that the chief object was to secure "defascistization" rather than to guarantee efficiency. Indeed, after a country has been for a generation under a Fascist regime, these two purposes may well be contradictory rather than complimentary. While the right of approval has certainly helped to achieve the first purpose, I think it is no longer necessary. Public opinion does not need stimulating on this issue. On the contrary, epuration in Italy (as in other countries) may be pushed dangerously far.

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In practice, Italian nominations are approved almost as a matter of course.

I propose that our control over all the appointments in Appendices B.i and B.ii be surrendered forthwith.

About the list submitted by the Italians themselves I am not so sure, but my inclination would be to surrender this formal right also, and rely on Allied influence and authority only. I feel this all the more as the legal right only rests on this exchange of letters between the General and the Marshal. Although the undertaking given in these letters (Appendix B.iv) is no doubt one of those inherited by the Bonomi Government from its predecessor, yet (unlike the

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short and long Armistice terms which were read and accepted by every member of the new Government) these letters - either by mischance or contrivance - were overlooked.

I therefore urge that we waive the right of approval altogether - with one exception.

A short list should be agreed of Service chiefs - to include Chiefs of Staff and Commanders of formations re-equipped for active service in the field. In their case it would perhaps be wiser to ask that the approval should be obtained of the Supreme Allied Commander or the Combined Chiefs of Staff.

If this recommendation is approved, certain consequential changes will have to be made in the legal documents of transfer of successive provinces from Military Government to Italian Government, since it has been the practice to include in these a clause preventing the removal of any Italians appointed by Military Government authority to posts within the territories concerned.

This is a mere formality.

IV

I propose that local officers of the Allied Commission should be withdrawn from Italian Government Italy.

One of the features of the control which is most apparent to and therefore to some extent resented by the Italians is the presence of local Allied officers in all the regions handed back to Italian control. Since, in many cases, these are the same officers who were functioning during the period of military government, the change from "direct" to "indirect rule" is correspondingly obscured.

The Commission itself, under the two main Sections of General Administration and Economic Affairs, is organised into some twenty Sub-Commissions, corresponding to the various Italian Ministries. In the regions are Regional officers, with specialists from one or other of these Sub-Commissions to assist them. Although a very drastic reduction has taken place recently in the total so employed, this only strengthens the argument for their total elimination. They are now insufficient to govern, but sufficient to interfere. And their presence tends to weaken the sense of responsibility of the Italians themselves.

For instance, during the recent riots at Palermo, it was the Italian prefect who was responsible for calling out the troops, which he did somewhat precipitately. He had a Regional Commissioner who was powerless either to act or restrain action. And the very presence of a Regional Commissioner in Italian administered territory allowed the Italians to pursue the congenial plan of throwing upon us - in the public opinion of the world - a responsibility which belongs to themselves.

It is true that there must be local contacts between the Allied Military and Naval authorities in Italian governed Italy, especially in places where there are still Allied installations. But this function could well be performed by Liaison Officers attached to the various Military Area and District Commanders. Where matters were incapable of local adjustment or when technical

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The general view of the senior members of the Allied Commission favours complete withdrawal. The Political Advisers (in the shape of representatives of the Embassies) feel that it is of considerable psychological value. Allied Force Headquarters would have to agree in detail the system of Liaison Officers from the point of view of District and Area Commanders - but I do not anticipate any difficulty in devising a workable plan.

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Undoubtedly, the more the contacts and, where necessary, pressure - between the Allies and the Italian Government can be confined to the centre and at a high level, the better relations will be. Italian Ministers resent the appearance rather than the reality of control. And the withdrawal of officers from the field would enormously enhance the prestige of the Government.

The officers made available - probably some 150 if we begin with Southern Italy and the islands - could be used in the general pool. Some could strengthen A.C. and replace some of whom we would wish to be rid; others would be most valuable for the Northern Regions; those surplus or least competent could be spared altogether.

V

Certain central, as well as local, functions of the Allied Commission in Italian Government Italy should be abandoned altogether.

There are a number of functions of sub-commissions organised to carry them out which can well be surrendered. This does not, I regret, mean that any of these sub-commissions can be liquidated. They must remain for the work in Allied Italy and to prepare the work in Kesselring's Italy. Such are, in the administrative field, Monuments and Fine Arts, Education, Local Government. In the economic field, arrangements are already being made to hand over to the Italians (subject only to inspection) the distribution of food and other supplies in Italian territory.

Here again, this proposal is approved by the leading officers of the Commission.

VI

Changes in the Commission itself have been suggested as likely to emphasise the sincerity of the new policy embodied in recent statements of the President and the Prime Minister. "Demilitarisation has been put forward on this as well as other grounds, and will be discussed in a later section of this paper. In view of the arguments advanced in the introduction, and the importance of the military government aspect of the Commission's work, there is a very definite limit to what can be achieved by this method. But, in general, both by the issue of a new and clear directive and by a re-statement publicly and with great precision of Allied policy towards Italy, the whole conception of the Commission's new purpose and functions in Italian territory can be made effective. We are to be advisers, not controllers; elder brothers to our weak and errant juniors.

All Italians are children. They are naughty - very naughty, sometimes vicious children. But all are children. They must be treated kindly but firmly. In any case, we can take from their ancient literature as our guide a sentiment which we have often thought the peculiar tradition of the Anglo-Saxon race - "Parcere subjectis et debellare superbos".

To the Italians both parts of this sentence might apply. They were intolerably puffed up; they have been wholly defeated. Justice should now be tempered with mercy.

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PART THREE

Allied Commission: Composition and Structure.

I

The introductory paragraphs of this paper explained the three-fold character of the Italian problem. This reflects itself in the somewhat complicated composition of the Commission itself. It has to serve needs arising out of past, present and future military operations. This should influence the approach to the question of demilitarisation, which is being recommended in certain quarters in London and in similar circles in Washington.

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I cannot believe that those who propose rapid or wholesale demilitarisation have understood that three-quarters of the effort of the Commission is necessarily concentrated on those parts of Italy occupied or about to be occupied by Allied armies - that is, what I have called, Allied Italy and Kesselring's Italy.

In Allied Military Government territory it is really quite impracticable for the organisation to function except with officers in uniform. This will apply until the final stages of the operation. When the enemy have been driven from all Italian territory and when the first shock has been taken by the A.M.G. organisation in the rear of our advancing armies, all Italy (except perhaps certain disputed provinces, such as Venezia Giulia), will in due course be returned to Italian control. The Commission can then be almost wholly demilitarized because its sole function will then be to give expert advice to the Italians and to protect our long-term interests under the Armistice.

If the plan for withdrawing local representatives of the Commission as a whole or by stages from Italian Government Italy is adopted, it will automatically reduce the number of military officers employed, or make them available elsewhere. It will also, however, eliminate altogether the one sphere, that is in the regions of Italian-controlled territory, where total "civilianisation" might have been practicable.

If it is agreed that the three Italies must be treated as a whole - and this has not been challenged by anyone who has seriously studied the problem on the spot - then the great majority of the officers of the Commission must be in uniform. The simplest examples of the indissoluble character of the Italian problem emphasises the impracticability of any but the most gradual demilitarisation. Oil from Apulia must be moved into the commune of Naples or the Province of Grosseto; so must wheat from Macerata Province (which is a surplus area) be moved into Italian Government Italy further south. How can any plan be made of rehabilitation of power or productive resources, which does not take into account existing conditions in the two liberated Italies and make some calculation of probable needs in enemy occupied Italy?

"Demilitarisation" is only possible in the Headquarters of the Commission, not in the field. In Headquarters this is already being done to a considerable extent. There are 49 American although only 2 British civilians of officer status in the two key sections, Economic and Civil Affairs. More are being asked for. Brigadier Lush - Chief of Staff - has been occupied recently in London with obtaining additional British civilians for important posts. And there is no objection, in principle, to a further extension. But there are limiting factors to this process. Certain positions, for technical reasons, must be held by military officers. For instance, Allied Military Courts which are set up in different parts of the country, including Italian Government territory, must be manned by military officers since their only sanction is military. It has been found necessary to use these courts as the only effective way of preventing thieving and pilferage of Allied property.

It is very important to allow some degree of flexibility. It is desirable to send officers from Headquarters in Rome into the field and vice versa. Since officials in the field in A.M.G. territory must be in uniform, this consideration clearly limits the extent to which civilians should be [illegible]

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It is very important to allow some degree of flexibility. It is desirable to send officers from Headquarters in Rome into the field and vice versa. Since officials in the field in A.M.G. territory must be in uniform, this consideration clearly limits the extent to which civilians should be introduced to Headquarters. In effect, they should be confined to certain posts - mainly senior posts at Headquarters - particularly on the economic side. It may be urged that certain officials - for instance in the Monuments and Fine Arts Sub-Commission in the field might be civilians. Just the opposite is the case. The only hope of doing that early work of salvage on which so much depends is the prestige enabling a soldier to get some materials and labour out of the military at a time when they are naturally preoccupied with the battle. Many a Simone Martini or Giotto has been saved by timely attention - a little roofing or shoring up a frescoed wall. The Professor in battledress masquerading as a Colonel may succeed; in cap and gown (or even flannels) he would scarcely reach the scene of action.

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II

Apart from the question of "demilitarisation" which has so exercised the War Department and the War Office (somewhat strangely, since in our citizen armies so many of the soldiers are but disguised civilians) the chief trouble of the Commission has been absenteeism. For a long period, there has been no Chief Commissioner, and for many months, the Vice President of the Economic Section absented himself. His successor functioned for a few weeks and then returned home. (It may perhaps be worth observing that civilians absent themselves without leave more freely than soldiers). If we are to have any chance of orderly progress, this must cease. There must be introduced a more serious attitude in London and Washington towards appointments to high places. The principle by which the right of appointment to particular posts has been regarded as vested (like an advowson) in one or other Government, is vicious. After due consideration I will suggest some necessary changes in the higher ranks. After that, I trust the promotion and discipline within the body will be left to the Chief Commissioner.

The morale of the Commission has been seriously shaken by these vacillations and uncertainties. And there has been a feeling that their work has been misunderstood and unfairly criticised.

I think that all is now set for a new phase, and I shall make every endeavour (with the help of the Chief Commissioner) to restore and revivify the organisation as a team, loyal both to itself and its duties.

PART FOUR.

The Economic Problem.

I. INTRODUCTORY

It is unnecessary to emphasise the serious situation in which present day Italy finds herself from the economic point of view. Even before the war, in spite of all the effort towards self-sufficiency made by the Fascist regime, the financial and economic position was radically unsound. Budgetary figures were faked or at least distorted to conceal the real facts.

The problem of whether the Italian Peninsula can be made a "going concern" is age-long. Without coal or iron, Italy is not a naturally strong unit. The development of hydro-electric power has to some extent in the last twenty years replaced the necessity for coal imports. But the hydro-electric power of Southern Italy has been greatly reduced; that of Central Italy has almost wholly gone; that of Northern Italy is threatened with total destruction.

Before the war the balance of payments, since imports of all kinds, including wheat and oil, were necessary, could only be kept stable by four means. First, a certain range of exports, chiefly of high-class manufactured goods and some agricultural products; second, tourist traffic; third, emigration; fourth, shipping earnings. The first and last have disappeared. The second has been replaced by a particularly unremunerative form of tourist - the Allied armies - who up to now at least have spent in Italy not dollars or sterling, but A.M.G. lire popularly known under the expressive sobriquet of "phoney dough". Emigration alone has continued in the shape of many hundreds of thousands of Italian prisoners who are being maintained abroad. At the same time, apart from the destruction of

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In addition to all these disasters, the transport and communication system of liberated Italy has been largely destroyed. In Kesselring's Italy it is being daily demolished by the efforts of the Mediterranean Air Force. Railways, bridges, culverts, rolling stock, motor transport, have suffered from Allied and enemy destruction alike. To the extent that these facilities have been replaced they are primarily reserved for military requirements.

All this, of course, is the well deserved punishment for the guilt of their rulers which the Italian people must bear. But none the less these are facts in the situation which cannot be overlooked by their liberators.

In these circumstances, nothing could have kept liberated Italy in existence except a high level of imports of civilian needs hitherto financed, requisitioned and shipped by the Allied military authorities. According to the President's statement of 4th October, 1944, these had to that date amounted to 2,300,000 long tons of civilian supplies of which 1,107,000 were food products.

II

THE IMPORT PROBLEM

These civilian imports into both sections of liberated Italy have up to now been regarded as a legitimate war expenditure and carried on the military budgets. Their scale has been regulated by the so-called "disease and unrest" formula; that is to say, the Supreme Allied Commander has been required to certify that his requisitions in this field are necessary in order to prevent the outbreak of either one or the other in a manner likely to incommode military operations.

It is believed that the War Department has recently reached the conclusion that even on this scale there was no justification for carrying such expenditure in respect of "Southern Italy" on their budget. This is quite illogical. As already stated, Italy must be treated as a whole. Products must be moved from surplus to deficiency areas without regard to the arbitrary geographical line dividing Allied Controlled Italy from Italian controlled Italy. Moreover, the lines of communication still to some extent traverse the latter territory. It is for this reason that the Commune of Naples is still kept under military government although geographically in a transferred area. In any case, whether these supplies are carried upon a military budget or not, they must be introduced into the country at the expense of the American and British tax-payer. Since they must be requisitioned as a military priority, called forward by military authorities and shipped by the military, it would seem more satisfactory that they should continue to be dealt with on the military account. It is absolutely essential from a practical point of view if we are to obtain delivery.

It is desirable, therefore, that imports of consumption goods and certain capital goods should continue to be imported by the War Department and the War Office for civilian needs in Italy. Moreover, since some continuity of planning is necessary for efficiency, they should be so provided as long as Italy is a theatre of or base for military operations and for a period of say six months thereafter. In addition, the scale of these should be regulated by a more liberal interpretation of the "disease and unrest" formula, and this for two reasons. First, because another year of shortage has greatly increased the need of the people; second, because it is equitable that having regard to the fact that many Italians are actively engaged in military, air and naval operations in support of our arms, a standard of life for the civilian population, many of them depend-

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These civilian imports into both sections of liberated Italy have up to now been regarded as a legitimate war expenditure and carried on the military budgets. Their scale has been regulated by the so-called "disease and unrest" formula; that is to say, the Supreme Allied Commander has been required to certify that his requisitions in this field are necessary in order to prevent the outbreak of either one or the other in a manner likely to encumber military operations.

It is believed that the War Department has recently reached the conclusion that even on this scale there was no justification for carrying such expenditure in respect of "Southern Italy" on their budget. This is quite illogical. As already stated, Italy must be treated as a whole. Products must be moved from surplus to deficiency areas without regard to the exact geographical line dividing Allied Controlled Italy from Italian controlled Italy. Moreover, the lines of communication still to some extent traverse the latter territory. It is for this reason that the Commune of Naples is still kept under military government although geographically in a transferred area. In any case, whether these supplies are carried upon a military budget or not, they must be introduced into the country at the expense of the American and British tax-payer. Since they must be requisitioned as a military priority, called forward by military authorities and shipped by the military, it would seem more satisfactory that they should continue to be dealt with on the military account. It is absolutely essential from a practical point of view if we are to obtain delivery.

It is desirable, therefore, that imports of consumption goods and certain capital goods should continue to be imported by the Navy Department and the War Office for civilian needs in Italy. Moreover, since some continuity of planning is necessary for efficiency, they should be so provided as long as Italy is a theatre of or base for military operations and for a period of say six months thereafter. In addition, the scale of these should be regulated by a more liberal interpretation of the "disease and unrest" formula, and this for two reasons. First, because another year of shortage has greatly increased the need of the people; second, because it is equitable that having regard to the fact that many Italians are actively engaged in military, air and naval operations in support of our arms, a standard of life for the civilian population, many of them dependants of the fighting men, should be regulated at a somewhat higher level than that suitable to a conquered but non-cooperative nation. The degree of increase cannot be represented by a fixed percentage. Account must be taken of each requirement. Imports of food must be such as to allow a daily ration of 300 grammes throughout the whole of the liberated areas and planning to allow such a ration when Kesselring's Italy is freed. At present General Wilson, by an act of wise statesmanship, has increased the ration south of the Garigliano from 200 to 300 grammes a day. It is true that his main purpose was to assist in the "amassing" or grain collection and reduce the pressure on wages by breaking the black market. This experiment was remarkably successful in both its primary objects. But [illegible] motive was a desire to raise standards to something nearer what doctors tell us

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constitute the necessities of life. (It is interesting to note that the Swedish Red Cross has never provided less than a ration of 390 grammes per day for the population of Athens, with 440 grammes per day for heavy workers). General Wilson in his telegrams, stimulated by the statements of the President and the Prime Minister, has made several appeals for authority to extend the 300 grammes ration north of the Garigliano line covering all Allied Italy. This is partly for humanitarian and partly for military reasons, since the evacuation of Rome, where the ration is 200 grammes a day, and of such towns as Florence and Siena has caused great anxiety on security grounds to the military authorities. His telegram AMG 763 of 19th October (See Appendix C) summarizes his arguments which were presented in earlier messages. So far, no reply has been received. Similarly, boots and clothing must be proportionately increased; trucks for civilian transport must be made available, together with tyres, tubes, and spare parts. In the President's Declaration of 4th October, 1,700 additional trucks were promised. None has arrived, nor has any indication yet been received from Washington, as to the date when they may be expected. The same declaration referred to temporary power facilities to furnish electricity. These have been on order for nine months. We know that they are actually in existence, but again their destination is wrapped in mystery and silence.

The normal requisitioning of civilian supplies on military account ~~based upon a more liberal interpretation of the "disease and unrest" formula~~ is essential. I trust that His Majesty's Government will be willing to provide their share of the cost on the agreed percentage according to the over-all agreement with the United States Government.

In addition to supplies on this account, the declarations by the Heads of the two Governments have led us to believe that further deliveries would be made available to meet the needs not only of the present but of the immediate future. These were to be provided, so far as the United States were concerned, by various sources of finance outside military responsibility, such as value of the American troop pay in Italy, remittances from American citizens to Italy, and various other items. It was not clear what the total would be. Various calculations have been made ranging from 150 to 250 million dollars. In any event, I trust that His Majesty's Government will contribute a percentage of whatever the sum may prove to be in the usual proportion.

Nevertheless, in spite of every effort by General Wilson to get some indication from Washington of how the declarations made in September and October are to be translated into reality, so far no reply of any kind has been received - except of a negative and dilatory character. On the assumption, however, that this is merely due to the long technical procedure of the C.C.S. and C.O.S., General Wilson has given instructions for planning to proceed. These are set out in A.M. 316 of 1st November (Appendix D). AMG 1 of 9th November, which was sent during my absence in Athens, in attempting to elaborate the plan, departed from its essential principle. It should be withdrawn. A programme of industrial first-aid is being drawn up to range somewhere within the figures believed likely to be available - 150 million to 200 million dollars. This is being drawn up for the immediate needs of Southern and Central Italy and making some allowance for the future requirements of Northern Italy. A preliminary detailed programme has already been sent to the C.C.A.C. through the hands of two of their visiting members on 21st October. All that remains is to secure official approval. Meanwhile some doubt, which I personally believe to be well based, has crept into the more sceptical minds on the Commission. It is suggested that the new sources (troop pay, remittances, etc) are to be in substitution not in addition to, the present expenditure for normal civilian needs; in other

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trucks for civilian transport must be made available, together with tyres, tubes, and spare parts. In the President's Declaration of 4th October, 1,700 additional trucks were promised. None has arrived, nor has any indication yet been received from Washington, as to the date when they may be expected. The same declaration referred to temporary power facilities to furnish electricity. These have been on order for nine months. We know that they are actually in existence, but again their destination is wrapped in mystery and silence.

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III

GENERAL.

It will be seen from the foregoing that the task of those who have to plan for the needs of the Italian people is no easy one. It reminds one of those ingenious puzzles that torture young or old who fall beneath their spell, where it is necessary to entice four mercury balls in a small cardboard box to fall into their respective or appropriate holes. Two may easily be done at once, three often, but the whole four present a formidable test of patience and determination. In this case the four balls are availability of supply, finance, shipping and port acceptability. It has seldom been possible to obtain clearance on all these at once. Yet without some near miracle of concurrent agreement, reasonable planning for the future becomes impossible. Of course it may be urged that there is no reason to worry ourselves unduly about the unhappy position in which the Italians find themselves. Their disasters are their own fault. But this policy, harsh though it might be, would at least have been practicable had it not been for the recent declarations formally made on behalf of the two Allied Governments. To turn now from the path of generosity there marked out is unthinkable. In addition, this more lenient mood seems to me greatly in the interests of the world in general. Whatever may be the post-war policy towards Germany, we have accepted Italy into a position different from that of a beaten enemy; we have invented and, to some extent, benefited by the doctrine of co-belligerency; and, from the longer aspect, prosperity like peace is indivisible. The problems that face Italy are serious enough. When we reach the North we shall find large working class populations in Turin and Milan. It will test all our efforts to keep them alive. They will be the first large urban populations in our care situated inland and not upon the seaboard. To bring them food without railways or trucks will present a formidable problem to Allied Military Government. At present, slaves although they may be of German occupation, the factories are running and the people are largely employed. When they are "liberated" the power will probably be destroyed, the factories largely dismantled, the machine tools wrecked or taken to Germany, and the raw materials not available. It will need all the patience, courage and devotion that British and American administrators can give if we are to preserve Italy and her 45 millions of people from collapse into despair, anarchy and revolution. To fail to make the effort because of our grievances against Italy, however justified, may be to have won the war and lost the peace.

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APPENDIX A i

Political Section of the Allied Commission

Proposed Memorandum of Arrangements to be agreed between the United States Government and His Majesty's Government arising out of the establishment of American and British Embassies in Rome, and Italian Representatives in Washington and London.

I

The Political Section of the Allied Commission (formerly Allied Control Commission), which has hitherto consisted of two Joint Vice Presidents, one American and one British, will be abolished.

In its place, the United States and British Embassies have agreed to make available such facilities as the Commission may require.

The functions of the Advisory Council for Italy will of course remain as laid down in the Moscow Agreement.

II

In order to make this plan effective the following arrangements will be made :

(a) Frequent personal meetings between the Chief Commissioner, the United States Ambassador, and the British Ambassador will continue as heretofore.

(b) In addition, the United States and British Ambassadors will each nominate a senior member of their staff to give political advice to the Chief Commissioner and to the various sections of the Commission on day to day business as it arises. Suitable accommodation will be made available for them at the Offices of the Commission. They will each have an assistant and a small joint secretariat will be established in order to ensure the necessary co-ordination. All papers affecting political problems will be passed to them and their concurrence sought where necessary by the various sections. They will have the title of Political Adviser and be regarded as in every sense members of the Commission.

H.M.

18th November, 1944.

APPENDIX A ii

The technical officers of the Embassies in Rome, that is, the Commercial Counsellor, the Labour Attache and the Press Attache, find themselves in a somewhat difficult position since many of the functions that they would normally perform are in fact carried out by the Allied Commission; and information which they would normally hope to obtain from the Italian Government is only really obtainable from the Commission or some of the Sections of Allied Force Headquarters. On the analogy of the arrangements I have proposed for the Political side described in Appendix A i in my paper, I would propose the following arrangements and would do my best to secure their general support if acceptable to His Majesty's Government.

(1) Economic Section

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(1) Economic Section

I propose that the Economic Section (for which I have to find a suitable American and British head) should have attached to it as advisers the American and British Commercial Counsellors. They would not act in an executive capacity, but would be in a position not dissimilar from that of Directors on the Board of a Company. This would give Mr. Nosworthy a regularised position in the Commission, give him a room there, and allow him to see papers, etc. From my conversations with him, this is what he would like.

(2) Labour Attache.

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I would propose that Mr. Brayne becoms (as has already been suggested by the Commission) head of the Labour Sub-Commission while retaining his position at the

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British Embassy. This proposal was generally agreed, but has now been turned down by London - I understand by the Ministry of Labour. While I quite appreciate the Minister's feeling that the Labour Attache has really important work to do and should be free to accomplish it, I think it should be put to the Minister of Labour that he would be able to do this much more effectively by taking on the additional functions of head of the Labour Sub-Commission than placed as he is now. As head of the Sub-Commission he will be able to have contacts both with the Government and with the Trades Union leaders and play the role which I think Mr. Bevin wishes him to play of assisting to rebuild Italian labour on a properly organized trade union basis. When the Commission withers away, he will continue in his post as Labour Attache with great experience behind him and with great influence. If he merely remains in a detached position he cannot achieve very much; and I am sure it would be to the interests of these purposes which the Minister of Labour has at heart if he were allowed to accept the post of head of the Labour Sub-Commission while of course retaining his position as Labour Attache to the Embassy.

(3) Press Attache.

I am proposing a reorganisation of the Press work in Italian Government Italy and Allied Government Italy. At present P.W.B. is the integrated organ for propaganda under the direct control of A.F.H.Q. The Allied Commission also has a Public Relations Officer and the whole mechanism of propaganda. The relations between these two have never been very happy or a very clear line of demarcation drawn as to their functions. I should like them to be amalgamated so far as Liberated Italy is concerned(both Italian and A.M.G. territory) and operate directly under the Commission. P.W.B. should, I think, retain its functions in respect of Kesselring's Italy where propaganda is a direct instrument of military operations and directed not so much to the Italians as to the Germans. If this reorganisation takes place, I suggest that the Press Officers of the Embassies should be brought in either into the structure of executive control or in an advisory capacity so as to make a proper coordination of effort. On the American side this would present no difficulties. O.W.I. officers would be made available to the Commission. In the case of the British side, a certain number of P.W.B. officers will have to be seconded to the Commission. I am not sure what financial arrangements will have to be made. If they are Army officers on the Mediterranean War Establishment no trouble arises; if they are not, some special arrangements will have to be made. It is clear also that the joint publicity operations of the Commission will be divided into (a) telling the Italians about the American and British war effort, and in particular the work of the Allied Commission; (b) telling foreign correspondents about the work of the Allied Commission. There will be some purely British and purely American propaganda which the British Press Attache and the American Press Attache will have to handle separately. Nevertheless, under the present physical conditions they would be wise to get as much as they can done through the integrated machine, and if they are diplomatic and ingenious they should have no difficulty in this. At any rate this plan must assist and cannot injure the possibility of putting over British propaganda either jointly with the Americans or separately as our own effort.

These proposals have in view -

(a) To prevent the growth of any divergence between the Allied Commission and A.F.H.Q. and the Embassies.

(b) To utilize to the best advantage the very efficient technical officers which the Embassies can provide.

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These proposals have in view -

(a) To prevent the growth of any divergence between the Allied Commission and A.F.H.Q. and the Embassies.

(b) To utilize to the best advantage the very efficient technical officers which the Embassies can provide.

(c) To give those officers an opportunity of acquiring experience and influence and thereby strengthen their position when the time comes for the Commission to end.

30th November, 1944.

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APPENDIX B i

Civil Affairs Section's Appointments

LEGAL

First Presidents of Courts of Appeal
Consellors of Cassation and Appeal
Procuratori Generali
Sostituti di Procuratori Generali
Presidenti di Tribunali
Procuratori del Re

Primo Pretori (of towns of pop.50,000)

PUBLIC SAFETY

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

PUBLIC HEALTH

Chief Medical Officer at
Ministry of Interior

INTERIOR

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

EDUCATION

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

APPENDIX B ii

Economic Section's Appointments

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

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

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

AGRICULTURE: Heads and Deputies of Direzione Generale, titular and

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Procuratori del Re

Primo Pretori (of towns of pop.50,000)

PUBLIC SAFETY

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

PUBLIC HEALTH

Chief Medical Officer at Ministry of Interior

First Secretary to Prefect
Special Secretary
Director of Religious Affairs
Sindaci) of communes of
Town Clerk) pop.15,000

EDUCATION

Rectors
Professors (titular)
Presidi of Faculties
Academy Inspectors of schools (local and centralised)
Heads of Divisions in Ministry of Education
Provveditori
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PUBLIC WORKS AND UTILITIES: Appointments down to Grade 5 (Ispettore Generale del Genio Civile, Capo Compartimento etc.)

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

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

AGRICULTURE: Chiefs of Ministerial Bureaus such as Bonifica and Upsea, Compartimento officials of the rank of Agricultural Inspectors and Consorzio Agrario officials.

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

SHIPPING: Commissarios of the four subsidized Italian steamship companies, "Italia", "Adriatica", "Tirrenia" and "Oriens", formerly "Lloyd Triestino".

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

APPENDIX B iii

Italian Government's Proposed List

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

Added Suggestions:-

High Commissioners for Sicily and Sardinia.

APPENDIX B iv

Ref: CC/P/134/000.1 10th March, 1944.

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

I should be glad if you will let me know whether you are in full agreement with the proposals made in this letter. If so, I will give the necessary instructions to [illegible] heads of Sections and Sub-Commissions of the Allied Control Commission as

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APPENDIX B iii

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

NOEL MASON MACFARLANE,
Lieutenant General
Chief Commissioner.

H.E. Marshal Pietro Badoglio
Capo del Governo.

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Salerno, 13th 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 C

LAC 763 of 19th October, 1944.

Reference CAL 852, LAC 736.

Subject is Bread Ration for Italy.

1. Recent public announcements, which have been given wide circulation in Italy by the press, are interpreted by me to mean that the policy is to provide a 300 gram bread ration immediately; this ration to be nation wide on liberation of the North.

2. Confirmation is requested that my understanding in paragraph 1 is correct and that you wish me to implement this policy.

3. This policy cannot be implemented without increased imports since the import program authorized for the months of November and December is below the monthly scale of imports indicated in paragraph 4 of my letter of 24th September. From a military standpoint the tranquility of the Mediterranean Theatre might be jeopardised if the 300 gram bread ration were not sanctioned.

4. If I am to establish a 300 gram bread ration, there are 2 alternatives:

a. Step up monthly shipments to the level required to produce total imports of 1,500,000 tons during the harvest year. This would mean a monthly program based on all Italy estimated at 165,000 tons from January through June 1945, or beginning December if possible.

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Naples.

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a. Step up monthly shipments to the level required to produce total imports of 1,500,000 tons during the harvest year. This would mean a monthly program based on all Italy estimated at 165,000 tons from January through June 1945, or beginning December if possible.

b. Use existing stocks, together with imports under the existing program. The effect of this plan would be to exhaust the amassed grain by 1st March assuming inland transport not a limiting factor. I can only undertake this procedure under an absolute guarantee that stocks so used will be replaced in full to permit continuance of the 300 gram ration until the next harvest season. Without such guarantee I can see nothing but trouble ahead.

5. I recommend the first alternative. However even if approved, I would be unable to announce such a plan prior to the approval of a shipping program to meet it.

6. Your instructions are requested. In the meantime and in any event AC 3313 will step up its efforts to realize maximum local production, particularly in products which may be substituted for wheat, and will continue to tighten up the administration of cereals wherever possible.

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APPENDIX D

NAF 810 of 1st November, 1944.

Civilian supplies for Italy is subject.

In view of the public statements of the President and the Prime Minister, I am proposing to take the following steps.

1. I am arranging for all current requisitions for basic civilian supplies to be reviewed on two assumptions:

First, that they will be provided and financed as heretofore;

Secondly, that they would be framed upon a more liberal interpretation of the "disease and unrest" formula.

2. In addition and in conformity with the joint statement of 26th September and the President's statement of 10th October, I have instructed the Allied Commission to draw up a programme of industrial first-aid. This will be forwarded to you as soon as possible.

3. I am assuming that the necessary finance for (1) will be provided so long as Italy is a Theatre of or Base for Military Operations and for a period of 6 months thereafter.

4. For planning purposes for (2) I am assuming an expenditure commensurate with the sources of new finance outside military responsibility mentioned in the President's statement, to be spent over a period of 12 months.

I hope this will meet with your approval as I am convinced that this is the right course to pursue.

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SUMMARY OF RECOMMENDATIONS, MADE IN THE NOTE BY THE RESIDENT MINISTER, CENTRAL MEDITERRANEAN, ENTITLED "ALLIED POLICY TOWARDS ITALY".

---

1. That the Political Section of the Allied Commission be abolished. (Page)

2. That the Allied Commission confirm to the Italian Government that they may have direct relations with foreign representatives accredited to the Quirinal. (Page 3).

3. That Italian representatives abroad be given their own cyphers. (Page 3).

4. That the Allied Commission surrender its control over Italian legislation in Italian territory. (Page 4).

5. That the right of approval by the Allied Commission of all Italian appointments in Italian Italy be surrendered except in regard to the appointments of Service Chiefs to include Chiefs of Staff and Commanders of formations re-equipped for active service in the field. (Page 4).

6. That local officers of the Allied Commission be withdrawn from Italian Government Italy. (Page 5).

7. That the functions of certain sub-commissions in respect of Italian Government Italy be abandoned by the Allied Commission. (Page 6).

8. That "demilitarization" is only possible at Headquarters, Allied Commission, and not in the field. (At Headquarters there are a number of limiting factors.) (Page 6).

9. That consumption goods and certain capital goods should continue to be imported by the War Department and the War Office for civilian needs in Italy and that these imports should be maintained as long as Italy is a theatre or base for military operations and for a period of six months thereafter, and that the "disease and unrest" formula should be more liberally interpreted for this purpose. (Page 9).

10. That an additional programme for industrial first-aid be approved, to be financed, so far as the American side goes, from the sources of new finance mentioned in the President's statement of 10th October; His Majesty's Government to contribute a percentage of whatever sum may prove to be in the usual proportion. (Page 10).

27th NOVEMBER, 1944.

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HEADQUARTERS ALLIED COMMISSION
APO 394

Ref: 4001/008.

5 January 1945.

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

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

900

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

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SECRET

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S E C R E T.

S E C R E T.

ALLIED POLICY TOWARDS ITALY.

Note by the Resident Minister, Central Mediterranean.

PART ONE.

Introductory.

I

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

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

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

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

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

Any attempt to place these functions under separate authorities would be unworkable. Indeed, in the latter part of 1945 experience proved this to be the case, and the remedial measures then taken met with general approval.

It is not always recognised that for the greater part of the work of the Commission, with the exception of the Political Section (for which I am making separate proposals) concerns the first two of these territories. Moreover, the advisory duties will tend to decrease for Italian Government territory; although participation in planning of imports, both consumption and capital goods, must necessarily continue. Some degree of inspection must also be maintained in order to secure the maximum use of their own facilities by the Italian Government. This is the normal practice of screening authorities (such as the Middle East Supply Centre, North African Joint Economic Board and other similar bodies) which have operated under the general guidance of the Combined Authorities in Washington.

This situation presents an exceedingly difficult administrative problem. Any reorganisation of the functions and composition of the Allied Commission in order to carry out the new policy towards Italy must have regard to these overriding facts or disaster will ensue.

II

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This situation presents an exceedingly difficult administrative problem. Any reorganisation of the functions and composition of the Allied Commission in order to carry out the new policy towards Italy must have regard to these overriding facts or disaster will ensue.

II

Apart from the psychological difficulty inherent in maintaining Allied Military Government in a part of the liberated area while allowing the Italian Government to administer the rest, there has been a duality in Allied policy to Italy ever since the signing of the Armistice was followed by the doctrine of co-belligerency. Sometimes we have stood upon one leg - the strict enforcement of Armistice terms upon a defeated enemy; sometimes upon the other - friendship and assistance to a co-belligerent whose relations with us are becoming more and more those of an Ally.

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We must now, I think take the line that the recent formal change of name from Allied Control Commission to Allied Commission has a real meaning. It should be our purpose only to exercise control where our military needs require it. Whenever possible the function of the Commission should be that of a mission of experts offering advice. If our advice is not accepted, we must shrug our shoulders and allow affairs to take their course. Only in this way can we bring a sense of reality and responsibility to the Italian authorities.

We should now inform the Italian Government that while we propose to hold absolutely to all our rights under the Armistice, and do not intend to discuss any settlement of purely post-war problems (for instance, territorial and colonial arrangements), yet, subject to the overriding military needs for the conduct of the campaign, we shall hold these rights largely in reserve. We shall make the transfer of authority to the Italian Government as great a reality as possible. In consultation with them we shall provide, if they require it, expert advice on such questions as justice, education, fine arts, and the like. If they prefer to do without these experts in their territory, we shall raise no objection. In the more important sphere of finance, labour regulation and wage negotiation, we should strongly urge them to listen to our views, although the principle would be that the final decision would rest with them. Indeed in every matter which is within the competence of the Italians to do for themselves, that is, regulation of their own internal political and economic life, we shall play the role of advisers, except to the extent that the military authorities require to control specific functions or to take over particular properties.

There are, however, two stern warnings which we should not hesitate to give. First, insofar as the scale of Allied imports depends upon the efficiency or otherwise of home production, we must make it clear that we shall have regard to the degree of Italian self-help - within the physical possibilities of their present situation - in fixing the standard of our help to them. Secondly, we must insist on the maintenance of law and order. If security is threatened, in a way to impede or imperil our military operations, we should not hesitate to reimpose military government either in whole or in part. Subject to these provisos, our handing over of control to the Italian Government in their territory should be far reaching and sincere.

PART TWO.

Muting the Middle "C".

(The Allied Control Commission has been renamed the Allied Commission).

There are certain specific changes which I recommend in pursuance of this policy. I have discussed them informally with the Chief Commissioner and some of the more important officials of the Commission and we have reached a broad measure of agreement.

I

I propose that the Political Section of the Commission be abolished.

This Section, which is managed by an American and British Vice-President of equal rank, belongs to the early post-Armistice period. Then

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This Section, which is managed by an American and British Vice-President of equal rank, belongs to the early post-Armistice period. Then Italian sovereignty was little more than a fiction, resting upon an aged and exiled King, with his little retinue of insignificant courtiers and an impotent if gallant Marshal - huddled in a mediaeval castle in Brindisi, itself the most distant point in Italy which fugitives can reach.

Since that time policy has developed. The Italians have received in Rome an American and a British Ambassador. They are sending their Ambassadors in return to Washington and London. Although there is some fine distinction (in the British, not the American case) between the pre-war and the post-Armistice relations, the ordinary public, not appreciative of the niceties

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of the Protocol, do not easily differentiate between a diplomatic representative with the personal rank of Ambassador and a "right-down regular royal" Ambassador, old style.

Moreover, the Italians are now themselves in direct relations with United Nations and neutral Powers. Interchange of Ambassadors and Ministers is going on at an ever increasing pace, the Latin republics of South America being particularly prominent in this diplomatic pilgrimage to Rome.

In theory all formal communications between the representatives of other Powers and the Italian Government should pass through the Commission, there being no objection to informal and unofficial contacts. This has not applied to Russia; and the United States and British representatives have now ratified the Commission of the resumption of direct relations between their Governments and the Italian Government. It would seem, therefore, that to maintain in theory a rule which was never in practice enforced or even capable of being enforced, would be useless and even ludicrous. I propose that we should confirm to the Italian Government that they may have direct relations with foreign representatives accredited to the Quirinal, and at the same time tell them that they will be expected to keep us generally informed on any negotiations in which they may be engaged.

Similarly, in theory all Italian communications to their representatives abroad are made through the Allied Commission. They are either sent in a cypher of which we hold the key or in Allied cyphers. Copies "en clair" are sent to the Political Section. In the case however of Russia, messages are sent through Soviet cyphers, no copy being sent to the Commission.

The Soviet representative on the Advisory Council has proposed that the Italian representative in Moscow be given his own cypher. It seems difficult to refuse this request. The question of the provision of independent cyphers for the Italian representatives in London and Washington has been raised by the Italians. It has been referred by the Commission to Allied Headquarters and by them to the Combined Chiefs of Staff.

I propose that this request should be granted.

I propose that this privilege should be extended to their representatives in other countries.

The original insistence upon the communication of copies of telegrams to the Political Section was based partly on considerations of military security. But members of the Advisory Council (including Greece, France, and Yugoslavia) have cypher facilities; so has the Brazilian Charge d'Affaires. It is true that other United Nations and neutral representatives accredited to the Quirinal have no facilities; but the representatives of the same Powers at the Vatican have them.

Thus, so far as military news coming out of Italy is concerned, we are already trying to block the channel with a sieve. Another leak or two are of little consequence.

If these concessions are made, there is no need for the Political

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Thus, so far as military news coming out of Italy is concerned, we are already trying to block the channel with a sieve. Another leak or two are of little consequence.

If these concessions are made, there is no need for the Political Section as such to continue. The function of giving political advice to the Commission can be undertaken by the British and American Embassies. In order to effect this, I have worked out a plan (details of which are given in Appendix A 1) with the British and American Ambassadors in Rome and it has their approval. I propose that it should be put into effect forthwith.

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II

I propose that we surrender the control over Italian legislation in Italian territory.

In point of fact, nothing in the Armistice terms gives the Commission any right to be consulted on all decrees of the Italian Government. In practice, a large proportion of decrees proposed are sent for study and advice by the appropriate Sub-Commission. Sometimes, as in the case of a recent decree raising wage rates, the Council of Ministers approved the decree without prior and detailed approval from the Commission. (I am bound to observe that in this instance my sympathies were with the Italian Government, who as sometimes happens with Governments, could not withstand powerful political pressure fortified only by the theoretical arguments of civil servants and statisticians.) The formal claim to approve decrees is difficult to enforce - as has been proved - since the only remedy would involve the removal of the Minister or the fall of the Ministry. It is wiser, in the new conditions, to rely on moral persuasion and even, when required, pressure; and to develop a normal habit of consultation on matters, particularly economic, when our joint interests are involved or when action taken in Italian Italy must, in fact, be followed in Allied Italy. The formal renunciation of this right to approve decrees, would certainly be welcomed by the Italians.

III

Similarly, I propose that the control of Italian appointments in Italian Italy be modified or surrendered.

Again, it is doubtful whether we have a right to this control under the Armistice terms. But shortly after the first transfer of territory (11th February, 1944) there was an exchange of letters between General Mason MacFarlane and Marshal Badoglio. In effect, by these letters it was agreed that all appointments to the Government and all senior appointments by the Government would be subject to the prior approval of the Commission. I attach in Appendix B.i. a list of offices finally agreed to be subject to this control, so far as the Civil Affairs Section is concerned. It will be seen that it goes down to the Mayors and Town Clerks of towns of 15,000 inhabitants. Appendix B.ii. gives a similar list affecting the Economic Section.

The Italian Government has recently requested that the position be revised. They have submitted a very short list of offices to which this right should apply. It includes Ministers and Under Secretaries of the Government, the heads of the fighting services and so forth (Appendix B.iii).

So far as the approval of officials in Appendices B.i. and B.ii. is concerned, I take it that the chief object was to secure "defascistization" rather than to guarantee efficiency. Indeed, after a country has been for a generation under a Fascist regime, these two purposes may well be contradictory rather than complimentary. While the right of approval has certainly helped to achieve the first purpose, I think it is no longer necessary. Public opinion does not need stimulating on this issue. On the contrary, epuration in Italy (as in other countries) may be pushed dangerously far.

In practice, Italian nominations are approved almost as a matter of course.

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In practice, Italian nominations are approved almost as a matter of course.

I propose that our control over all the appointments in Appendices B.i and B.ii be surrendered forthwith.

About the list submitted by the Italians themselves I am not so sure, but my inclination would be to surrender this formal right also, and rely on Allied influence and authority only. I feel this all the more as the legal right only rests on this exchange of letters between the General and the Marshal. Although the undertaking given in these letters (Appendix B.iv) is no doubt one of those inherited by the Bonomi Government from its predecessor, yet (unlike the

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short and long Armistice terms which were read and accepted by every member of the new Government) these letters - either by mischance or contrivance - were overlooked.

I therefore urge that we waive the right of approval altogether - with one exception.

A short list should be agreed of Service chiefs - to include Chiefs of Staff and Commanders of formations re-equipped for active service in the field. In their case it would perhaps be wiser to ask that the approval should be obtained of the Supreme Allied Commander or the Combined Chiefs of Staff.

If this recommendation is approved, certain consequential changes will have to be made in the legal documents of transfer of successive provinces from Military Government to Italian Government, since it has been the practice to include in these a clause preventing the removal of any Italians appointed by Military Government authority to posts within the territories concerned.

This is a mere formality.

IV

I propose that local officers of the Allied Commission should be withdrawn from Italian Government Italy.

One of the features of the control which is most apparent to and therefore to some extent resented by the Italians is the presence of local Allied officers in all the regions handed back to Italian control. Since, in many cases, these are the same officers who were functioning during the period of military government, the change from "direct" to "indirect rule" is correspondingly obscured.

The Commission itself, under the two main Sections of General Administration and Economic Affairs, is organised into some twenty Sub-Commissions, corresponding to the various Italian Ministries. In the regions are Regional officers, with specialists from one or other of these Sub-Commissions to assist them. Although a very drastic reduction has taken place recently in the total so employed, this only strengthens the argument for their total elimination. They are now insufficient to govern, but sufficient to interfere. And their presence tends to weaken the sense of responsibility of the Italians themselves.

For instance, during the recent riots at Palermo, it was the Italian prefect who was responsible for calling out the troops, which he did somewhat precipitately. We had a Regional Commissioner who was powerless either to act or restrain action. And the very presence of a Regional Commissioner in Italian administered territory allowed the Italians to pursue the congenial plan of throwing upon us - in the public opinion of the world - a responsibility which belongs to themselves.

It is true that there must be local contacts between the Allied Military and Naval authorities in Italian governed Italy, especially in places where there are still Allied installations. But this function could well be performed by Liaison Officers attached to the various Military Area and District Commanders. Where matters were incapable of local adjustment or when technical [illegible] required (for instance, on transportation and public utilities)

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If this recommendation is approved, certain consequential changes will have to be made in the legal documents of transfer of successive provinces from Military Government to Italian Government, since it has been the practice to include in these a clause preventing the removal of any Italians appointed by Military Government authority to posts within the territories concerned.

This is a mere formality.

IV

I propose that local officers of the Allied Commission should be withdrawn from Italian Government Italy.

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It is true that there must be local contacts between the Allied Military and Naval authorities in Italian governed Italy, especially in places where there are still Allied installations. But this function could well be performed by Liaison Officers attached to the various Military Area and District Commanders. Where matters were incapable of local adjustment or when technical advice was required (for instance, on transportation and public utilities) special "trouble shooters" could be summoned from the Commission at Rome or, at the request of the Italians, specialist officers made available to them for special duties.

The general view of the senior members of the Allied Commission favours complete withdrawal. The Political Advisers (in the shape of representatives of the Embassies) feel that it is of considerable psychological value. Allied Force Headquarters would have to agree in detail the system of Liaison Of[illegible] from the point of view of District and Area Commanders - but I do not anticipate any difficulty in devising a workable plan.

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Undoubtedly, the more the contacts and, where necessary, pressure - between the Allies and the Italian Government can be confined to the centre and at a high level, the better relations will be. Italian Ministers resent the appearance rather than the reality of control. And the withdrawal of officers from the field would enormously enhance the prestige of the Government.

The officers made available - probably some 150 if we begin with Southern Italy and the islands - could be used in the general pool. Some could strengthen H.Q. and replace some of whom we would wish to be rid; others would be most valuable for the Northern Regions; those surplus or least competent could be spared altogether.

V

Certain central, as well as local, functions of the Allied Commission in Italian Government Italy should be abandoned altogether.

There are a number of functions of sub-commissions organised to carry them out which can well be surrendered. This does not, I regret, mean that any of these sub-commissions can be liquidated. They must remain for the work in Allied Italy and to prepare the work in Kesselring's Italy. Such are, in the administrative field, Monuments and Fine Arts, Education, Local Government. In the economic field, arrangements are already being made to hand over to the Italians (subject only to inspection) the distribution of food and other supplies in Italian territory.

Here again, this proposal is approved by the leading officers of the Commission.

VI

Changes in the Commission itself have been suggested as likely to emphasise the sincerity of the new policy embodied in recent statements of the President and the Prime Minister. "Demilitarisation has been put forward on this as well as other grounds, and will be discussed in a later section of this paper. In view of the arguments advanced in the introduction, and the importance of the military government aspect of the Commission's work, there is a very definite limit to what can be achieved by this method. But, in general, both by the issue of a new and clear directive and by a re-statement publicly and with great precision of Allied policy towards Italy, the whole conception of the Commission's new purpose and functions in Italian territory can be made effective. We are to be advisers, not controllers; elder brothers to our weak and errant juniors.

All Italians are children. They are naughty - very naughty, sometimes vicious children. But all are children. They must be treated kindly but firmly. In any case, we can take from their ancient literature as our guide a sentiment which we have often thought the peculiar tradition of the Anglo-Saxon race - "Parcere subjectis et debellare superbos".

To the Italians both parts of this sentence might apply. They were intolerably puffed up; they have been wholly defeated. Justice should now be tempered with mercy.

PART THREE

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PART THREE

Allied Commission: Composition and Structure.

I

The introductory paragraphs of this paper explained the three-fold character of the Italian problem. This reflects itself in the somewhat complicated composition of the Commission itself. It has to serve needs arising out of past, present and future military operations. This should influence the approach to the question of demilitarisation, which is being recommended in certain quarters in London and in similar circles in Washington.

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I cannot believe that those who propose rapid or wholesale demilitarisation have understood that three-quarters of the effort of the Commission is necessarily concentrated on those parts of Italy occupied or about to be occupied by Allied armies - that is, what I have called, Allied Italy and Kesselring's Italy.

In Allied Military Government territory it is really quite impracticable for the organisation to function except with officers in uniform. This will apply until the final stages of the operation. When the enemy have been driven from all Italian territory and when the first shock has been taken by the A.M.G. organisation in the rear of our advancing armies, all Italy (except perhaps certain disputed provinces, such as Venezia Giulia), will in due course be returned to Italian control. The Commission can then be almost wholly demilitarized because its sole function will then be to give expert advice to the Italians and to protect our long-term interests under the Armistice.

If the plan for withdrawing local representatives of the Commission as a whole or by stages from Italian Government Italy is adopted, it will automatically reduce the number of military officers employed, or make them available elsewhere. It will also, however, eliminate altogether the one sphere, that is in the regions of Italian-controlled territory, where total "civilianisation" might have been practicable.

If it is agreed that the three Italies must be treated as a whole - and this has not been challenged by anyone who has seriously studied the problem on the spot - then the great majority of the officers of the Commission must be in uniform. The simplest example of the indissoluble character of the Italian problem emphasises the impracticability of any but the most gradual demilitarisation. Oil from Apulia must be moved into the commune of Naples or the Province of Grosseto; so must wheat from Macerata Province (which is a surplus area) be moved into Italian Government Italy further south. How can any plan be made of rehabilitation of power or productive resources, which does not take into account existing conditions in the two liberated Italies and make some calculation of probable needs in enemy occupied Italy?

"Demilitarisation" is only possible in the Headquarters of the Commission, not in the field. In Headquarters this is already being done to a considerable extent. There are 49 American although only 2 British civilians of officer status in the two key sections, Economic and Civil Affairs. More are being asked for. Brigadier Lush - Chief of Staff - has been occupied recently in London with obtaining additional British civilians for important posts. And there is no objection, in principle, to a further extension. But there are limiting factors to this process. Certain positions, for technical reasons, must be held by military officers. For instance, Allied Military Courts which are set up in different parts of the country, including Italian Government territory, must be manned by military officers since their only sanction is military. It has been found necessary to use these courts as the only effective way of preventing thieving and pilferage of Allied property.

It is very important to allow some degree of flexibility. It is desirable to send officers from Headquarters in Rome into the field and vice versa. Since officials in the field in A.M.G. territory must be in uniform, this consideration clearly limits the extent to which civilians should be introduced to Headquarters. In effect the [illegible]

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It is very important to allow some degree of flexibility. It is desirable to send officers from Headquarters in Rome into the field and vice versa. Since officials in the field in A.M.G. territory must be in uniform, this consideration clearly limits the extent to which civilians should be introduced to Headquarters. In effect, they should be confined to certain posts - mainly senior posts at Headquarters - particularly on the economic side. It may be urged that certain officials - for instance in the Monuments and Fine Arts Sub-Commission in the field might be civilians. Just the opposite is the case. The only hope of doing that early work of salvage on which so much depends is the prestige enabling a soldier to get some materials and labour out of the military at a time when they are naturally preoccupied with the battle. Many a Simone Martini or Giotto has been saved by timely attention - a little roofing or shoring up a frescoed wall. The Professor in battledress masquerading as a Colonel may succeed; in cap and gown (or even flannels) he would scarcely reach the scene of action.

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II

Apart from the question of "demilitarisation" which has so exercised the War Department and the War Office (somewhat strangely, since in our citizen armies so many of the soldiers are but disguised civilians) the chief trouble of the Commission has been absenteeism. For a long period, there has been no Chief Commissioner, and for many months, the Vice President of the Economic Section absented himself. His successor functioned for a few weeks and then returned home. (It may perhaps be worth observing that civilians absent themselves without leave more freely than soldiers). If we are to have any chance of orderly progress, this must cease. There must be introduced a more serious attitude in London and Washington towards appointments to high places. The principle by which the right of appointment to particular posts has been regarded as vested (like an advowson) in one or other Government, is vicious. After due consideration I will suggest some necessary changes in the higher ranks. After that, I trust the promotion and discipline within the body will be left to the Chief Commissioner.

The morale of the Commission has been seriously shaken by these vacillations and uncertainties. And there has been a feeling that their work has been misunderstood and unfairly criticized.

I think that all is now set for a new phase, and I shall make every endeavour (with the help of the Chief Commissioner) to restore and revivify the organisation as a team, loyal both to itself and its duties.

PART FOUR.

The Economic Problem.

I. INTRODUCTORY

It is unnecessary to emphasise the serious situation in which present day Italy finds herself from the economic point of view. Even before the war, in spite of all the effort towards self-sufficiency made by the Fascist regime, the financial and economic position was radically unsound. Budgetary figures were faked or at least distorted to conceal the real facts.

The problem of whether the Italian Peninsula can be made a "going concern" is age-long. Without coal or iron, Italy is not a naturally strong unit. The development of hydro-electric power has to some extent in the last twenty years replaced the necessity for coal imports. But the hydro-electric power of Southern Italy has been greatly reduced; that of Central Italy has almost wholly gone; that of Northern Italy is threatened with total destruction.

Before the war the balance of payments, since imports of all kinds, including wheat and oil, were necessary, could only be kept stable by four means. First, a certain range of exports, chiefly of high-class manufactured goods and some agricultural products; second, tourist traffic; third, emigration; fourth, shipping earnings. The first and last have disappeared. The second has been replaced by a particularly unremunerative form of tourist - the Allied armies - who up to now at least have spent in Italy not dollars or sterling, but A.M.G. lire popularly known under the expressive sobriquet of "phoney dough". Emigration alone has continued in the shape of many hundreds of thousands of Italian prisoners who are being maintained abroad. At the same time, apart from

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In addition to all these disasters, the transport and communication system of liberated Italy has been largely destroyed. In Kesselring's Italy it is being daily demolished by the efforts of the Mediterranean Air Force. Railways, bridges, culverts, rolling stock, motor transport, have suffered from Allied and enemy destruction alike. To the extent that these facilities have been replaced they are primarily reserved for military requirements.

All this, of course, is the well deserved punishment for the guilt of their rulers which the Italian people must bear. But none the less these are facts in the situation which cannot be overlooked by their liberators.

In these circumstances, nothing could save kept liberated Italy in existence except a high level of imports of civilian needs hitherto financed, requisitioned and shipped by the Allied Military authorities. According to the President's statement of 4th October, 1944, these had to that date amounted to 2,300,000 long tons of civilian supplies of which 1,107,000 were food products.

II

THE IMPORT PROBLEM

These civilian imports into both sections of liberated Italy have up to now been regarded as a legitimate war expenditure and carried on the military budgets. Their scale has been regulated by the so-called "disease and unrest" formula; that is to say, the Supreme Allied Commander has been required to certify that his requisitions in this field are necessary in order to prevent the outbreak of either one or the other in a manner likely to incommode military operations.

It is believed that the War Department has recently reached the conclusion that even on this scale there was no justification for carrying such expenditure in respect of "Southern Italy" on their budget. This is quite illogical. As already stated, Italy must be treated as a whole. Products must be moved from surplus to deficiency areas without regard to the exact geographical line dividing Allied Controlled Italy from Italian controlled Italy. Moreover, the lines of communication still to some extent traverse the latter territory. It is for this reason that the Commune of Naples is still kept under military government although geographically in a transferred area. In any case, whether these supplies are carried upon a military budget or not, they must be introduced into the country at the expense of the American and British tax-payer. Since they must be requisitioned as a military priority, called forward by military authorities and shipped by the military, it would seem more satisfactory that they should continue to be dealt with on the military account. It is absolutely essential from a practical point of view if we are to obtain delivery.

It is desirable, therefore, that imports of consumption goods and certain capital goods should continue to be inserted by the War Department and the War Office for civilian needs in Italy. Moreover, since some continuity of planning is necessary for efficiency, they should be so provided as long as Italy is a theatre of or base for military operations and for a period of say six months thereafter. In addition, the scale of these should be regulated by a more liberal interpretation of the "disease and unrest" formula, and this for two reasons. First, because another year of shortage has greatly increased the need of the people; second, because it is equitable that having regard to the fact that many Italians are actively engaged in military, air and naval operations in support of our arms, a standard of life for the civilian population, many of them depend-

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constitute the necessities of life. (It is interesting to note that the Swedish Red Cross has never provided less than a ration of 390 grammes per day for the population of Athens, with 440 grammes per day for heavy workers). General Wilson in his telegrams, stimulated by the statements of the President and the Prime Minister, has made several appeals for authority to extend the 300 gramme ration north of the Garigliano line covering all Allied Italy. This is partly for humanitarian and partly for military reasons, since the condition of Rome, where the ration is 200 grammes a day, and of such towns as Florence and Siena has caused great anxiety on security grounds to the military authorities. His telegram LAO 763 of 19th October (See Appendix C) summarizes his arguments which were presented in earlier messages. So far, no reply has been received. Similarly, boots and clothing must be proportionately increased; trucks for civilian transport must be made available, together with tyres, tubes, and spare parts. In the President's Declaration of 4th October, 1,700 additional trucks were promised. None has arrived, nor has any indication yet been received from Washington, as to the date when they may be expected. The same declaration referred to temporary power facilities to furnish electricity. These have been on order for nine months. We know that they are actually in existence, but again their destination is wrapped in mystery and silence.

The normal requisitioning of civilian supplies on military account framed upon a more liberal interpretation of the "disease and unrest" formula is essential. I trust that His Majesty's Government will be willing to provide their share of the cost on the agreed percentage according to the over-all agreement with the United States Government.

In addition to supplies on this account, the declarations by the Heads of the two Governments have led us to believe that further deliveries would be made available to meet the needs not only of the present but of the immediate future. These were to be provided, so far as the United States were concerned, by various sources of finance outside military responsibility, such as value of the American troop pay in Italy, remittances from American citizens to Italy, and various other items. It was not clear what the total would be. Various calculations have been made ranging from 150 to 250 million dollars. In any event, I trust that His Majesty's Government will contribute a percentage of whatever the sum may prove to be in the usual proportion.

Nevertheless, in spite of every effort by General Wilson to get some indication from Washington of how the declarations made in September and October are to be translated into reality, so far no reply of any kind has been received - except of a negative and dilatory character. On the assumption, however, that this is merely due to the long technical procedure of the C.C.S. and C.C.A.C., General Wilson has given instructions for planning to proceed. These are set out in MAC 810 of 1st November (Appendix D). MAC 1 of 9th November, which was sent during my absence in Athens, in attempting to elaborate the plan, departed from its essential principle. It should be withdrawn. A programme of industrial first-aid is being drawn up to range somewhere within the figures believed likely to be available - 150 million to 200 million dollars. This is being drawn up for the immediate needs of Southern and Central Italy and making some allowance for the future requirements of Northern Italy. A preliminary detailed programme has already been sent to the C.C.A.C. through the hands of two of their visiting members on 21st October. All that remains is to secure official approval. Meanwhile some doubt, which I can hardly believe to be well based, has crept into the more sceptical minds on the Commission. It is suggested that the new sources (troop pay, remittances, etc) are to be in substitution not

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III

GENERAL.

It will be seen from the foregoing that the task of those who have to plan for the needs of the Italian people is no easy one. It reminds one of those ingenious puzzles that torture young or old who fall beneath their spell, where it is necessary to entice four mercury balls in a small cardboard box to fall into their respective or appropriate holes. Two may easily be done at once, three often, but the whole four present a formidable test of patience and determination. In this case the four balls are availability of supply, finance, shipping and port acceptability. It has seldom been possible to obtain clearance on all these at once. Yet without some near miracle of concurrent agreement, reasonable planning for the future becomes impossible. Of course it may be urged that there is no reason to worry ourselves unduly about the unhappy position in which the Italians find themselves. Their disasters are their own fault. But this policy, harsh though it might be, would at least have been practicable had it not been for the recent declarations formally made on behalf of the two Allied Governments. To turn now from the path of generosity there marked out is unthinkable. In addition, this more lenient mood seems to me greatly in the interests of the world in general. Whatever may be the post-war policy towards Germany, we have accepted Italy into a position different from that of a beaten enemy; we have invented and, to some extent, benefited by the doctrine of co-belligerency; and, from the larger aspect, prosperity like peace is indivisible. The problems that face Italy are serious enough. When we reach the North we shall find large working class populations in Turin and Milan. It will test all our efforts to keep them alive. They will be the first large urban populations in our care situated inland and not upon the seaboard. To bring them food without railways or trucks will present a formidable problem to Allied Military Government. At present, slaves although they may be of German occupation, the factories are running and the people are largely employed. When they are "liberated" the power will probably be destroyed, the factories largely dismantled, the machine tools wrecked or taken to Germany, and the raw materials not available. It will need all the patience, courage and devotion that British and American administrators can give if we are to preserve Italy and her 45 millions of people from collapse into despair, anarchy and revolution. To fail to make the effort because of our grievances against Italy, however justified, may be to have won the war and lost the peace.

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APPENDIX A i

Political Section of the Allied Commission

Proposed Memorandum of Arrangements to be agreed between the United States Government and His Majesty's Government arising out of the establishment of American and British Embassies in Rome, and Italian Representatives in Washington and London.

I

The Political Section of the Allied Commission (formerly Allied Control Commission), which has hitherto consisted of two Joint Vice Presidents, one American and one British, will be abolished.

In its place, the United States and British Embassies have agreed to make available such facilities as the Commission may require.

The functions of the Advisory Council for Italy will of course remain as laid down in the Moscow Agreement.

II

In order to make this plan effective the following arrangements will be made :

(a) Frequent personal meetings between the Chief Commissioner, the United States Ambassador, and the British Ambassador will continue as heretofore.

(b) In addition, the United States and British Ambassadors will each nominate a senior member of their staff to give political advice to the Chief Commissioner and to the various sections of the Commission on day to day business as it arises. Suitable accommodation will be made available for them at the Offices of the Commission. They will each have an assistant and a small joint secretariat will be established in order to ensure the necessary co-ordination. All papers affecting political problems will be passed to them and their concurrence sought where necessary by the various sections. They will have the title of Political Adviser and be regarded as in every sense members of the Commission.

18th November, 1944. H.M.

APPENDIX A ii

The technical officers of the Embassies in Rome, that is, the Commercial Counsellor, the Labour Attache and the Press Attache, find themselves in a somewhat difficult position since many of the functions that they would normally perform are in fact carried out by the Allied Commission; and information which they would normally hope to obtain from the Italian Government is only really obtainable from the Commission or some of the Sections of Allied Force Headquarters. On the analogy of the arrangements I have proposed for the Political side described in Appendix A i in my paper, I would propose the following arrangements and would do my best to secure their general support if acceptable to His Majesty's Government.

(1) Economic Section

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will be abolished.

In its place, the United States and British Embassies have agreed to make available such facilities as the Commission may require.

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H.M.

18th November, 1944.

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(1) Economic Section

I propose that the Economic Section (for which I have to find a suitable American and British head) should have attached to it as advisers the American and British Commercial Counsellors. They would not act in an executive capacity, but would be in a position not dissimilar from that of Directors on the Board of a Company. This would give Mr. Nosworthy a regularised position in the Commission, give him a room there, and allow him to see papers, etc. From my conversations with him, this is what he would like.

(2) Labour Attache.

I would propose that Mr. Brayne become (as has already been suggested by the Commission) head of the Labour Sub-Commission while retaining his position at the

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British Embassy. This proposal was generally agreed, but has now been turned down by London - I understand by the Ministry of Labour. While I quite appreciate the Minister's feeling that the Labour Attache has really important work to do and should be free to accomplish it, I think it should be put to the Minister of Labour that he would be able to do this much more effectively by taking on the additional functions of head of the Labour Sub-Commission than placed as he is now. As head of the Sub-Commission he will be able to have contacts both with the Government and with the Trades Union leaders and play the role which I think Mr. Bevin wishes him to play of assisting to rebuild Italian labour on a properly organized trade union basis. When the Commission withers away, he will continue in his post as Labour Attache with great experience behind him and with great influence. If he merely remains in a detached position he cannot achieve very much; and I am sure it would be to the interests of those purposes which the Minister of Labour has at heart if he were allowed to accept the post of head of the Labour Sub-Commission while of course retaining his position as Labour Attache to the Embassy.

(3) Press Attache.

I am proposing a reorganisation of the Press work in Italian Government Italy and Allied Government Italy. At present P.W.B. is the integrated organ for propaganda under the direct control of A.F.H.Q. The Allied Commission also has a Public Relations Officer and the whole mechanism of propaganda. The relations between these two have never been very happy or a very clear line of demarcation drawn as to their functions. I should like them to be amalgamated so far as Liberated Italy is concerned(both Italian and A.M.G. territory) and operate directly under the Commission. P.W.B. should, I think, retain its functions in respect of Kesselring's Italy where propaganda is a direct instrument of military operations and directed not so much to the Italians as to the Germans. If this reorganisation takes place, I suggest that the Press Officers of the Embassies should be brought in either into the structure of executive control or in an advisory capacity so as to make a proper coordination of effort. On the American side this would present no difficulties. O.W.I. officers would be made available to the Commission. In the case of the British side, a certain number of P.W.B. officers will have to be seconded to the Commission. I am not sure what financial arrangements will have to be made. If they are Army officers on the Mediterranean War Establishment no trouble arises; if they are not, some special arrangements will have to be made. It is clear also that the joint publicity operations of the Commission will be divided into (a) telling the Italians about the American and British war effort, and in particular the work of the Allied Commission; (b) telling foreign correspondents about the work of the Allied Commission. There will be some purely British and purely American propaganda which the British Press Attache and the American Press Attache will have to handle separately. Nevertheless, under the present physical conditions they would be wise to get as much as they can done through the integrated machine, and if they are diplomatic and ingenious they should have no difficulty in this. At any rate this plan must assist and cannot injure the possibility of putting over British propaganda either jointly with the Americans or separately as our own effort.

These proposals have in view -

(a) To prevent the growth of any divergence between the Allied Commission and A.F.H.Q. and the Embassies.

(b) To utilise to the best advantage the very efficient technical officers which the Embassies can provide.

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These proposals have in view -

(a) To prevent the growth of any divergence between the Allied Commission and A.F.H.Q. and the Embassies.

(b) To utilize to the best advantage the very efficient technical officers which the Embassies can provide.

(c) To give those officers an opportunity of acquiring experience and influence and thereby strengthen their position when the time comes for the Commission to end.

30th November, 1944.

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APPENDIX B i

Civil Affairs Section's Appointments

LEGAL

First Presidents of Courts of Appeal
Consellors of Cassation and Appeal
Procuratori Generali
Sostituti di Procuratori Generali
Presidenti di Tribunali
Procuratori del Re

Primo Pretori (of towns of pop.50,000)

PUBLIC SAFETY

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

PUBLIC HEALTH

Chief Medical Officer at
Ministry of Interior

INTERIOR

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

EDUCATION

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

APPENDIX B ii

Economic Section's Appointments

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

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

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

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Presidenti di Tribunali
Procuratori del Re

Primi Pretori (of towns of pop.50,000)

Sottoprefetti - Second Grade
First Secretary to Prefect
Special Secretary
Director of Religious Affairs
Sindaci) of communes of
Town Clerk) pop.15,000

PUBLIC SAFETY

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

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

APPENDIX B ii

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

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

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

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

AGRICULTURE: Chiefs of Ministerial Bureaus such as Bonifica and Upsea, Compartimento officials of the rank of Agricultural Inspectors and Consorzio Agrario officials.

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

SHIPPING: Commissarios of the four subsidized Italian steamship companies, "Italia", "Adriatica", "Tirrenia" and "Oriens", formerly "Lloyd Triestino".

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

APPENDIX B iii

Italian Government's Proposed List

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

Added Suggestions:-

High Commissioners for Sicily and Sardinia.

APPENDIX B iv

Ref: CC/P/134/000.1

10th March, 1944.

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

I should be glad if you will let me know whether you are in full agreement with the proposals made in this letter. If so, I will give the necessary instructions to

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dell-Approvigg...

APPENDIX B iii

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

NOEL MASON MACFARLANE,
Lieutenant General
Chief Commissioner.

H.E. Marshal Pietro Badoglio
Capo del Governo.

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Salerno, 13th 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 C

LAC 763 of 19th October, 1944.

Reference CAL 852, LAC 756.

Subject is Bread Ration for Italy.

1. Recent public announcements, which have been given wide circulation in Italy by the press, are interpreted by me to mean that the policy is to provide a 300 gram bread ration immediately; this ration to be nation wide on liberation of the North.

2. Confirmation is requested that my understanding in paragraph 1 is correct and that you wish me to implement this policy.

3. This policy cannot be implemented without increased imports since the import program authorized for the months of November and December is below the monthly scale of imports indicated in paragraph 4 of my letter of 24th September. From a military standpoint the tranquility of the Mediterranean Theatre might be jeopardised if the 300 gram bread ration were not sanctioned.

4. If I am to establish a 300 gram bread ration, there are 2 alternatives:

a. Step up monthly shipments to the level required to produce total imports of 1,500,000 tons during the harvest year. This would mean a monthly program based on all Italy estimated at 165,000 tons from January through June 1945, or beginning December if possible.

b. Use existing stocks, together with imports under the existing program-

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To General Noel Mason MacFarlane,
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Naples.

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Reference CAL 852, LAC 736.

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3. This policy cannot be implemented without increased imports since the import program authorized for the months of November and December is below the monthly scale of imports indicated in paragraph 4 of my letter of 24th September. From a military standpoint the tranquility of the Mediterranean Theatre might be jeopardized if the 300 gram bread ration were not sanctioned.

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b. Use existing stocks, together with imports under the existing program. The effect of this plan would be to exhaust the amassed grain by 1st March assuming inland transport not a limiting factor. I can only undertake this procedure under an absolute guarantee that stocks so used will be replaced in full to permit the maintenance of the 300 gram ration until the next harvest season. Without such guarantee I can see nothing but trouble ahead.

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5. I recommend the first alternative. However even if approved, I would be unable to announce such a plan prior to the approval of a shipping program to meet it.

6. Your instructions are requested. In the meantime and in any event ACC will step up its efforts to realize maximum local production, particularly in products which may be substituted for wheat, and will continue to tighten up the administration of cereals wherever possible.

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APPENDIX D

NAF 810 of 1st November, 1944.

Civilian supplies for Italy is subject.

In view of the public statements of the President and the Prime Minister, I am proposing to take the following steps.

1. I am arranging for all current requisitions for basic civilian supplies to be reviewed on two assumptions:

First, that they will be provided and financed as heretofore;

Secondly, that they would be framed upon a more liberal interpretation of the "disease and unrest" formula.

2. In addition and in conformity with the joint statement of 26th September and the President's statement of 10th October, I have instructed the Allied Commission to draw up a programme of industrial first-aid. This will be forwarded to you as soon as possible.

3. I am assuming that the necessary finance for (1) will be provided so long as Italy is a Theatre of or Base for Military Operations and for a period of 6 months thereafter.

4. For planning purposes for (2) I am assuming an expenditure commensurate with the sources of new finance outside military responsibility mentioned in the President's statement, to be spent over a period of 12 months.

I hope this will meet with your approval as I am convinced that this is the right course to pursue.

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2. In addition and as corollary, I shall be glad to receive a statement of [illegible] the President's statement of 10th October, I have instructed the Allied Commission to draw up a programme of industrial first-aid. This will be forwarded to you as soon as possible.

3. I am assuming that the necessary finance for (1) will be provided so long as Italy is a Theatre of or Base for Military Operations and for a period of 6 months thereafter.

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I hope this will meet with your approval as I am convinced that this is the right course to pursue.

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SUMMARY OF RECOMMENDATIONS, MADE IN THE NOTE BY THE RESIDENT MINISTER, CENTRAL MEDITERRANEAN, ENTITLED "ALLIED POLICY TOWARDS ITALY".

---

1. That the Political Section of the Allied Commission be abolished. (Page

2. That the Allied Commission confirm to the Italian Government that they may have direct relations with foreign representatives accredited to the Quirinal. (Page 3).

3. That Italian representatives abroad be given their own cyphers. (Page 3).

4. That the Allied Commisaion surrender its control over Italian legislation in Italian territory. (Page 4).

5. That the right of approval by the Allied Commission of all Italian appointments in Italian Italy be surrendered except in regard to the appointments of Service Chiefs to include Chiefs of Staff and Commanders of formations re-equipped for active service in the field. (Page 4).

6. That local officers of the Allied Commission be withdrawn from Italian Government Italy. (Page 5).

7. That the functions of certain sub-commissions in respect of Italian Government Italy be abandoned by the Allied Commission. (Page 6).

8. That "demilitarization" is only possible at Headquarters, Allied Commission, and not in the field. (At Headquarters there are a number of limiting factors.) (Page 6).

9. That consumption goods and certain capital goods should continue to be imported by the War Department and the War Office for civilian needs in Ital and that these imports should be maintained as long as Italy is a theatre or base for military operations and for a period of six months thereafter, and that the "disease and unrest" formula should be more liberally interpreted for this purpose. (Page 9).

10. That an additional programme for industrial first-aid be approved, to be financed, so far as the American side goes, from the sources of new finance mentioned in the President's statement of 10th October; His Majesty's Govern ment to contribute a percentage of whatever sum may prove to be in the usual proportion. (Page 10).

27th NOVEMBER, 1944.

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0196

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Political Directive

VT

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief of Staff
++++++++++++++++++++++++++

27 November 1944.

Ref: 82/62/COS

SUBJECT: Instructions for the Guidance of Officers of the Commission.

TO : Distribution reverse.

1. Reference is made to the following communications from this HQ:

(a) 86/2/CA dated 27 Apr 44, from RC and MG Section, enclosing Basic Instructions.

(b) 590/27/CA dated 26 May 44, from RC and MG Section, enclosing Issues Nos.1 and 2.

(c) 589/52/CA dated 14 Sept 44 from RC and MG Section, enclosing Additions No.3.

(d) 82/60/COS dated 11 Nov 44 from Office, Chief of Staff enclosing further additions and amendments.

2. It is explained for information that the additions and amendments sent under cover 82/60/COS dated 11 Nov 44, were issued on the basis of effective strength and NOT assigned strength. It is therefore necessary to ensure that every officer, whether assigned or attached, is included in the distribution.

3. In order to obtain accurate knowledge of the position as at 4 December 1944, all recipients are required to complete and return the attached pro-forma to reach this office not later than 20 Dec 44.

4. Reference items 2, 3, 4, 5 and 6 of attached pro-forma :

(a) In the event of deficiencies, a supporting statement will be attached to the return, furnishing names of the officers concerned, and parent unit in respect of attached personnel.

(b) Where surplus copies are held, these will be returned to the Office of the Chief of Staff, this HQ forthwith.

3309

F. Brigadier,
Chief of Staff.

DISTRIBUTION:

See over

Declassified E.O. 12356 Section 3.3/NND No. 785016

DISTRIBUTION:

C-5 AFHQ
Chief Commissioner
Chief of Staff
Civil Affairs Section
DP & R. S/C
Education S/C
Legal S/C
Local Govt S/C
MFA & A S/C
Patriots Branch
Public Health S/C
Public Safety S/C
Economic Section
Agriculture S/C
Commerce S/C
Finance S/C
Food S/C
Industry S/C
Labour S/C
P. W. & U. S/C
Transportation S/C
Political Section
Establishment Section
Executive Officer (B)
" " (A)
G-1 (B)
G-1 (A)
G-4 (B)
G-4 (A)
2675 Regt
HQ Commandant
Public Relations
WED & HOW S/C
Communications S/C
Land Forces S/C (MMIA)
Navy S/C
Air Forces S/C
R.C's Regions SICILIA, SARDEGNA, SOUTHERN , LAZIO-UMBRIA, ABRUZZI-MARCHE, TOSCANA, EMILIA, LIGURIA, LOMBARDIA and VENEZIA.
AMG Fifth Army
AMG Eighth Army

Civil Affairs Section, HQ AAI

0196

Declassified E.O. 12356 Section 3.3/NND No. 785016

Date _____

TO : Office, Chief of Staff,
HQ Allied Commission.

Reference 82/62/COS dated 27 Nov 44.

1) N umber of copies basic instructions held on charge by officers on effective strength ++ (see note ++ below) of unit at 4 Dec 44. _____

2) N umber of copies of basic instructions
(a) held by unit surplus to requirements - or
(b) deficient + _____

3) Number of copies Issue No. 1 (received under cover letter 590/27/CA dated 26 May 44)
(a) held by unit surplus to requirements - or
(b) deficient + _____

4) Number of copies Issue No. 2 (received under cover letter 590/27/CA dated 26 May 44)
(a) held by unit surplus to requirements - or
(b) deficient + _____

5) Number of copies Additions No. 3 (received under cover letter 589/52/CA of 14 Sep 44)
(a) held by unit surplus to requirements - or
(b) deficient + _____

6) Number of copies Additions and Amds (received under cover letter 82/60/COS dated 11 Nov 44)
(a) held by unit surplus to requirements - or
(b) deficient + _____

UNIT _____ SIGNATURE _____

_____ APPOINTMENT _____

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NOTES:

+ Delete whichever inapplicable (a) or (b) and answer the alternative.

++ Officers attached as 4 Dec 44 will be included but officers detached to other AMG/AG units will be excluded.

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HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner

Ref. 219/5 /COS. 8 January 1945

SUBJECT: Information for the Acting President.

TO : DCOS, CA Section
DCOS, Econ Section
DCOS, Est Section
VP, Political Section
GOC, Land Forces Sub Com.
Director, Communications Sub Com.
P. R. O.
Rep., UNRRA.
Rep., IGCR.
Director, WMD & PW Sub Com.

1. Reference 219/4/COS dated 6 Jan 45.

2. Sections and Sub Commissions concerned will submit their statements IN DUPLICATE.

[illegible]
[illegible] Officer,
[illegible].

Copy to: Acting President.
Chief Commissioner.

3293

0198

Declassified E.O. 12356 Section 3.3/NND No. 785016

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner

Ref: 219/4/COS. 6 January 1945.

SUBJECT: Information for the Acting President.

TO : DCOS CA Section
DCOS, Econ Section
DCOS, Est Section
VP, Political Section,
GOC, Land Forces Sub-Com.
Director, Communications Sub-Com.
F.R.O.
Rep., UNRRA.
Rep., ICCR.
Director, WMD & LW Sub-Com.

1. The Acting President is anxious to acquaint himself on some of the more important items of the Commission's work. Some of these are defined on the accompanying list together with the Section or Independent Sub-Commission responsible and the office or officers who should, subject to agreement of Heads of Sections, present the information.

2. Heads of Sections and Independent Sub-Commissions will furnish to Chief of Staff by 9th January a short statement (not exceeding 500 words) on each subject, giving the salient facts and figures and will be ready to discuss at a personal interview with Mr. Macmillan on or after 10th January. The object of these interviews is two-fold: (a) to bring the Acting President up to date on the various subjects: (b) to afford the Acting President an opportunity of renewing his acquaintance with the officers and officials of the Sections and Sub-Commissions concerned.

3. The Acting President will wish to be informed of future progress in these matters and Heads of Sections and Independent Sub-Commissions will furnish further information thereon to Chief of Staff from time to time.

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Copy to: Acting President.
Chief Commissioner.

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	Subject.	Section or Sub-Commission.	Officer Concerned.
1.	Food: (a) Generally, but especially the question of the 300 grammes ration. (b) Distribution.	Economic Sec. Food Sub-Com.	Col.Densmore (A) Col.Legg (B)
2.	Status of Italian Prisoners of War in ITALY.	Political Sec. WAD & IPW Sub-Com	Mr.Hopkinson (B) Mr.Schott (A) Lt.Col.Campbell (B)
3.	Epuration.	Civil Affairs Sec	Brig.Upjohn (B)
4.	Housing. Repair of damaged houses and living conditions of the people	Public Works & Utilities Sub-Com	Lt.Col.Jenny (A) Lt.Col.Craig (B)
5.	Roads & Bridges. What progress the Italians are making.	Public Works & Utilities Sub-Com	Lt.Col.Jenny (A) Lt.Col.Rhodes (B)
6.	Transport. (Carrandini is said to have been promised 500 trucks in England). Motor tyres and bicycle tyres.	Transportation Sub-Commission.	Mr.Taylor (A) Col.Thomas (B)
7.	Industrial reconstruction. For instance, what is happening to the Galite hydro-electric plant?	Industry Sub-Com Public Works & Utilities Sub-Com	Mr.Vaughan (A) Lt.Col.Jenny (A)
8.	Local Elections.	Local Government Sub-Commission.	Col.Spicer (B)
9.	Carabinieri. Their clothing, equipment and status.	Public Safety Sub-Commission.	Col.Chapman (A)
10.	C.I.P. and control of oil in Italy.	Economic Sec. Commerce Sub-Com.	Mr.Cleveland (A) Maj.Brereton (B)
11.	The Lira Account.	Finance Sub-Com	Col.Crufftey-Smith (B) Comd.Lawlor (A)
12.	Land Reform - especially in Southern Italy and Sicily.	Agriculture Sub-Commission	Mr.Allbaugh (A)
13.	Statement of facts about, and of the limiting factors in Italian rearmament	Land Forces Sub-Commission.	Major-General Browning (B)
14.	Civilianication: (a) Progress in obtaining American civilians (b) Progress in obtaining British civilians	Establishment Section.	Col.Fiske (A) Lt.Col.Jones (B)
15.	Italian Minister for Occupied Territory.	Civil Affairs Sec	Brig.Upjohn (B)

Declassified E.O. 12356 Section 3.3/NND No. 785016

4.	Housing. Repair of damaged houses and living conditions of the people	Public Works & Utilities Sub-Com	Lt.Col.Jenny (A) Lt.Col.Craig (B)
5.	Roads & Bridges. What progress the Italians are making.	Public Works & Utilities Sub-Com	Lt.Col.Jenny (A) Lt.Col.Rhodes (B)
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8.	Local Elections.	Local Government Sub-Commission.	Col.Spicer (B)
9.	Carabinieri. Their clothing, equipment and status.	Public Safety Sub-Commission.	Col.Chapman (A)
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15.	Italian Minister for Occupied Territory.	Civil Affairs Sec	Brig.Upjohn (B)
16.	Question of enlistment into Italian Army of patriots who cross the line. Patriot policy generally.	Land Forces Sub-Commission. Civil Affairs Sec	Col.Kerr (A) Lt.Col.Craig (B)
17.	Displaced Persons UNRRA IGCR	Displaced Persons UNRRA IGCR	Col.Findlay (B) Mr.Keeny (A) Sir Clifford Heathcote Smith(B)

Declassified E.O. 12356 Section 3.3/NND No. 785016

Subject.	Section or Sub-Commission	Officer Concerned
18. Communications.	Communications Sub-Commission	Col.Herderson (B)
19. Public Relations.	Public Relations Branch.	Maj.Fielden (B) Maj.Bergin (A)

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HEADQUARTERS ALLIED COMMISSION
APO 394
PUBLIC RELATIONS BRANCH

CONFIDENTIAL

17

PRB/R66/1

AN ANNIVERSARY SURVEY OF THE WORK OF THE ALLIED CONTROL COMMISSION IN ITALY FOR RELEASE ON NOVEMBER 10

Part 1.

Sixteen months ago today the United States and the British Empire began the greatest military government experiment, democratic style, in modern times when civil affairs officers disembarked with the armies on the landing beaches of Sicily in the first breaching of the Axis fortress of Europe.

One year ago today General Dwight D. Eisenhower, Commander-in-Chief of Allied Forces in the Mediterranean Theatre, established the Allied Control Commission (now the Allied Commission) to enforce the terms of an armistice upon an Italian nation that was militarily and politically undone, and left spiritually leaderless.

The account that follows is the history of the Allied efforts to bring peace and order in the wake of the armies of liberation, to give moral and physical assistance to a misled and shattered people and to afford a former enemy country an opportunity to redeem itself and eventually become a partner of the democratic United Nations. This experiment is not only an example of working out democratic objectives with humanity and equity in time of war but has also provided a testing ground from which practical lessons could be learned and their conclusions put to use in areas liberated later.

Allied direction in that part of the Italian nation which had been freed from the enemy ran through various stages: initial military government, control under armistice terms, sympathetic supervision of co-belligerency. These various stages sometimes ran - and still run - concurrently, since over all the necessities of war have had to be the deciding factor. Military controls have had to be fitted to new conditions as they arose in the rapid turnover of events. Fluid conditions had to be met with immediate solutions, of necessity empirical, until more recognizable patterns emerged. From the first AOC/AFC has had to confront the two recurrent demands: the sheer practical need of food and the no less insistent appeal from the Italian Government and people for recognition and sympathetic encouragement of their desire for a new and democratic life.

3295

Chronologically the division may be made into four periods : the Sicilian invasion, the Palermo-Brindisi period, the Naples-Salerno period and finally the Roman phase. Operational, military and

Declassified E.O. 12356 Section 3.3/NND No. 785014

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3295

Chronologically the division may be made into four periods: the Sicilian invasion, the Palermo-Brindisi period, the Naples-Salerno period and finally the Roman phase. Operational, military and political developments set off these periods though the categories do not always fit smoothly into the same dates. It would be historically inaccurate to isolate any one phase of Allied activity in this field; while AMGOT was governing Sicily ACC was in embryo and when, at the other end of the scale ACC functioned in Rome, the forward areas were still subject to AMG, facing problems in essence no different from those that were encountered in the early stages of the Sicilian invasion. Yet in the overall picture the stages are clearly marked and widely variant: not so much because the old

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Declassified E.O. 12356 Section 3.3/NND No. 785016

problems remain to be attacked from a different angle and with progressively more adequate machinery but because each phase brings new problems, political or social or military, for which former experience is only partially helpful.

To begin with, the peculiar characteristics of the early Sicilian days. The landing was made in a part of Italy that had a long tradition of political indifference and was furthermore heartily sick of air raids, the inconveniences of war and twenty years of fascist bureaucracy. For these negative reasons the people were glad to see us as well as for the more positive one that they had looked forward to our coming as liberators - and as rich and generous ones. On the military side the invasion was so successful, rumors of dissolution of the Italian state so rife that it was assumed that as far as Italy was concerned the war would soon be over and the Germans pushed back beyond the Alps. From an operational point of view it differed from subsequent phases in that Italians were still officially enemies, we were an occupying army; the population was that of a hostile country and to be treated - humanely of course - but with no particular attention to political complexities. It was military government pure and simple and for this kind of government plans had long since been made.

The invasion of Sicily had been decided upon at the Casablanca conference Jan 24, 1943. General Eisenhower's request for a directive on the military government side of the operation had been answered by the preparation of the original AMGOT directive, drawn up by the State department and the newly organized Civil Affairs Division of the War Department under Major-General Hilldring. The basic principles of this directive still apply in the initial phases of military operation and it is to be noted that its purpose was to facilitate military operations and to govern an occupied - and presumably enemy - country with that end in mind. The welfare of the local population and political reform were alike subordinate to this overriding military necessity. The AMGOT operational order, issued May 1 by General Eisenhower, incorporated these principles and put first of all among its objectives the "security of the occupying forces and their lines of communication". To this end "law and order were to be restored among the civil population, food and relief were to be provided as necessary". It was to be AMGOT's task to relieve combat troops of the burden of civil administration, assist in making available to the occupying forces the economic resources of the occupied territory and to govern in such a way as to "promote political and military objectives of the Allied forces in connection with future operations." The directive also set up the principle of joint responsibility of

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Six special divisions of AMGOT were authorized at this time: Legal, Finance, Civilian Supply, Public Health, Public Safety and Enemy Property. Provision was made for the employment of advisors on special subjects as needed. It was for just such service that officers had been for some time undergoing training. Officers had been called from various branches of the Army, and experts from the proper civilian fields to undergo instruction and preparation at the schools of Charlottesville (US) and Wimbledon, England. Planning had begun at Bouzarea in March 1942 under the direction of a staff later to be known as the Military Government Section of AFHQ, headed by Brigadier-General Julius C. Holmes. Here British and Americans worked together as the Civil Affairs Branch of Force 141, learning, as they planned for the coming operation, each other's military and administrative machinery and a good deal of each other's ways as well. With the publication of the AMGOT directive the May class at Charlottesville was stripped of its members who had been giving special attention to Italy. These officers were sent to North Africa where they were joined by British officers, some summoned from Wimbledon, some veteran civil affairs officers and colonial administrators called from their posts in Libya, Eritrea and Ethiopia. On May 15 the pre-invasion school moved to Chrea.

On D-day civil affairs officers, embarking at Tunisia, landed with the troops on the Sicily beaches. Colonel Poletti was senior civil affairs officer of the 7th Army Western Task Force. He had some 50 officers with him, the first of whom landed with the 1st, 3rd and 45th Divisions and 7th Army Headquarters. Group-Captain C.E. Benson, DSO, senior civil affairs officer of the 5th Army (a position he still holds) also landed with his men, approximately the same number as Colonel Poletti's, near Catania. Civil affairs officers carried with them proclamations and general orders, prepared in advance. These were fifteen in number, dealing largely with matters affecting public safety and finance, as well as the conventional announcement of occupation. They have remained substantially unchanged and are still in use for occupied territory in the forward areas.

Force 141 became the 15th Army Group, Lord Rennell continuing to hold his dual post. Early reports tell a story that has now become all too familiar. The civil affairs officers, attached to tactical units, had made themselves so valuable to the commanding officers that original plans for "spreading thin" to cover as wide a territory as possible had to be abandoned. There were cases in the rapid advance where CAOs "took" towns before the troops arrived. An early report of Colonel Poletti called for reorganization on a territorial rather than a tactical basis. Other operational "headaches" with which the last year has made us familiar appeared. There was no Table of Organization for AMGOT and worse, no Table of Equipment. Cars had to be obtained by begging or "scrounging" or - where the Germans had left any transport in sight - requisitioning. Enemy fire on the beaches had resulted in considerable civilian casualties and burying the dead became the first duty of the CAO. In Sela, Army Headquarters moved in, taking up the best buildings and bringing civil affairs administration to a standstill. From a civilian point of view, food, transport and sanitation were of immediate and urgent importance. Cities had food stocks for only two or three days. Fortunately vegetables were plentiful, though oil was scarce and medical supplies hard to come by. There was no power and the railways were not

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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During the last ten days in July Lord Rennell established his headquarters in Siracusa, transferring it to Palermo on August 7. The city had fallen on 22 July and Colonel Poletti had already moved in to administer it. By this time four more specialist divisions had been formed: Education, Security; Monuments, Fine Arts and Archives; and Public Relations. Messina fell on 17 August and the enemy was driven from the island. AMGOT now had a territory of 9,923 square miles, containing nine provinces and 563 communes, and a population of

Declassified E.O. 12356 Section 3.3/NND No. 785016

more than 4 millions — care for.

Lord Rennell's first report to General Alexander contained observations, the validity of which still stands after months of subsequent military government in Italy. The shortage of personnel and the difficulty of keeping officers in fixed assignments in a rapidly changing situation were reported - for the first time but not the last. Problems of food and public safety loomed large. The price of grain was raised from 360 to 500 lire per quintal temporarily and then put back to 450. The Fascist amassing system was continued and the peasants' hoarding also continued. Some improvement was obtained by paying hard cash instead of due bills at the collection centres. The basic food ration was raised to 300 grams of bread plus 40 of pasta, but could not be kept there in Palermo and Catania. 8,000 tons of food were brought in from North Africa but had to be diverted to Messina for future military operations.

The Carabinieri were given armbands and put back on the job, but since they had been regarded as military personnel by the Army and consequently disarmed they had suffered much loss of prestige. The Mafia reappeared and looting, especially in the early days, was a problem. The first summary court was set up in Licata and was followed by others. By Aug 31, 1,291 cases were tried in AMG courts; these were mostly theft or black market cases and the verdict not guilty was given only in 155 instances. The Legal officers of AMG, 21 in number, faced difficult problems. Delinquency in Sicily was higher than anywhere on the Italian mainland, but all Italian courts were closed, the judicial personnel dispersed or missing, and the archives destroyed or lost, and such legal buildings as remained were occupied by military units. It was not until early October that all Sicilian courts could be reopened.

Banks were open on September 6 and deposits were found to total six billion lire. Occupation lire had begun to arrive by plane as early as July 24 and by August 8 2,163,200,000 lire had been delivered. This made it possible to pay the troops, buttress the Italian State Railways and cover routine expenses of local governments. These operations were carried out through the Allied Military Financial Agency (later the second word was dropped and it became known as AFA), which was and is the book-keeper for the accounts between the Allies and Italy. The exchange had been fixed before the landing at 100 lire to the dollar and 400 to the pound.

In the field of politics the Fascist title of Podesta was abolished and that of Sindaco restored. Fascist officials were removed from office. Municipal authorities did little to help themselves but seemed to feel that action was the province only of the civil affairs officers. It was suggested in Lord Rennell's report that it might be a salutary move to put fewer officers in the field and thus oblige the Italians to take more initiative. There was some complaint from the people that the arrival of the Allies had not brought the reign of plenty they had expected and there was the inevitable discontent at lack of coal, fertilizers, and transport. There were also 5,000 unemployed sulphur miners. Talk of separatism was heard. In spite of the obvious risks of license and ill-founded criticism freedom of the Press was proclaimed - and maintained by Lord

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6,000 tons of food were brought in from North Africa but had to be diverted to Messina for future military operations.

The Carabinieri were given armbands and put back on the job, but since they had been regarded as military personnel by the Army and consequently disarmed they had suffered much loss of prestige. The Mafia reappeared and looting, especially in the early days, was a problem. The first summary court was set up in Licata and was followed by others. By Aug 31, 1,291 cases were tried in AMG courts; these were mostly theft or black market cases and the verdict not guilty was given only in 155 instances. The Legal officers of AMG, 21 in number, faced difficult problems. Delinquency in Sicily was higher than anywhere on the Italian mainland, but all Italian courts were closed, the judicial personnel dispersed or missing, and the archives destroyed or lost, and such legal buildings as remained were occupied by military units. It was not until early October that all Sicilian courts could be reopened.

Banks were open on September 6 and deposits were found to total six billion lire. Occupation lire had begun to arrive by plane as early as July 24 and by August 9 2,165,200,000 lire had been delivered. This made it possible to pay the troops, buttress the Italian State Railways and cover routine expenses of local governments. These operations were carried out through the Allied Military Financial Agency (later the second word was dropped and it became known as AFA), which was and is the book-keeper for the accounts between the Allies and Italy. The exchange had been fixed before the landing at 100 lire to the dollar and 400 to the pound.

In the field of politics the Fascist title of Podesta was abolished and that of Sindaco restored. Fascist officials were removed from office. Municipal authorities did little to help themselves but seemed to feel that action was the province only of the civil affairs officers. It was suggested in Lord Rennell's report that it might be a salutary move to put fewer officers in the field and thus oblige the Italians to take more initiative. There was some complaint from the people that the arrival of the Allies had not brought the reign of plenty they had expected and there was the inevitable discontent at lack of coal, fertilizers, and transport. There were also 5,000 unemployed sulphur miners. Talk of separatism was heard. In spite of the obvious risks of license and ill-founded criticism freedom of the Press was proclaimed - and maintained by Lord Rennell in the teeth of some protest - and a newspaper, "Sicilia Libera", was started in Palermo, staffed by Italians under the direction of the Psychological Warfare Branch.

Thus, in spite of fluid military conditions and the aftermath of the destruction of war, AMGOT fulfilled its mission. The people were fed, law and order were maintained, the beginnings of democracy were brought to the island and, what was by the terms of the directive most important of all, combat troops were able to continue their task without having to be concerned about the security of their communication lines or being diverted from their main task.

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In the latter part of July the school at Chrea had been moved to Tizi-Ouzou, in the mountains east of Algiers. It was renamed the Military Government School and Holding Centre. CAOs returned from Sicily to lecture and assist in the planning of future operations. These operations got under way on September 3 when civil affairs officers landed with the vanguard of the 8th Army near Reggio Calabria. Six days later (the night of September 8 and morning of September 9) the Fifth Army landed on the beaches of Salerno, 35 miles south of Naples. With it went an attached AMG staff, including Tizi-Ouzou graduates. Senior CAO was Brigadier-General Edgar Erskine Hume (then Colonel) who still retains his post. The landing on the mainland opened a new and somewhat more complicated chapter in the history of Allied Military Government.

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HEADQUARTERS ALLIED COMMISSION
AFO 394
PUBLIC RELATIONS BRANCH

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PRB/R66/2

AN ANNIVERSARY SURVEY OF THE WORK OF THE ALLIED CONTROL COMMISSION IN ITALY FOR RELEASE ON NOVEMBER 10.

Part II

The period that we have called the Palermo-Brindisi period is the most difficult of all to describe and the one which put the greatest strain on the operational organization of Allied Military Government. The new political situation created by the armistice and eventual co-belligerency swept away the simple AMGOT conception of the task; the novelty and ambiguity of Italy's status made it necessary to overhaul the whole conception of the mission. At the same time the war was still being fought and the classic theory of military government could not be put aside, as it was still the only system acceptable under war conditions. Further, even without the contradictions of the new situation the period would have been difficult simply because of the need of developing more consistent and all-embracing administrative machinery than had been found practicable or necessary in the early stages of Sicilian administration. Further complicationswere added by an unpredictable military situation (Naples fell on October 1 and at that time "Rome by Christmas" did not seem an unreasonable hope); by the necessity of dealing with Italian internal politics, and by the hazards of winter in a war-stricken country.

It is a tangled skein. The political thread may be taken first. It will lead to Brindisi but it begins in Rome where, on July 24, shortly after the Allied landing in Sicily, the Fascist Grand Council deposed Mussolini and power reverting to the King, was entrusted to Marshal Badoglio. Professing for public consumption the intention of carrying on the war the Badoglio Government began almost immediately the delicate task of negotiating a separate peace. On September 3 the Italian emissary, General Giuseppe Castellano, signed a military armistice providing for unconditional surrender of Italian armed forces. The armistice was kept secret until September 8, the day of the Salerno attack. It had been hoped to seize the Roman airports and stiffen Italian resistance to any attempt of the Germans to seize coast defence positions or any kind of military facilities. Brigadier-General Maxwell D. Taylor was sent to Rome to negotiate the delicate operations around the capital but the Italians were found reluctant and the plan had to be abandoned. Instead, the attack was made at Salerno and the next day the King and Badoglio left Rome (occupied three days later by the Germans) embarking at Pescara on a cruiser for Taranto. By the 12th they had established themselves in Brindisi, where an Allied Military Mission was dispatched to meet and confer with them. This Mission was, in a sense, the kernel of ACC. It was headed by Lieutenant-General Sir Frank Noel Mason MacFarlane, General Taylor was Chief of Staff and the mission had

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Allies had the fleet, they had the Bari radio station intact, but otherwise the situation was not promising. The available Italian divisions (three in the south, four in Sardinia) were ill-equipped and for the most part fit only for labour battalions, their maintenance becoming now and henceforth a matter of pressing concern.

Meanwhile, however, the British and American governments had prepared a comprehensive instrument of surrender for the Italians. These are the so-called "long terms" (in contrast to the "short terms" of the military armistice) and contain political, economic and financial clauses. A copy of the long terms had been given to General Castellano on September 5 and it was the task of the mission to get the Italian government to sign them. This was done, September 29, on HMS Nelson in Malta harbour, Badoglio signing in the presence of General Eisenhower, Admiral Cunningham, Air Marshal Tedder and their advisors.

At the same time co-belligerency was offered to Italy on certain terms. Badoglio and the King were to be supported by the Allies, but without prejudice to the right of the Italian people to choose their own form of government once the country was free. It was also understood that the King and Badoglio would create at their earliest opportunity a government of a broad basis, including wide anti-Fascist representation. Such a government would be rewarded by Allied approval, taking the concrete form of a handover of occupied territory and possible modification of the armistice terms - all this in direct proportion to the contribution of the Italian government to the war effort. At this point the idea of Italian collaboration with the Allies, which had been the basic idea of the Mission, came to the fore. The King and Badoglio had asked Italians to resist the Germans who might contest Italy's right to withdraw from the war. Something more was wanted, however, and in spite of the hesitation of the King who professed himself in doubt as to his constitutional prerogative and even more gravely uncertain of the wisdom of such a move in a country obviously tired of fighting, the declaration of war against Germany was forthcoming on October 13. The following day Italy was accepted as a co-belligerent by Great Britain, Russia and the US and with that act a painful period of ambiguity began. The Moscow Conference (October 19 - 30) resulted in a statement of the Allied policy toward Italy, insisting on the restoration of democratic freedoms and action against Fascists and Fascist institutions. The Allied Advisory Council was set up at this time. But the moment for putting into effect the various principles of Allied policy was left to the Commander-in-Chief, on instruction from the Combined Chiefs of Staff.

Badoglio, on his part, was concerned with forming a government that might, at least on the surface, meet Allied requirements. Count Carlo Sforza arrived from America and as head of the Action party and an anti-Fascist of international prominence, was invited by Badoglio to join the government (or indeed to form his own) as was Benedetto Croce, a leader of the old Liberal group. The stumbling block was the King. Great pressure was put upon him to abdicate, but he resisted. In early November both he and Badoglio made trips to Naples, hoping to persuade some of the principal anti-Fascists to join them, but in vain. Badoglio, at first on the verge of resignation

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The main stream of what was to become ACC/AMG was fed by three currents. In part it grew out of the Allied Mission; in part it was a logical development of AMG, and in part it resulted from special planning to meet an unusual political situation. The Mission continued its efforts to wring a real contribution to the war out of the Italian armed forces, with some success as far as the Navy and

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Air Force were concerned. Yet it was found necessary to attach experts in other fields. These who may be regarded as pre-cursors of the Sub-Commissions were representatives of such special areas as intelligence, food, labor, displaced persons, industry and commerce, public health and finance. The last named was one of the earliest to be summoned and had an important emergency role since the Germans had seized or destroyed the plates of the Bank of Italy and made off with all loose cash. General MacFarlane asked for an immediate shipment of 50,000,000 Amgot lire and the King issued a proclamation accepting the new currency - incidentally using his titles of King of Albania and Emperor of Ethiopia for the last time. On September 19 (two days after the 5th and 8th Armies had effected a junction at Valia in Campania) the first informal amalgamation of ACC and Amgot took place when Lord Rennell and General Holmes arrived at the Mission to call on General MacFarlane. Some dozen Amgot officers had landed to take over jurisdiction in Apulia but since that was understood to be "King's Italy" they had been asked to serve under the Military Mission. It was agreed by the generals that Amgot personnel in this territory (Foggia was excepted and remained Amgot property) would report to Lord Rennell through General MacFarlane, and it was emphasized that the role of the mission was one of liaison and not executive.

On the Amgot side, events since the 8th of September had moved very fast. The first phase operations followed the model of Sicily (we shall speak later of conditions in Naples) while in Sicily itself the larger problems of relatively long term administration began to loom. The Amgot organization had become unwieldy and with the armistice and later co-belligerency it was rightly felt that some division of territory would be wise. Accordingly it was decided on October 1st (and made effective on October 18) that Amgot(henceforward to be known as AMG) would be split in two parts. The first or "spearhead" group was attached to the 15th Army Group with headquarters at Bari (later Caserta); here Lord Rennell would continue in his position of Chief Civil Affairs Officer to General Alexander. This section would be responsible for mobile military government in the combat zone. The second group would be AMG headquarters under General McSherry and would be responsible for static military government in the rear areas. Headquarters of this group were to be at Palermo and the northern boundaries of Bari, Potenza and Salerno provinces served as a line of demarcation. The four provinces (Lecce, Taranto, Brindisi and Bari) were of course exempt from AMG authority, being as noted, "King's Italy" and the situation thus created, though operationally justifiable, seemed obviously to call for some agency with wider powers than the Military Mission to look after the King's dominion - especially so as at this time the belief was common that the turnover of the whole south to the Italian government was imminent. It was shortly after this division of power that the "Regions" were created, Col. Poletti becoming RCAC of Region I (Sicily) on October 26. At the same time Region II (Calabria and Lucania) and Region III (Campania) were formed. The Regions which were blocked out at this time in general followed the conventional Italian "compartimento" lines.

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But the ACC resulted from special planning no less than from the natural out-growth of administrative necessity. The military armistice had reserved to the Allies the right to exercise necessary administrative control of the Italian government and Article 37 of the "long terms" had specified the appointment of a "Control Commission" to regulate and execute the administrative operation of the armistice under the control of the Commander-in-Chief. Indeed the possibility of rapid and complete occupation of Italy had been foreseen well before the armistice and AFHQ had produced a plan for such an emergency as early as August 21. A total of 1759 officers had been called for and though the original plans were made outside AMG, the latter promptly began an internal reorganization to conform to the shape of things to come. The inevitable infiltration of AMG

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officers into the Military Mission has been noted. The 2675 Regiment, the organization for American personnel in the new venture, was established on September 30. By October 17 the Brindisi Mission was being designated in official correspondence as "Advanced Command Post, Allied Commission". Officers were assigned to both AMG at Palermo and the Mission at Brindisi to work out details of amalgamation. On October 23 General MacFarlane was informed that the Military Mission would be succeeded by the Allied Control Commission, to be headed by Major General Kenyon A. Joyce. The move seemed premature to General MacFarlane who pointed out that the Italian government had no staff, no facilities, no communications and very little territory and suggested it would be wiser to wait on the taking of Rome before setting up a Commission that might be out of proportion to the needs of the moment. But, as observed, the exigency was political; the decision to build up and direct the Italian government had been taken at the Moscow conference - and it was believed that very shortly the bulk of Southern Italy would come under the authority of Badoglio.

The detailed directive of the combined chiefs of staff dated October 30 set up an organization divided into three sections. The military section comprised [illegible] the following sub-commissions: navy, land forces, air, prisoners of war, war material factories, war material disposal. The political section had in its charge sub-commissions on foreign and internal affairs, displaced persons, information, press and censorship. The economic and administrative section had two divisions; under the economic heading there were the sub-commissions of finance, foreign trade, industry and commerce, public works and utilities, fuel, food, labor and agriculture, forests and fisheries. Under administration were grouped the following: interior (including rationing), legal, public safety, public health, property control and education, fine arts and monuments. The functions of the new organization were defined as follows: 1. To enforce and execute the instrument of surrender. 2. To insure that the conduct of the Italian government conforms to the requirements of an Allied base of operations, especially in transport and communications. 3. To be the organ through which the policy of the United Nations to the Italian government is conducted and relations with the Italian government are handled. The terms of reference given the Allied Advisory Council, set up at the same time, stated that when the Allied Commander-in-Chief should decide that direct military control could be terminated, direction of the ACC would pass to the council.

On this basis then the Allied Control Commission was set up on November 2, with effective date November 10. The Commander-in-Chief was President ex-officio and General Joyce had the title of Acting Deputy President. The ACC was to have national headquarters and regional and provincial officers. The head of each section would have the title of vice president. On November 6 General Joyce arrived in Brindisi. He thus had a few days in which to learn from General MacFarlane some of the difficulties that were inherent in the post. They were, of course, largely dependent on the Italian political situation - which was far from happy. Yet it may be fairly said that by the time of the first meeting of

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PRB/R66/3

AN ANNIVERSARY SURVEY OF THE WORK OF THE ALLIED CONTROL COMMISSION IN ITALY FOR RELEASE ON NOVEMBER 10.

Part III

The weeks of political manoeuvring and administrative re-adjustment at Brindisi had been busy weeks for the civil affairs officers in the field. 8th Army AMG in its dash through Calabria soon found that it was impossible to linger long enough in the communes to establish any kind of government. The expedient of leaving officers behind was tried; a group of officers thus dropped off was to become the nucleus of the future Region II. Problems encountered were much the same as those in Sicily; refugees however, later to become a first priority problem, were met for the first time in any number in Cosenza. The Fifth Army AMG meanwhile had a rough time at Salerno where it administered the town under continuous fire from surrounding heights. Here, too, refugees were numerous and a problem for security. On October 1 General Hume entered Naples with the first Fifth Army Patrols. The populace which had risen against the Germans some days before gave the Allied troops a cordial welcome but the state of the city was appalling. Food was short and the first task was to ferret out hidden stocks and make them generally available. In spite of heavy German demolitions the port was opened and within a week ships were using it. The Germans had gone in for methodical destruction on a large scale. The most serious matter was the lack of water: the mains had been demolished as far as possible, the main aqueduct had been blown in several places and all reservoirs save one had been drained. The remaining one was taken over by AMGOT and water was strictly rationed. In ten days the water supply was restored. Equally serious was the destruction of the sewer system, which, combined with lack of water, caused serious fears of epidemics which were fortunately averted by a series of heavy rainfalls. Public utilities, telephone exchanges, the post office and all hotels had been either mined or demolished. The University had been set on fire by a German squad.

It cannot be said that the fall and winter were easy in Naples. Aside from the disruptions to normal life listed above -and in general public services of all sort were resumed with amazing speed - there were the air raids and the cold. It seemed, too, at various times that the city might be on the verge of starvation but somehow emergency measures always worked in the nick of time. Malnutrition existed in some strata of the population, a black market sprang up and since Naples was a port of entry for supplies, reached large proportions. There was no doubt a good deal of misery and some crime- including a large amount of prostitution. Yet matters never got out of hand and the civilian population was described as "finding conditions difficult but not intolerable".

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Perhaps the outstanding triumph of AMG administration was the victory over typhus. As early as September 28 the group of officers training at Fizi-Ouzou for what was to be the Public Health Sub-Commission of ACC had foreseen the danger and worked out plans in conjunction with the Rockefeller Foundation experts. Warning was given on November 22 of the danger of an outbreak of typhus and on December 6th the experts came into Naples, and, working under AMG, went into action with MYL and DDT powder and dust-guns. Conditions were ideal for typhus in Naples. Overcrowding in what tenements

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were left after the air raids, which had heavily damaged the more populous quarters such as San Giovanni, and in which covert under the frequent German air attacks gave the typhus-carrying lice a rare opportunity. 3,265,786 dusting treatments were given the population in the course of the next several months. There were fifty dusting stations, manned by 700 employees, and flying squadrons were sent to some fifty centers outside Naples to check the spread of the disease. Statistics covering the period from January 1,1943 (well before the Allies came in) to June 1944 show 2020 cases of which 429 died. 76% of these cases, however, occurred in the winter of 1943-44 and the epidemic spread rapidly during December. In the last three weeks of that month cases reported rose in alarming geometrical progression from 50 to 300 but from December 30 the incidence declined, only some 10 cases remaining at the end of February. It was clear that the methods used - and adopted in Naples for the first time on a wide scale - had averted what might well have been a disaster not only for the Neapolitans but also for the Allied armies.

Naples was also full of refugees. As early as mid-November the problem of Italian refugees on the mainland had become acute. Homeless, destitute and frightened people were wandering about the country on foot or by what chance transport they could find. From all regions came reports of these movements and lack of accomodation for them. An AMG officer in the field wrote on November 20 with the incoherence of urgency:

"In addition to this what is more serious is that these local schemes are being operated by individuals who have too many other problems to deal with and who have neither the time nor the means at their disposal to carry out any scheme adequately...this refugee problem should be dealt with by an entirely separate refugee organization which will have that as its only function... a standstill order appears to be required to cope with the constant and unnecessary flow of people".

It was pointed out in the AMG 8th Army report for November that the southward flow of refugees had increased from 100 to 550 a day during the month. During the month 8th Army CAOs collected and sent to the rear (without the help of specialist officers) some 30,000 refugees: on the west the movement which was much smaller in number, was almost entirely uncontrolled. However in December the Displaced Persons Sub-Commission, which had then been made responsible for all refugees, set up a small headquarters at Lucera and at the same time dispatched one officer to establish a "collecting center" in Naples. Through this center some 1,800 refugees had passed by the end of January. The Displaced Persons Sub-Commission had been originally formed at Tizi-Ouzou and had been designed to deal with non-Italian refugees. Its initial task had been to take charge on October 18 of the camp outside Palermo for destitute Yugo-Slavs and Jews. A similar camp, set up by AMG at Ferramonti on the mainland, was taken over by the Sub-Commission in November, after an advanced detachment had been established at Bari. The Bari detachment was to take care of parties of Yugo-slav refugees which were arriving in constantly increasing numbers. They were to be housed in transit camps until they could be shipped

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In Sicily the situation, less intriguing than the higher echelon politics of Brindisi, less exciting than the administration of Naples, had aquired in the meantime aspects not merely interesting in themselves but valuable as examples of things to follow on a larger and national scale. In some ways the island may be said to have made a gradual return to normal. Inter-provincial postal service was resumed on September 17. Fishing recommenced on all coasts, subject to naval restrictions. Rationing, as of November 1st, was confined to bread, pasta, flour, sugar and oil. During the fall the island made its first exports - 3,214 short tons, mostly

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citrus fruit - to the United Kingdom and in return shipments of coal began to come in fro England, nearly 75,000 to being imported by January 1. Resources Boards had been established to make equitable distribution between Army and essential civilian needs. More important, perhaps, is the work done by some of the Divisions - later merged into sub-commissions - for in many cases they set the pattern for wider ACC activity. Lord Rennell found it necessary early in the fall to hold meetings of division heads to coordinate policy and operations and this, too, was a forerunner of similar meetings on a national scale held in the ACC period. Among the sub-commissions that made a start on national problems in the Sicilian days were Education, Fine Arts and Labor. Education was faced in Sicily with all the problems that it had to tackle throughout the whole enterprise and the ways and means of solution for all of them were worked out here. The essential matter of getting the schools open (when some 25% had been made unusable by war damage and many more, especially in the large towns, had been requisitioned) was handled so successfully that by December 1 all schools in Sicily were opened, though many, it is true, in temporary buildings, private homes or other emergency quarters. Teachers had to be examined for their political desirability and it was in Palermo that the personal questionnaire (scheda personale), designed to separate the few dangerous goats from the vast majority of Fascist sheep, was worked out. Arrangements were made with finance officers for grants for repairs to the Universities of Catania and Messina. They were given ten million lire between them. The elementary text-books, saturated with Fascism, had to be rewritten and it was in Palermo that these books were prepared, though the full series did not appear on the market for some months. (In all, ten elementary text-books were published, 250,000 copies being printed). Here, too, the first contacts were made with the Church and a clear basis of understanding was reached. The pattern of epuration of the universities through their own faculties was worked out so that when the larger universities of Naples and later Rome came under Allied authority, the operation was smooth and painless. The work of the Monuments and Fine Arts sub-commission ranged from the care of the famous Greek temples down to the salvaging of precious documents used as wrappings or thrown on rubbish-heaps. Fortunately, the great Norman churches such as Monreale and Cefalu, and the exquisite Cappella Palatina, were intact; but the baroque, especially in Palermo where Serpotta had created so many of his fragile masterpieces, suffered heavily under bombing. Some 250 churches were roofed, repaired or buttressed, with Italian cooperation, from a sum of 20 million lire made available for that purpose. Fine Arts officers also took in hand the task of drafting instructions, with the approval of AFHQ, restricting requisitioning of buildings classified as works of art, establishing liaison with the Air Force to avoid the bombing of artistic centers or sites and preparing a list of "protected monuments" for issue to all formations. Labor officers embarked on a study of conditions in the island as soon as Palermo fell. They discovered that labor was leaderless, prices chaotic, collective bargaining riddled with corruption and the wage scale so obscured under a mass of Fascist "indemnities" that the only thing clear about it was that it was entirely out of proportion with the rising prices. Provincial labor offices were opened and for some time in the summer worked day and night hiring workers for the Allied Forces, the largest single employer on the island. At the peak 40,000 Italians were employed by the Allies. The Fascist corporative syndical system was abolished in Sicily by a general order of October 2

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As the year drew to its close in Brindisi the Italian government became more restless and impatient. It had looked forward to the speedy occupation of Rome; it now felt cramped in the four provinces and frustrated by its remote incarceration in provincial Brindisi. At the same time the six parties which had refused to collaborate with Badoglio (and which were represented in the clandestine forces in Occupied Italy as well as by leaders in the South) now began an agitation against him and the King. These six parties (Communists, Socialists, Action, Christian Democrats, Labor Democrats and Liberals, reading from Left to Right) had agreed to work in cooperation and were known as the Committee of National Liberation. They asked for permission to hold a national convention in Naples on December 20. This was AMG territory and political meetings were prohibited; ACC, however, anxious to encourage anything that might broaden the base of the Italian government, asked Badoglio to allow the meeting to be held at Bari. There it took place on January 28 and an Executive Giunta was formed, organizing the "opposition" which was soon to have its share in the government. On the Allied side a step toward implementing the "freedom of the press", objective of the Moscow conference, was taken with the creation of the Allied Publications Board. This agency had representatives of ACC, AMG, PWB and Censorship. It was to have the power to grant and revoke licenses for all kinds of publications, to control the distribution of newsprint and control allocation of facilities for collecting and disseminating news in Italy. It was during this period too that a Russian observer joined the ACC.

Some of the frustration felt by the Italian government transferred itself to officers of the ACC. They were engaged in daily discussions with the ministers on matters of national policy, yet the operational work was done by AMG officers carrying on in innocent ignorance of the principles worked out at Brindisi. Defascistization for example, in process of being worked out painfully by the government, was under full steam in AMG territory. (For example, 93 mayors out of 152 communes in Cosenza province were sacked, 70 out of 89 in Reggio, 27 out of 32 in Matera). It was perhaps not so much the uncertainty of jurisdiction as the difficulties of communication that made action difficult. At one point, with ACC in Brindisi, Fifteenth Army Group had headquarters in Bari and AMG was split between Palermo and Naples. (The move of AMG headquarters began on December 17 but a rear headquarters was left in Sicily until two months later). Amalgamation and coordination of ACC and AMG had long been planned - and so had the turnover of Southern Italy to Badoglio. Sorrento had early been thought of as a sort of joint capital but had been ruled out. The Anzio landing (where AMG carried on in the tradition of the Sicilian beachheads) revived a hope that Rome might fall and the whole picture take on the desired outlines. This hope failed however and it was obvious that some temporary solution would have to be reached. On January 10 General MacFarlane returned as head of the Commission, replacing General Joyce. Two weeks later the ACC and the Italian government both moved; the latter to Salerno, the former to a double Headquarters in Naples and Salerno. The move was accompanied by a reorganization of the military government groups.

Under the new arrangements the staffs and functions of AMG

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Under the new arrangements the staffs and functions of AMG, ACC and Fifteenth Army Group AMG were merged. General MacFarlane was made Deputy President and Chief Commissioner of the Allied Control Commission and Senior Civil Affairs Officer under General Alexander, who remained Military Governor. Colonel Spofford (now Brigadier-General) became chief of the Military Government Section at AFHQ (later G-5) and Brigadier Lush took the post of Executive Commissioner under General MacFarlane. Four Sections were set up: Political, Economic, Administrative and Regional Control and Military Government. Under the Economic Section were placed the following sub-commissions: Food (which took over rationing from Interior), Public Works and Utilities, Transportation, Shipping, Industry and Commerce, Labor, Agriculture, Finance. The Administrative Section was made up of Legal, Public Health; Interior, Public Safety; Monuments, Fine Arts and Archives; Property Control and Education. The R.C. and

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M.G. Section had charge of housekeeping and direct contacts with the Regions and the Army AMGs. It also included the Refugees and Displaced Persons Branches. There were a number of independent sub-commissions, Army, Navy, Air, Communications and War Materials Disposal. The single instrument created by this merger was somewhat clumsy in name, ACC/AMG, but it was flexible in function. It could be applied in turn to the three phases which the Italian situation might call for, spearhead work with the armies, consolidation and collaboration with Italian officials behind the lines, or the purely advisory role in King's Italy. Its personnel being thus brought under one command could be made available as the occasion demanded. The field of authority of the new command now included AMG of the 5th and 8th Armies, Region I (Sicily, Region II (Calabria, Lucania, and in the advisory sense, Puglie), Region III (Campania), Region IV (Lazio and Umbria, very little of which was in Allied hands at this time though the regional team had long since been chosen), Region V (Abruzzi and Marche) and Region VI (Sardinia, which had been in the control of a special Allied Mission but passed to ACC on January 31.

This long and necessarily complex chapter comes to an end with the long-awaited handover of Southern Italy to the Badoglio government and a summary of the first Regional commissioners conference of the Allied Control Commission. The handover was announced on February 10 by General Sir Henry Maitland Wilson, after approval by the Allied Advisory Council. By its terms Sicily, Sardinia and the mainland of Italy south of the northern boundaries of the Provinces of Salerno, Potenza and Bari were transferred to the King's government. Certain conditions were made to safeguard military operations and protect the personnel that AMG had appointed and the measures taken during Allied occupation. The transfer, long contemplated (in fact, as early as November 28) as an earnest of the Allied desire to see the Italian government reassert itself, was also a move calculated to economize manpower, never too plentiful and now being drained for operations in other theatres. This drain had resulted in officer strength being cut down to 611 Americans and an equal number of British.

The handover of territory to Italian jurisdiction did not, in fact, result in any immediate decrease of ACC personnel and responsibility. In all Italian territory the ACC remained the guardian of law and order, and the devolution of its responsibilities was contingent on the proved efficiency of Italian administration. Although from the moment of handover all orders and decrees were signed by Italians, Allied officers had to ensure that such orders and decrees did not conflict with the terms of the armistice: and in matters of public safety, of finance and supply - both deriving from Allied sources - and of communications generally, the ACC could not immediately relax entire control. That is not to say that the handover was ineffective, but that it was gradual. The number of ACC officers in Sicily may be taken as an example. At the end of January, before the handover, there were 176 officers on the island: a month later, after the handover had taken place, there were 153; at the end of March there were 128; at the end of May 111. At the end of October there were 35.

The first regional commissioners meeting held at Naples, March 3,

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The first regional commissioners meeting held at Naples, March 3, was a landmark in the history of the Commission. For the first time, through reports of the heads of sub-commissions and regional commissioners, it was possible to get a complete picture of accomplishments and problems. General Alexander was an interested listener as the story was unfolded of the Commission's triple role of succouring the distressed Italians, building up the Italian government to the status of effective co-belligerency and of helping to restore democratic life to a society oppressed and stratified by Fascism. Many difficulties had still to be overcome and many problems remained unsolved, but the effort to establish a government strong enough to take some of the burden from ACC shoulders, the new coherence of organization and unity of policy, the detailed account of practical accomplishment in the face of many difficulties, may well have impressed the Military Governor, who, at a somewhat later date, referred to ACC/AMG in flattering terms as "his third army".

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HEADQUARTERS ALLIED COMMISSION
APO 394
PUBLIC RELATIONS BRANCH

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PRB/R66/4

AN ANNIVERSARY SURVEY OF THE WORK OF THE ALLIED CONTROL COMMISSION IN ITALY FOR RELEASE ON NOVEMBER 9.

Part IV

Except for the Anzio landings, the Italian campaign in the spring of 1944 was at a standstill. This, for the Allied Control Commission, meant that emphasis was removed from the spearhead groups of AMG and placed on rehabilitation and politics. Of the twelve "Regions" into which Italy for administrative purposes was to be divided, three completely and two partially were now under ACC control. Region I - Sicily - was no longer important to the war effort, and Sicilian distaste for further warfare combined with an ancient rage against "exploitation" by Italy to produce a Separatist attitude which in some quarters was attributed to a British desire to colonize the island. There were signs that democracy had freed not only Sicilians, but also the Mafia. Region II - the toe and heel and some of the foot of Italy - was relatively undamaged but harassed by lack of transport and power and, consequently, supplies. Towns were, with the exception of Bari and Taranto, small, scattered, and ill-served by communications: so much so, in fact, that at a later stage it was found necessary to form Calabria into a separate Region, Region VII, with Headquarters at Catanzaro. Region III comprised Naples, Benevento and Avellino provinces: some of its territory was still on the wrong side of the line or administered by 8th Army AMG: its headquarters and main tasks were at the city and seaport of Naples, the lifeline of the Allied armies. Naples, densely populated, badly shattered, and thronged with troops on leave and ready to spend any money on enjoyment, produced, as might have been expected, every problem, from the black market to venereal disease, from sanitation to strikes, from lack of accommodation (and wholesale requisitioning by Allied troops) to equitable distribution of rations, from clandestine newspapers to political bickerings by every shade of Italian opinion. Region IV- the tract of country stretching from Frosinone to Viterbo and including Rome - was still a spiritual and not a temporal power; but the nucleus of its staff was kept busy in Naples on the planning for Rome, which included the military government set-up of the city, the stockpiling of 7,000 tons of food, the choice and training of 8,000 Carabinieri, and the preparation of a guide-book for the troops. Region V - eventually to include the Adriatic coastal territory from Chieti up to Pesaro - had so far only the provinces of Foggia and Campobasso on the right side of the line. These areas, mostly agricultural and little harmed by the war, were comparatively peaceful and contented; Foggia was of course important both as an air centre and as the granary of Southern Italy. Region VI - the island of Sardinia - was administered directly by ACC and had never passed through the AMG stage: its population of one million was scattered and pastoral; the usual food shortage and the destruction by bombing of its main centres were its chief problems. Politically it was non-existent.

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By the middle of February General Mason MacFarlane had [illegible] completed the task of welding ACC and AMG into a single effective organization. It seemed that administration was being smoothed out and that politics had been put on the shelf until after the fall of Rome. On February 22 Mr. Churchill, speaking in the House of Commons, said "Should we succeed in the present battle and enter Rome, as I believe we shall, I believe we shall be free to review the whole Italian political position, and we shall do so with many advantages

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which we do not possess at present. It is fro Rome that a more broadly based Italian Government can best be formed. I should be sorry, however, to see an unsettling change made at this time when the battle is at its climax, swaying to and fro. The representatives of the various Italian parties have of course no electoral authority and no constitutional authority until the present King either abdicates or his successor invites them to take office."

The six parties in opposition took vocal exception to Mr. Churchill's remarks, as an implied criticism of themselves, and the Executive Giunta proceeded to plan a ten-minute protest strike in Naples for the morning of March 4. Time lost in the proposed "general strike" (there were thousands employed by the armed forces) would be made up at the end of the day by an extra quarter-of-an-hour's work. General MacFarlane, in agreement with General Wilson, Supreme Commander, and General Alexander, C.in.C. in Italy, decided that strikes could not be allowed to interfere with the war effort. After various meetings between General MacFarlane and the party leaders, the strike was called off, the parties immediately issuing a statement, asserting that they had cancelled the strike only at the request of the Allies so as not to interfere with the war effort. Actually, AMG labor officers had urgently canvassed the labor unions involved and had made certain that the utility workers and employees of the armed forces would not stir from their posts, thus making the proposed strike rather a shadow affair and reducing it to a political demonstration which was, after all, its declared intent. General MacFarlane, to allow the parties to air their views, then gave permission for a mass meeting to be held in Naples on March 12. This course of action fitted the role which the Allied Control Commission, as the instrument of Allied policy, was forced to play: that is, to collaborate with whatever government was in power in order to get the best war effort out of the country without, however, stifling the growth of political freedom. Anything which might impede the war effort was to be discouraged or stopped. The opposition had of course no constitutional method (as in a Chamber of Deputies) of articulation, and the ACC had therefore to allow it every chance to present its case to the Italian people and to the Allied Governments, which were being kept informed fully of all political developments. The situation was complicated further by expressions of strong feelings against the Italian King, pressure in the way of requests by Badoglio for Allied status among the United Nations instead of co-belligerency, and the fact that the arrival in Rome was behind schedule, throwing out of joint plans for broadening the government when the national capital was reached. Shortly before the mass meeting, President Roosevelt in a press conference had made an allusion to the possible use of the Italian fleet, which was taken by the Italian Government and public as an implication the fleet they gave up at the armistice was to be apportioned amongst the Allies. Badoglio made a formal protest on receipt of the report and his government got some political benefit out of the public feeling on the subject.

The mass meeting in Naples took place before some 4,000 to 5,000 spectators. Socialists, Communists and the Party of Action participated in a series of violent speeches against the monarchy and demands for a government of all parties. Two days later, on

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The other parties, under this spur, re-considered, and after a meeting on April 6, the Giunta also resolved it need not wait until the fall of Rome to help form a wider government, though opposition to the King was still very much in evidence. On April 12 the King issued a statement declaring that he would withdraw and appoint his son, the Prince of Piedmont, as Lieutenant General of the Realm the moment the Allies entered Rome. The Giunta accepted this decision on April 16 and the next day the King asked Badoglio to form a new government. After four days of negotiations, Badoglio announced the formation of a new cabinet, with himself still as Prime Minister. The new cabinet met for the first time on April 27 and stated that it would work together for the common cause of Italy and the war effort and defer settlement of the institutional question of the monarchy to a Constituent Assembly after the termination of hostilities. Several of the new ministers declined to take the customary oath of loyalty to the King, swearing instead fidelity to the nation, a procedure which was perforce accepted.

Including undersecretaries, the government posts were divided as follows: Among parties of the Left (Action, Socialist and Communist) - 12; Moderate (Labor Democrats, Christian Democrats and Liberals) - 11, and non-party, including the three service ministers - and Badoglio - 7.

These political events scarcely helped the Italian Government to get on with the urgent day-to-day business of reconstructing an administrative machinery. The Council of Ministers concentrated chiefly on the question of defascistization and the methods to be adopted in weeding out Fascist officials and influences - no easy task for Italians or Allies in a country whose every official had worn a black shirt. But defascistization as a subject also waned as the prospect of Rome's liberation waxed, with its certainty of political changes to come. Italian Government activity on the whole might have been described as dormant.

Meanwhile some ten million people had to be governed and provided for in difficult conditions, and the task fell squarely on the 1,200 officers of the ACC. Conditions in the Apulia provinces, after the transfer of territory, were found not to be anywhere near ACC minimum standards, epuration of Fascists on the lower levels having been neglected and school re-opening being far behind schedule. The Sicilian railways had been taken over from the military and were now entirely supervised by the ACC. Naples had - and needed - a "Clean-Up Week", 5,000 gasoline drums and 60 trucks having been obtained from the military for this purpose. The Naples black market was thriving and black market cases in both AMG and Italian courts were the bulk of those heard; one week, for example, providing 373 cases and 497 convictions. A special unit of 100 plain clothes Italian police was formed to fight the black market operators, with a success limited by the immense pull of Naples prices. Over the mountains from as far as Bari walked a steady stream of peasants each carrying a sack. No control posts, even had the manpower been available, could have entirely stopped such a movement. In Naples itself, while civil restaurants were "off limits" to troops (who, however, took small note of regulations when on short leave), the black market moved into private houses, where

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pre-invasion days, was tidied up and the preservation of the Royal Palaces at Naples and Caserta taken in hand.

Refugees- both Italian and non-Italian - were a growing problem. An Italian Refugee Branch had been formed on February 4, 1944. The movement of refugees in 8th Army areas had at that time dropped to a trickle of 800 a month but in 5th Army areas (partly as the result of the Anzio landing) it had swelled to 14,000. Besides the two existing centres, three more camps had been established in the west, and one on the east, with a total capacity of some 15,000. The problem of dispersal in the south (through reception committees and billeting officers) had been taken up with the Italian Government, and soup kitchens set up at centres and holding points. By the end of March, the whole problem of Italian refugees, whose total then approached 60,000, had been firmly tackled, and during the month some 14,000 refugees had been passed smoothly from the battle areas through the transit camps, where they were bathed, fed, screened, recorded and given medical attention, and dispersed carefully, so as to avoid straining the resources of any town or commune, throughout southern Italy and Sicily. In April, 11,000 were similarly handled.

On the non-Italian or "displaced persons" side of the refugee problem, nine camps had been established in Southern Italy by March, to cope with the rapidly growing influx from across the Adriatic. These camps, as well as the landing, transit, feeding and clothing of the refugees, had to be handled at short notice by officers drawn from any and every section of the ACC, including professors who had been sent out to look after monuments and fine arts, lawyers, writers, financiers, agriculturalists, anyone and everyone who could be spared, irrespective of experience or age. They had to handle as best they could a mass of completely destitute women, children and old men - including no less than 29 nationalities at that time - arriving pell-mell in camps in which supplies and transport were at a minimum. Moreover since it soon became clear that many of the refugees were being allowed to escape by the Germans, careful screening machinery had to be set up to deal with every individual. In April - the peak month - 7,700 refugees were disembarked, 2,000 in one day alone. By the end of April, the total had reached 25,000, of whom 11,000 had been shipped to the Middle East.

The food situation was, as usual, critical. Plans had to be made for the future at every step, imports being always contingent on military requirements for the whole global strategy as laid out by the Combined Chiefs of Staff. It was, therefore, necessary at that time, regional commissioners were informed, to get the Italians to raise as much wheat as possible in order to keep imports at a minimum. The Italian amassing method was to be used, even though it was unpopular, as the only machinery extant for getting in the harvest. Prices set for the wheat per quintal, in view of the general rise in prices, were to be 900 lire a quintal for soft wheat and 1,000 lire a quintal for hard wheat. This price had to be fixed by the ACC, the Italian government, after long drawn-out deliberation, refused to commit itself to any figure. Sicily wanted a higher price, but anti-inflation considerations caused the Sicilian demands to be turned down. The crop forecast, together with food imports, would give Italy a general basic ration of 200 grams. (The

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In March 37,000 tons of seed potatoes from the U.S. and U.K., were distributed to farmers in Sicily, the Abruzzi and Campania, the last named getting the largest share since it grew potatoes commercially. Postal service from abroad was started, 200,000 pieces of foreign mail being delivered to Naples. Remittances from emigrants, once an $200,000,000 annual source of dollars for Italian foreign exchange, were resumed. A War Department Finance Mission arrived to check over ACC accounting procedures. Sardinian coal was delivered

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to the mainland and Sicily in substantial quantities for the first time since the Armistice. The first AMG trial in Italian Government territory, concerning thefts from a British post office, took place at Salerno. Hemp production was started and going well, 400 tons being exported to England.

A more grandiose event took place in the middle of March which took minds off politics and even swept the war off the world front pages. This was the eruption of Vesuvius on March 18. The cone of the volcano had caved in on March 13, the familiar plume of smoke ceasing to issue and causing Professor Imbo, Italian Government volcanologist, to give warnings of imminent activity. The eruption which started at 1630 hours March 18 was the most violent in 40 years. In the six days of roaring, fiery activity, the volcano poured forth lava estimated at 500,000 cubic meters an hour, streams that were 150 feet wide and 40 feet deep. Even German planes came over to see the sight and dropped no bombs. The molten rock streamed down the mountainsides to imperil the clustered villages and on March 20 had begun to demolish houses in San Sebastiano, Massa di Somma and Cercola. AMG preparations had been made in advance, however, and 300 trucks, gathered from military units as well as from the ACC motor pool, evacuated the inhabitants and their furniture to a safer distance. More than 200 ACC/AMG officers and men and 100 military police were hurriedly withdrawn from their normal tasks and set to the emergency. Soup kitchens were set up by the Red Cross and in all some 20,000 persons were taken care of. The volcano subsided finally, with its cone in a different shape, but it did not end its display of force until it had thrown out clouds of fine black ash which blew as far as Bari and the Island of Capri, hiding the sun and ruining thousands of acres of farmland and spring crops already in the ground. The homes of 600 in Massa and of 2,150 in San Sebastiano had been destroyed. The fine ash on the roofs of houses in the surrounding countryside provided a tragic anti-climax a few days later: many roofs collapsed, causing more than 20 deaths.

Meanwhile the contribution of the Italian armed forces to the war effort, under the guidance of the three service sub-commissions, had been steadily increasing. Between September and April the Italian fleet had employed 502 ships on patrol work and in transporting troops from North Africa to Naples, and high praise was given to the work of Italian submarines for running in food and supplies to troops during Aegean operations while under constant bombing. The Fighter, Bomber and Coastal Wings of the Italian Air Force had carried out 3,600 sorties and were working up to a steady 1,000 sorties a month, in spite of deteriorating equipment. Over 10,000 Italian Air Force personnel were being employed by the Allied Air Forces. An Italian Corps of Liberation had been formed as a combat unit and had gone into action on April 2, an Alpine battalion being attached to the 8th Army and even helping take Monte Marrone in a surprise attack. The presence of an Italian combat unit in the front lines had been the eventual result of Marshal Badoglio's appeal to the Allies after the Armistice to allow the Italian Army to join in the fight against the Germans but had had to be delayed because of sheer logistic difficulties. Generals Eisenhower and Alexander had agreed on December 20 to the use of Italian troops but in the whole of Allied-held Italy, Italian equipment sufficed for less than 30,000 men, with little possibility of replacement. [illegible] the first Italian unit to go into action had been a Mule

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Meanwhile the contribution of the Italian armed forces to the war effort, under the guidance of the three service sub-commissions, had been steadily increasing. Between September and April the Italian fleet had employed 602 ships on patrol work and in transporting troops from North Africa to Naples, and high praise was given to the work of Italian submarines for running in food and supplies to troops during Aegean operations while under constant bombing. The Fighter, Bomber and Coastal Wings of the Italian Air Force had carried out 3,600 sorties and were working up to a steady 1,000 sorties a month, in spite of deteriorating equipment. Over 10,000 Italian Air Force personnel were being employed by the Allied Air Forces. An Italian Corps of Liberation had been formed as a combat unit and had gone into action on April 2, an Alpine battalion being attached to the 8th Army and even helping take Monte Marrone in a surprise attack. The presence of an Italian combat unit in the front lines had been the eventual result of Marshal Badoglio's appeal to the Allies after the Armistice to allow the Italian Army to join in the fight against the Germans but had had to be delayed because of sheer logistic difficulties. Generals Eisenhower and Alexander had agreed on December 20 to the use of Italian troops but in the whole of Allied-held Italy, Italian equipment sufficed for less than 30,000 men, with little possibility of replacement. Actually, the first Italian unit to go into action had been a Mule Pack Company on December 9 which suffered 14 casualties, including three killed, while a short time later the Italian 1st Mobile Group was moved into the Fifth Army sector in support of operations near Mignano. The eventual service of the Italians at the front had been reached only after a whole series of reorganizations and refittings, as it were, and in the face of large losses by desertions to civilian jobs, one division, for example, losing men at one time at the rate of 250 a day, its strength dropping from 7,500 to 2,500. In April the strength of the army was about 480,000, the Allied Armies having 73,000 under their command, including 9,000 combat troops, and the intention then was to raise these figures to 194,000 and 14,000 respectively.

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The question of giving publicity to the effort of the Italian forces was a difficult one. Italy was co-belligerent and not Ally: on the one hand it seemed ungenerous to stifle the news of her war effort and - on the other there was a feeling that once publicity was permitted it might be blown-up into politically and materially embarassing demands for new equipment and new status. Air Vice Marshal Foster's tribute to the Italian Air Force was published by the Italian Government paper "Il Corriere" but suppressed by the Allied Censors. How much could be said about the Italians and how much the Italians could themselves say, were questions which now began to give considerable trouble.

The "freedom" of the Italian press was conditioned by two things - the shortage of paper and the Allies' own view of "freedom". The Allied Publications Board, established at Bari in December to deal with these matters, had issued to all editors a "directive" suggesting that even in democratic countries the Press was bound by certain limits of good taste and, in wartime, military exigency; and inviting them to respect such limitations. The Board also, in January, drew up two decrees for the Royal Assent, one outlining the future procedure for all applications to publish newspapers or periodicals, the other calling on all holders of paper to declare their stocks. The latter decree remained a dead letter: the Italians had learned to hide things well, and kept them hidden. There was never more than a trickle of paper from Italian sources. The decree anent applications to publish worked well. Applications were routed, in "Italian" territory, through the local Prefect to the Ministry of the Interior and thence to the APB, the license (or refusal to license) following the same steps in reverse: in AMG territory the procedure was through the Civil Affairs officer to the Regional Commissioner and thence to the APB. By the middle of March the APB had licensed in this way 7 daily papers and 65 weekly or monthly publications and by early May the number had grown to 11 and 115 respectively.

The number of weekly as against daily papers was due to two factors. First, the shortage of newsprint: second, the limited funds of the parties concerned. About 170 tons of newsprint per month were being received: of this 130 were taken by the Psychological Warfare Board, which in fact controlled 4 of the Italian dailies. In order to ensure, as far as possible, fair play for the remaining stocks, the Allied Publications Board drew up a plan of priorities, according to which the Government and each of the six parties (then in opposition) should have the right to a newspaper in each of the centres (chosen with a view to transport and servicing) of Naples, Bari, Lecce, Catanzaro, Catania, Palermo and Cagliari. These were "Priority 2" as far as paper stocks were concerned, "Priority 1" being the Allied morale and the PWB-controlled newspapers: "Priority 3" included all other applications, such as sporting papers, fiction magazines, literary reviews etc.

A feature of the operationally static Naples-Salerno period was the close collaboration between the government ministries and the corresponding ACC sub-commissions. This was for the first time physically possible and, with the new conception of ACC's advisory function and the strengthening decision to support the government,

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A feature of the operationally static Naples-Salerno period was the close collaboration between the government ministries and the corresponding ACC sub-commissions. This was for the first time physically possible and, with the new conception of ACC's advisory function and the strengthening decision to support the government, politically urgent as well. Weekly and in some cases daily conferences took place between the ministers and their "opposite numbers" and a definite basis of understanding was reached which in earlier days of distance and diffidence would hardly have been possible. Education, for example, submitted all measures, even those to be applied in AMG territory, to the minister for discussion and approval; the minister, on his part, took no action in the territory of his sovereignty without advice on its possible effect on ACC/AMG work in the field. A similar line of action was followed by most sub-commissions.

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It was also a time of stock-taking and preparation. This may be best exemplified perhaps by the work of the Interior(later known as the Local Government Sub-Commission), primarily concerned with the restoration of democratic government to the Italian provinces and communes. The pattern had been set, to be sure, in Sicily, where Giunte Communali and Deputazioni Provinciali had been restored - not yet elective, admittedly, but truly representative of all classes. From Salerno members of the Sub-Commission went on tour through all of liberated Italy, familiarizing themselves on the ground with the complexities of provincial politics and psychology and goading laggard prefects - and, occasionally, over-worked CAOs - to turn their minds to this vital aspect of democratization. This unit also screened and picked prefects to take the place of those who would certainly be missing in the northern provinces yet to be taken. Further, it organized several courses in Italian local government, lecturers being culled from ACC staff, Italian officials, and the student CAOs waiting for assignment or reassignment to the North.

The static period was ended with the resumption of the Allied offensive on May 11. The 8th Army was moved secretly to the Cassino front and 8th Army AMG officers were at work in the ruins of Monte Cassino by May 18. The smashing advance of the Allied forces left devastated villages in its trail, the area from Cassino to the sea being heavily shelled, fought over and mined. Whole areas were unfit for human habitation - a new problem for AMG. Refugees who had been hiding from the battle in the hills came down to Fondi and Terracina after those cities were liberated, causing their normal populations to double and treble. Nearly 100,000 civilians were being fed daily in the shattered towns. 5th and 8th Army AMG supply officials labored to establish forward supply dumps to keep step with the rapid advance. There was a shortage of doctors. Normal life flowed quickly back in the battle zones, however, food again being rationed and sold as usual within two weeks, with the exception of the completely depopulated areas whose 12,000 refugees were accommodated in near-by villages or sent to the rear. By May 22 the part of Naples province long administered by 5th Army AMG had been handed over to Region III administration. Region IV and V staffs moved steadily behind the Army AMG's, taking over territory (of nearly 50 communes) as the troops pushed on. The 5th Army SCAO, besides having the main forward area to manage, also had a picked group ready for the establishment of military government in Rome. AMG Rome officers and the staff of the Rome Area Command, the unit which was to control the city from the military side, worked and lived together and learned to operate as a team.

While the battle for Rome approached its climax, the May 30th regional commissioners' conference was held, which, with ACC eyes fixed ahead on Rome and final establishment of the Italian Government in its traditional seat, was brief and definitely anti-climactic. Grain imports had been more regular during the month, 56,000 tons of grain and 8,600 of flour arriving. The heavy workers ration was increased. Sulphur to the amount of more than 10,000 tons was shipped to England. 900 miles of roads were under repair. A Royal Decree restoring local government in Italy had been published and put in force in military government territory, providing for local giunta to exercise power along with the sindaco. A Palermo counterfeiting ring was smashed, 42,000,000 lire recovered and 39 persons

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MacFarlane congratulations on the work of the ACC-AMG, terming the ACC his "Third Army" and expressing keen satisfaction over the efficient manner in which the Army AMG's were handling their problems in the campaign.

Arrangement all made for moving the headquarters, everyone marked time, waiting for the word that would allow the ACC to enter the scene where, geographically and politically, it could, at least in part, act its role on a more national scale than before.

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PUBLIC RELATIONS BRANCH

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AN ANNIVERSARY SURVEY OF THE WORK OF THE ALLIED CONTROL COMMISSION IN ITALY FOR RELEASE ON NOVEMBER 10.

Allied troops entered Rome on June 4, and in the small hours of next morning the 5th Army AMG was installed in the Eternal City, imported Carabinieri and new AMG police turning out to cover the City's ten districts and reporting to a central headquarters on the Campidoglio, Rome's Capitol hill, by radio. The City, spared from Allied bombing and German depredations, although many buildings were mined, was almost unscathed. Water pressure, for a time, was low, because of the damage to the main aqueduct feeding the city. The two steam plants generating electricity and power in the city proper were intact and functioning, but the chief source of power for Rome, the Terni hydro-electric plants, were swiftly and thoroughly destroyed by the Germans, leaving the city with only 30,000 kilowatts compared with its normal consumption, approximately 130,000. Rome therefore was extremely short of light and power - a condition which, unfortunately, persists today. Banks were reopened in a week, the shortest time on record. Food trucks rolled in with the advance AMG parties, and 300 tons a day were moved steadily from the stockpile of Anzio to feed the population's 1,400,000 ration card holders, swollen by refugees estimated at 200,000 to 300,000. AMG plans, made so long in advance, functioned without a hitch and the occupation of Rome has been termed the smoothest in military government history; the second phase of stabilization begun after only 10 days, when AMG moved out as the 5th Army boundary was moved forward, clearing the capital, and a special "Rome Region" was created to handle the city and the surrounding area of the Rome Governatorate, which had always been an integral and separate administration from Rome Province.

ACC officials and political advisers, attached to the Fifth Army AMG, had immediately contacted the Committee of National Liberation. General Macfarlane flew up almost at once to inspect the situation and make plans to move forward echelon of headquarters into Rome as fast as possible. The King signed over his powers, as promised, to the Prince of Piedmont, as the new Lieutenant General of the Realm; Marshal Badoglio resigned his government and proceeded to Rome on June the 8th to form a new one based on the parties who had maintained a secret anti-Fascist coalition during the German occupation. Badoglio failed, whereupon Ivanoe Bonomi, a former Prime Minister and Chairman of the Rome Committee of National Liberation, formed a Government, though its appointment did not become official until published in decrees of June the 18th.

The ACC, whose main, overall task always has been to get an Italian Government which would place the country's resources on the effective side of the Allied war effort, hastened to facilitate the moving of the government to Rome, and after a period in which the Ministers (as did the ACC) commuted between Rome, Naples and Salerno, finally did get the new Cabinet established in Rome on [illegible] the 24th

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The ACC likewise moved its headquarters to Rome on July the 15th. On June 22nd, the Chief Commissioner General MacFarlane, was taken seriously ill and went home to England to undergo a critical operation. His post was filled by Commodore Ellery W. Stone, USNR, Deputy Chief Commissioner, with the title of "Acting Chief Commissioner", the position he holds today. After the customary approval by the Allied Advisory Council for Italy, the second transfer of territory to the jurisdiction of the Italian

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Government was announced, to take effect on July the 20th. A third transfer was scheduled for August the 15th. The first transfer included the Provinces of Naples (excluding the Commune and Port of Naples which remained a military zone) Avellino, Benevento, Foggia and Campobasso. The second was to be the Provinces of Rome (including the Capital) Littoria and Frosinone. The Italian Government and the ACC were now established side by side in the national capital, as planned nearly a year before. The scenes and problems they faced were, if not always similar, at least consistently vexing.

The people of Rome were the heirs of centuries of imperial tradition. They were used to plentiful bread and circuses run for their benefit. They were disposed, as Sicilians and Neapolitans were not, to expect the best, and were not slow to make comparisons between the German occupation and the liberation brought by the Allies. They were proud of their clandestine resistance and felt they should be treated on a basis of parity and perhaps with special consideration beyond that. The presence of the Vatican, with its closely interwoven relationship to the Roman citizens, and its international pre-eminence, focussed the eyes of the world on the city. Finally the Romans had hardly felt the war. There had been few raids and relatively little hardship. The psychology of acceptance and sacrifice had simply not had an opportunity to develop. The minor difficulties of life, scarcity of transport, shortage of light, necessary requisitioning and restrictions, seemed strange and irksome to Romans who had never known, for example, what it was to live as Londoners had lived for years, and, ironically enough, were still living during the summer of 1944.

Of the four freedoms printed on the back of AMG lira notes - of religion, from fear, of speech, from want - the first two came easily enough, and the third with startling - and in the view of some regrettable - speed. General Hume, SCAO of Fifth Army AMG, announced on his arrival the policy of allowing complete freedom of expression, governed, of course, by the usual military censorship. The Allied Publications Board set down on June 13 to work out the details.

The Rome Press, presented, for the Allied Publications Board, a new and far greater problem than had been so far encountered. Here was a capital city with a population of some 2½ million people, furnished with world-known papers such as "Il Messaggero" and "Il Giornale D'Italia" whose circulation figures run well up into the hundreds of thousands. In the first few days Generals Hume and Johnson, operationally in charge, allowed the Roman Press to retain its titles, if not its character; but popular feeling ran so high against the organs which had sold themselves to Fascism, that, after two days, the whole Fascist press was suppressed, and the APB plan put into operation. This plan allowed one paper to each of the government six parties, two to opposition groups (i.e. parties not represented in the coalition) and two to "independents". In all, counting the Vatican Osservatore Romano and the PWB Corriere Di Roma, the city had twelve dailies.

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By the middle of August 23 daily and 198 weekly or monthly publications had been authorized in Liberated Italy, and the paper provided from imported stocks was running into 500 tons a month. Early in August the Allied Publications Board, increasingly embarrassed by the political repercussion of its every action, took steps to devolve a part of its responsibilities to the Italian Government. By August 16th an Italian Press Commission had been set up to deal directly with the "screening" of applications, the APB reserving only the right of veto, which in fact, according to its terms of reference, it could not yield. Unfortunately the veto came into immediate effect, stocks of paper as against demands falling so low in August and September, that new applications had necessarily to be "frozen". The Italian Commission reacted, understandably, by covert hints that they had no power; and also, it must be said, by sweeping recommendations to allow more and more

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newspapers to Rome, ignoring the rest of Italy. Considerable friction resulted, and later in October the APB, tired of being a political scapegoat with limited paper supplies, recommended to AFHQ that all responsibilities for the Italian newspapers and the supply of newsprint in "Italian" territory be handed over to the Italian Commission, the APB handling the press problem only in territory still under Military Government Control.

Rome was a vantage point from which events could be seen in perspective. Incidents and developments in Rome were often climaxes to considered policies and natural trends which had been followed throughout the whole enterprise. In Rome, for example, the Finance Sub-Commission was finally able to contact the central office of the Bank of Italy (whose Governor, Azzolini, was promptly removed by AMG and placed under arrest. He was later tried and convicted to 30 years for allowing the Germans to take away Italian gold reserves amounting to 55,000 kgs). The Fifth Army AMG had come into the city with 600 million Italian lire and 240 million AMG lire for deposit in the Bank of Italy. Public confidence was shown by the fact that deposits exceeded withdrawals regularly by 4 to 5 million lire a day. In August the people of Rome bought 3500 million lire more Italian Treasury Bills than they redeemed, which was triple the record of all Southern Italy for the fiscal year 1943-1944. Bank deposits steadily mounted at the rate of three billion lire a month. Thus it may be claimed that the policy of ACC Finance met with success. This policy had three main principles: reopening of banks at the earliest possible moment (the average time now after liberation is two weeks) organization and support of the Bank of Italy so that it can finance Italian government expenditure: (the Allied Financial Agency has made no cash advances to the Italian state since January and has even received payments on previous advances) and reduction of the national deficit and strengthening of the national credit. The state of the Italian public debt, however, called for drastic and long range reforms, standing as it does at about 775 billion lire of which more than half is floating (or short term debt), the interest running to 17 billion lire annually. The results of Fascist financial policy were such as to demand a thorough revision of the tax system, hardly different in essence from the tax farming system of classic times. (There are no standard returns, no clear cut fiscal relations between the government and the tax-payer. Evidence of income is obtained from informers and modern notions of assessment and valuation simply do not exist).

Finance Officers were also responsible for the intricate accounts covering every phase of Italian and ACC activity, including advances to local communities made by AMG officers in the ward areas to pay for repairs to water, sewer and road systems. (In one month, for example, communal officials asked for 87,237 lire for local repairs; AMG officers handed out 50,624 lire, saving 36,613 in the estimates). The accounting reforms also restored to the Corte dei Conti (Court of Accounts) its original powers of review, which made it once again the most powerful single instrument of budgetary control in the government. Finance Officers systematically reopened postal savings accounts, the poor man's bank in Italy, with the result that the inflow of funds to...

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Rome also gave a more final pattern to the work of the Legal Sub-Commission. Shortly after ACC moved in, the Court of Cassation, highest court in the land, was reinstituted under anti-Fascist auspices. This act greatly strengthened the Italian judicial

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administration. The work of the Legal Sub-Commission involved examination of all ACC/AMG proclamations, general orders and public notices; certification of decrees passed by the Italian government and measures relating to the transfer of territories; and interpretation of the fundamental and still secret document of the armistice terms. In addition to these tasks the Legal Sub-Commission was obliged to undertake the vast task of re-activating the Italian courts which were in disrepair after twenty years of Fascist sloth and juridical temporizing. Noteworthy was the initiation of the practice whereby Italian decrees were published and made mandatory in AMG orders. This saved duplication, since the AMG ordinance and the Italian decree destined to take effect on the return of the territory to the government were identical, while at the same time it permitted the introduction of a new juridical current into the pattern of Italian law without disruption of the continuity of justice.

Another responsibility of the Legal Sub-Commission was law enforcement in cases of offences against Allied ordinances, since all Allied military courts - summary, superior and general - were under its direction. In Sicily crimes of violence had been notably few, but there had been some 12,000 cases of crimes against property within a period of eight months. Naples, where the organized black market provided hosts of offenders had at one time as many as 12 AMG courts in session. Region III records (primarily concerned with Naples) list 29,000 cases between November 1943 and October 1944, the majority being cases of theft or wrongful possession of Allied property. Rome, on the other hand, had a negligible number of offences. Livorno, being a port, threatened to be a rival, though on a smaller scale, of Naples. In all more than 55,000 cases had been reviewed since the invasion of Sicily.

The long-drawn out business of epuration had also been primarily the concern of the Legal Sub-Commission, though every other sub-commission had necessarily some share in the job - as well as every Regional administration. Under ACC guidance and pressure the Italian government finally set up a machinery which seemed adequate to the immense task. The decree of 27 July 1944 divided epuration into four main categories, each under the direction of a separte High Commissioner, responsible to Sforza, Chief High Commissioner for epuration.

The first category, Punishment of Fascist crimes, provided for the trial and punishment, up the death penalty, of high ranking Fascists. Caruso, ex-questore of Rome, executed September 21 and Azzolini former governor of the Bank of Italy, sentenced to 30 years imprisonment, came under this classification. Generals Pentimalli and Del Tetto, charged with negligence in the defense of Naples, and some 86 others were under arrest and awaiting trial in October. Investigation of other "Fascist Criminals" was going forward and more arrests were imminent.

The second category, provided for the dismissal of officials guilty of Fascist bias, incompetence, corruption or collaboration with the Germans since September 8, 1943. By October 1944 6,051 cases were under consideration and 3,471 had already been referred to the Commissions set up to judge them.

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The third category was concerned with the collection and disposal of the "illicit profits" of Fascists. In Rome alone measures for the sequestration of the property of 20 persons - amounting to 3 billion lire - were taken in August and September. In Naples the confiscated property of the five Piscitelli brothers ammounted to nearly 3½ million lire and sequestration measures were taken against 915 persons.

Category 4 was aimed at Fascist organizations and societies. In Rome alone cash to the value of 269,000 lire and other movable property to the value of 6 million lire was taken over during August and September.

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Epuration of a less organized kind had been going on in one way or another of course since the first podesta was dismissed in Sicily. There had however been many complaints about the lack of coordination of standards - and even more complaint on the grounds that too often the humble clerks and porters were swept away while the "pezzi grossi" continued unmolested. In this context it may be remarked that Education saw its policy of collaboration and supervision bear excellent fruit in this and in other activities in Rome. The University of Rome had a thorough house-cleaning, well before the publication of the decree, under the stimulus of Dr. De Ruggiero, former rector of the University, who became Minister of Education in the Bonomi Government. He was consulted too on the publication of the revised textbooks; plans for an edition of three million copies were made during the summer. Meanwhile the secondary school books were examined and a complete list was issued, showing 213 as definitely pernicious, 348 to be purged and 4,117 fit to be used in a non-Fascist curriculum. Education, always with the support of the minister, also ran special summer sessions in Frosinone, Littoria and Rome provinces, while the AMG and advanced Regional officers spent the summer in incessant efforts to find space and facilities for education in regions where an unbroken pane of glass was a curiosity worthy of special mention in reports.

The Displaced Persons Sub-Commission (i.e. The agency responsible for non-Italian refugees) also added an important - though one may hardly hope a final - chapter to its story. In June the additional task of looking after all destitute Allied Nationals in liberated Italy, particularly the 6,000 found in Rome, gave the sub-commission a new headache. Two new camps had to be established to accommodate 6,000 of these. The problems of the sub-commission had begun to assume a more static character, as outward shipment of refugees had almost ceased, with the exception of a token shipment of 1,000 to the United States, under the auspices of the Inter-governmental Commission for Refugees, and the dispatch of 700 Jews to Palestine. A more or less permanent camp for 1,000 orphans had been set up at Santa Cesarea, and other similar projects were in the offing. No less than ten foreign missions had been attached to the sub-commission to look after the interest of various national groups; and in August regular payments to some of these groups were at last begun. The Records bureau of the unit answered hundreds of queries from abroad and helped to locate the relatives of the writers. The shape of things to come, in the form of delegates from UNRRA, appeared, and it was hoped that this agency would begin to take over the supervision of the Southern camps in November 3281 assume the care of all refugees as from March 1, 1945. At the end of September the Displaced Persons Sub-Commission had handled more than 58,000 people, of 69 different nationalities. 30,000 of these had been shipped abroad and out of the whole total, in a period covering 10 months, only 174 deaths had occurred. On the Italian refugee side seven main camps had been established and 15,000 refugees passed through them during the month of July. Forward Corps camps were now set up so that refugees might, where possible, be dispersed in areas near to their homes. In July, 17,000 refugees were dispersed in this way, a further 10,000 going to the south via

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live more or less permanently. 11,000 returned from Sicily to their farms on the mainland. Under these conditions it was decided on September 23, 1944 to merge the Displaced Persons Sub-Commission with the Italian Refugees Branch, the new formation being known as the Displaced Persons and Repatriation Sub-Commission. Up to that date, the Branch had dealth with approximately 200,000 Italian refugees.

Allied property as well as persons was an ACC concern. The Property Control Sub-Commission whose mission it was to protect the interest of British, American and other Allied owners found considerable Allied wealth in the city and had its hands full in straightening out the affairs of absentee owners of Allied investments or property in the Capital. In Sicily Allied holdings had been largely in real estate and mining property. In Naples there were a few concerns such as the Singer Sewing Machine Co., and the investments in the Vesuvius Railway and the utility companies. In Rome were found the central offices of a considerable number of British and American firms and many private homes and estates of Allied ownership, which involved considerable problems of maintenance and management. The Property Control Sub-Commission also took over, somewhat oddly, the management of an Allied-owned dog-racing track in Rome. Enemy and Fascist parastatal property also came under its control. No official estimate of the value of Allied holdings in Italy can be given, though privately it has been guessed that they run up to some 400 million dollars in Italy and 50 million in Rome.

In this time of recapitulation on a national scale, the AMG's of the Armies were moving forward with the combat troops and meeting new problems. The problem of the Partisans or Patriots, was first met soon after Cassino; with the capture of Rome and the subsequent advance through Tuscany, it become pressing. The first definitive report on what shortly after proved to be a "not" subject was filed by the AMG officer with the 34th Division on July 13th. Patriots, as the ACC finally defined them - while establishing a Headquarters branch to deal with them - were Italians who were "members of genuine fighting bands who had some arms, engaged in sabotage, or carried vital military information about the enemy to the Allied Forces". Their aid had been particularly effective around Florence, where they had helped the Army to clean the city of German and Fascist snipers. They had waged guerilla warfare in a more or less disorganized way, relying on raids for equipment and ammunition. The immediate problem for the AMG officer was to convert the Patriot from a freebooting fighter or associate of fighters into a law abiding citizen, and to channel his patriotic zeal into disciplined and useful activity. The problem consisted specifically of making the Patriots give up their arms, and of finding them jobs, when they so deserved it as genuine Patriots, for there were thousands of spurious claimants to the name.

Certificates of merit - 100,000 in all -were printed, and about [illegible] A policy was announced to give bona fide Patriots

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Certificates of merit - 100,000 in all - were printed, and about 10,000 issued; a policy was announced to give bona fide Patriots every opportunity to find employment; screening squads were sent out to help authenticate lists of true Patriots; and enlistment was offered Patriots who might want to volunteer for the Italian Army. A National Patriot Committee was formed later to supervise the entire program on the Italian side. The Patriots, however, were inclined to resent giving up their arms after using them in the Allied cause, and the orders issued to that effect did not always prove effective. Further, the Patriots wished to enlist in the Italian Army as entire units. This was not possible under the fixed Italian Army ceiling and organisational setup, and the number of volunteers remained negligible, only 191 enlisting up to the end of October. Another 120 were reported to have enlisted en masse in an Alpine Battalion in the early summer, and the others were known to have obtained jobs as scouts for patrol work, with American, British and Polish troops.

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By October the Italian Government had disbursed some 10,000,000 lire to Patriots, and jobs were found for them on road and bridge repairs, or as watchmen, chauffeurs for AMG, and clerks in communal administrations, although most had no administrative background. In Aquila Patriots replaced women in jobs taken by the women when the Italian men joined the army. In such districts most Patriots lived near their homes and drifted back to peace-time occupations or at any rate to obscurity for the time being, only approximately 25% remaining a permanent problem.

In Florence, where the Patriots first landed in the world news, the 8th Army AMG also stole the headlines from the Army itself by being the first to get across the Arno on August 11 with supplies of food and water for the starving population. The 8th Army AMG team was a seasoned unit formed in Cairo in May 31, 1943. It had landed in Sicily with Group Captain Benson and had, with few changes, been with him ever since, in the march up the Italian peninsula. None of its tasks, perhaps, had been greater than that presented by Florence. In the last three weeks of August 300 civilians were killed and 1200 wounded in the shattered city, apart from the bodies lying around or beneath the ruins. Burials in the Boboli Gardens reached 200 before the 11th, and then a new and greater field of the dead was opened in the Botanical Gardens, into which went 400 bodies. Food and water were carried across the half-ruined Ponte Vecchio, on which a mine exploded on the 14th, killing 7 and wounding many. On the 20th two German shells fell among the crowd emerging from Mass in San Lorenzo, killing 40 and injuring about 100. Worst of all perhaps was the attempt made by the inmates of the Careggi Polyclinic Hospital in No Man's Land to escape through the sewers. About 140 came through, choking, sobbing, smeared with sewage: then the moving ceased, the Germans having discovered the exit and turned their machine-guns on to it. In the midst of all this 8th Army AMG received a letter - "Baroness X presents her compliments to the management of Amgot and would be glad to know where she can obtain canned foodstuffs and groceries, sugar, butter, etc, also soap. With compliments and thanks." And while bulldozers crashed a way through the smashed buildings on either side the Arno, officers of the Fine Arts Sub-Commission searched the rubble as best they could before it was shovelled into the river. They were busy enough, for around the city were 23 caches containing the most famous art treasures of Florence, removed by the Germans ostensibly to preserve them, as a German order put it, "from the American Jew art dealers." Fortunately, lists existed of the treasures stored and it was found that the Germans had removed - perhaps for safe keeping in Germany, 58 cases of world-famous sculpture in marble and bronze, 26 [illegible] of Hellenistic sculpture, 291 pictures (among them works of Titian, Botticelli, Rafael, Murillo), 20 to 30 cases of smaller pictures and 25 cartoons of full size working drawings from frescos. The Monuments and Fine Arts Sub-Commission managed, in the midst of this, to produce a soldiers' guide to Florence which ran to 75,000 copies: a similar guide to Rome had passed the 250,000 mark.

Late summer was the time for malaria, a menace almost as great under the then prevailing conditions as that of typhus in Naples. Control measures were taken by the Public Health Sub-Commission in conjunction with military units, for their purpose was to protect

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Late summer was the time for malaria, a menace almost as great under the then prevailing conditions as that of typhus in Naples. Control measures were taken by the Public Health Sub-Commission in conjunction with military units, for their purpose was to protect the health of the troops as well as that of the civilian population. The Pontine marshes, 12,000 hectares of which had been flooded by the Germans, setting back their condition 60 years, were a particularly fertile breeding ground of mosquitoes. Airplanes sprayed this area weekly. More than 5,000 civilians were put to the task of laying Paris green by hand. Upwards of 9,000,000 atabrine tablets were made available to the population, and a stockpile of another 7,000,000 set aside. The net effect was a firm check to the malaria threat. In the marshy areas, as was perhaps inevitable, there was considerable incidence, a total of nearly 21,000 cases, but only one death was reported. In Sardinia, one of the worst spots, the number of cases was lower than that of previous years. On that island there had been 4,965 cases between January and July 1943. In the same period of 1944 there were only 1,652.

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Medical supplies were finally arriving on request of the Sub-Commission. Penicillin, quinine, insulin, sulpha drugs, ether, were obtained either directly from the United States and Great Britian, or else donated by the American Army medical sources in Italy. The total of medicinal supplies, approached 5,000 tons. Biological laboratories were started at Palermo, Naples and Siena for human antiptoxins, vaccines and serum, while animal vaccines were made successfully to combat the foot and mouth disease and hog cholera which had sprung up among the livestock, endangering herds already depleted by German depredation. Tuberculosis and infant mortality rates for Rome, which had been the subject of some newspaper argument, were made public. The tuberculosis rate for 10,000 population for 1944 was for the first eight months 24.26. In 1918 the same rate was 29.2. The infant mortality rate in July 1918, for example, (calculated on a ratio of births and deaths under 1 year of age) was 204.9, whereas in July 1944 it was 221.3. It dropped in August 1944 to 148.7, as against the August 1918 figure of 181.4. In September 1944 it had dropped to 89.9.

In the forward areas the 5th Army AMG announced it had handled 23,000 refugees since Cassino. Regions VIII (Tuscany) and Region IX (Emilia) were formed. Rome Region and Region IV were incorporated on August 1st, and Regions II, III and VII, plus the Province of Campobasso, became a single "Southern Region" on August 26th, with headquarters at Naples, cutting ACC personnel in the south from 300 to 150 officers, to provide more manpower for the northern Regions which were, everyone then believed, ready to fall to the Allied Armies. Orders poured out of Headquarters shifting strength to the northern Regions, setting up teams for Liguria, Piemonte, Venezia and Lombardia. Sardinia was producing so much coal that AFHQ cut its production to a steady 50,000 tons a month. More Allied than Italian shipping was used to carry Italian goods around Italian waters, only 20% of the 125,000 tons of schooners being Italian, ACC shipping officers reported. The Interior Sub-Commission was preparing pools of Prefects for the north, stressing its belief that it was preferable to get the Italians to do the job of running the country, since it was much easier to govern than to advise others how to govern, the latter being the task which faced officers who were stationed in Italian Government Territory. Transport was an every present and growing difficulty, tyres being specially elusive.

In the midst of these developments, the first regional commissioners' conference since May was held in Rome on August 22nd. It was a good moment for stopping to sum up and look ahead. The ACC picture was swiftly taking a new complexion. Civilian personnel had begun to infiltrate the military ranks of the unit, whose objectives, until notice to the contrary, were and remain primarily military under the terms of the armistice. The civilian new-comers were members of the American Foreign Economic Administration (FEA) and were sent to assist work in the Economic Sub-Commission. Brigadier General William O'Dwyer (who had been promoted shortly after his arrival in late July) was taking an energetic hand in analyzing ACC economic bottlenecks, as the new vice-president of the Economic Section.

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ACC accredited Italian correspondents covered the Allied conference for the first time, giving full and excellent coverage. They were, as was natural specially responsive to the account of the Italian armed forces made public by the heads of the three service sub-commissions. The "ceiling" of the Army had been fixed at 310,000, of the Carabinieri at 65,000, of the Navy at 75,000, and of the Air Force at 51,000. Major General Browning, director of the land-forces sub-commission and Commander of the MMIA, spoke enthusiastically of the work of the Italian Corps of Liberation and the service and labour divisions. "Few people", he said, "realize how well the Italian Army has done...organizing, with our help, an Army out of chaos...and cooperating loyally as co-belligerents, with practically no fuss or friction". The Military Mission to the Italian Army, said General Browning, now controlled "the largest old clothes and old boots business in the world,,,and were well established on the foodstuff and grocery line, feeding nearly half a million people and

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hoarding a stock of 28 million lbs. of flour." The Air-Forces Sub-Commission reported over a thousand operational sorties during the month by the Italian Air-Force, and high morale consequent on the allotment of Allied equipment. The Italian Navy was said to have "co-operated to the fullest extent in the interest of the Allied war effort" and the case was quoted of an Italian cruiser which in the past nine months had ferried over 50,000 troops and steamed a total of 37,000 miles. The 22,000 workers employed in Naples and Taranto, in addition to maintaining vessels of the Italian fleet, were handling 150 Allied vessels monthly for major and minor refits and repairs.

General Wilson, supreme Allied Commander in the Mediterranean Theatre, addressed the August conference, congratulating the ACC on its "workmanlike job under many difficulties", and emphatically stating that food and unemployment were, in his opinion, the two major problems which faced the ACC and upon which Italy's recovery depended. Food and the economic rehabilitation of the country were indeed what most gravely concerned everyone who even briefly examined the Italian picture. Unemployment and hunger were the two bleak by-products of the war which might give rise to social unrest and a consequent threat to military security as long as operations were in progress. Rome was a prize sample of the food problem, though it should be properly termed the food and transport problem, since in many localities the difficulty lay in finding transportation to move local products from a surplus to a deficiency area. The involved question of adequate rations also was tied up with transport in a manner newly realized; if the ration were to be increased it would mean the use of so many more trucks to carry the goods that made up the increase. It would be of no avail to have extra stocks to issue and no transport to truck them to points of distribution.

Romans were as one with the rest of the nation north of the Garigliano River in feeling hurt that, they too, did not have the 300 grams ration which had been put in effect in southern Italy on July 1st.

All the careful planning of the ACC could not, however, with ports and railways battered and supplies from the North cut off, bring to Rome the 1,400 daily tons of food needed. The Romans, hungrily interpreting their new freedom, went out into the country to buy whatever they could. This resulted not only in a dangerous drain on the surrounding provinces and even on Naples itself, which was slowly getting back to normal, but also in a new mix-up and shortage of transport. Controls had to be tightened and road-blocks imposed. Colonel Poletti, who arrived in Rome as Commissioner on June 20, had learnt his lesson well in Naples and Palermo and his controls were effective. 3279
They were effectively backed up, too, by the Regional Commissioners in the neighbouring provinces, who protested strongly that, as far as their produce went, all roads did not lead to Rome. Rightly or wrongly Rome was not permitted to feed on her neighbours and so tight were the controls - leading to shouts for a "Free market" in the Rome press - that ACC officers of Region IV had to improvise complicated deals to get wheat from Macerata or wood from Rieti. And in spite of everything the Black Market in Rome persisted, and those who had money enough could dine and wine in restaurants, palaces or flats. Yet down in Trastevere there was malnutrition and discontent: and Romans said freely that if the controls were lifted and the Black Market allowed full play, even the poor would benefit, as they had done, it was claimed, under the Germans. Rome certainly gave a critical and urgent turn to the increasingly serious problem of food and

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ACC had been anxious for some time to extend the 300 gram ration to all of Liberated Italy and had recommended such action to the Combined Chiefs of Staff. Besides the obvious social, economic and political benefits the measure was urgent on sheer grounds of health. A prolonged period of rationing below 300 grams would, it was now almost certain, be definitely injurious to the stamina of the people.

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The traditional Italian diet was based on bread or pasta, plus sugar. Investigation had shown that the daily scale of 300 grams of bread and 4.15 grams of sugar, which was the regular ration in Southern Italy, produced a calorific content of only 763 calories. After September 1 that was supplemented in urban districts with a population of more than 30,000 by meat and vegetable issues, providing an additional 143 calories. The League of Nations Health Committee had recommended in 1936 that 2,400 calories a day should be the calorific intake of a man or a woman living in a temperate climate and not engaged in manual labor. There was therefore a considerable gap between what the Italian was receiving and what his health required. It had been suggested that the population could make up its diet deficiency by buying on the Black Market. But the immense rise in prices plus the ACC controls which were essential to equitable distribution soon made this impossible for the majority. The ration increase to 300 grams in Naples had as a matter of fact been immediately reflected by a drop in Black Market prices. Thus, it could well be argued, even to allow the population to purchase the extra foodstuffs needed on the Black Market the ration should not fall below 300 grams. With less than that, prices would remain so high that the poor, certainly, would fall far below the subsistence level, with the inevitable consequences of further destitution since clothing and furniture would be sold for food. And other inevitable results would follow, such as crime and prostitution, the latter likely to increase the rate of venereal disease among the troops.

Thus, at the onset of the winter of 1944, while questions of international and ambassadorial status, and varied interpretations of the declarations of statesmen filled the Rome press, the question of supplies and transport became, for the ACC, paramount.

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PUBLIC RELATIONS BRANCH

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PRB/R&S/3

AN ANNIVERSARY SURVEY OF THE WORK OF THE ALLIED CONTROL COMMISSION IN ITALY FOR RELEASE ON NOVEMBER 10

Part 6

The Economic Section estimated that the city of Rome should have a minimum of 1,400 tons of food a day. It has been getting, on the average 1,100 to 1,200 tons, composed of approximately 600 to 800 in rationed items and a like amount in unrationed foods. Region IV officers, however, believed that 2,000 tons a day were needed to keep a Roman at a proper nutrition level. The situation had been somewhat improved by relaxing the controls to allow individuals (horse-drawn carts) to bring into the city 15 kilos per person of unrationed foodstuffs. The total so imported amounted to 150 tons a day.

For Italy as a whole the ACC had arranged for the importation of approximately 650,000 tons of wheat and flour up to October, with 67,000 more tons coming in November and 95,500 slated for December. Other foodstuffs brought into Italy (including Sicily and Sardinia) and distributed to the civilian population through the Italian alimentation agencies included 32,000 tons of dehydrated soup, 9,000 tons of milk, 45,000 tons of dried vegetables, 28,000 tons of sugar, 31,000 tons of meat stew, 10,000 tons of meat, 2,200 tons of cheese, and 8,000 tons of other foods.

While the average person in southern Italy got 200 grams of bread and 78 of pasta per day there were certain categories for which special rations were allowed. Hospital patients got 350 grams of bread, prisoners 300 grams, police 550 (with further addition when they were put on Italian Army rations) and heavy workers for the Allied forces were given from 400 to 450 grams a day.

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As Allied experts saw it the Italian food situation was a direct result of the Fascist experiment in autarchy. The Fascists had lowered the bread ration from 800 grams to 150 in March, 1942, thus giving Italians the lowest bread ration in western Europe despite the fact that Italy is primarily an agricultural country. Further, Fascist machinery, set up for the collection and distribution of food on the false premise of self-sufficiency (for Italy never ceased to import food), could not possibly work and its collapse left a heredity of distrust and inefficiency that made equitable distribution of available resources even more difficult. There were 18,000,000 ration cards but they were rarely taken seriously. On the other hand after our arrival in Naples a brisk clean-up campaign produced 500,000 illegal cards. Likewise

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While the average person in southern Italy got 200 grams of bread and 78 of pasta per day there were certain categories for which special rations were allowed. Hospital patients got 300 grams of bread, prisoners 300 grams, police 350 (with further addition when they were put on Italian Army rations) and heavy workers for the Allied forces were given from 400 to 480 grams a day.

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The inevitable necessities of war also played havoc with supply plans. ACC had been known to receive preliminary advice of the arrival of 8,000 tons of flour only to find, on appearance of the shipment, that a scant 90 tons were listed on the manifest, the rest having been diverted at other ports for operational reasons.

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The campaign to get Italy to raise as much wheat as possible resulted, up to the end of October, the total of 9,004,928 quintals collected or 78% of the 11,600,000 quintals which was the goal. November and December contributions would, it was thought, only add a trickle to the stream. The hated ammasi were re-christened Granai del Popolo and the concerted efforts of the Agriculture Sub-Commission and the Italian Ministry may be fairly regarded as successful, especially considering the woeful lack of transport and the frequent apathy of local officials. The latter had to be continually spurred on by visits of Italian national officials and by the assignment of special Allied harvest control officers who watched the collections on the spot. That the operation needed watching no one could doubt who knew of the presence of black market speculators lurking in the background or who was familiar with the native hoarding of the farmer. According to one Italian official, the Italian peasant has devised at least 62 ways of evading legal collections.

The joint decree of Allied and Italian agricultural officials, setting up communal and provincial committees to share in the responsibility for collections, was an outstanding example of close collaboration. Its most beneficial effect was the re-organization and modernization of the basic agricultural organization in Italy. The division of the Ministry, on ACC recommendation, into Undersecretariats of Production and Alimentation (i.e. distribution) did much to clear the webs of chaotic, duplicating and superfluous agencies which the Fascists had set up in the ministry and thus facilitate rehabilitation of the country's fundamental industry.

Rehabilitation, however, was not a word that the Public Works Sub-Commission or any other operating agency of the ACC could use in any real sense. For rehabilitation was not a part of their mission. ACC could plan an outline and give first aid. Public works officers had given a good deal of first aid, especially in direct support of the Armies and in the repair of hundreds of bridges by Italian agencies working under ACC direction and in the maintenance of more than 4,000 miles of military highways in Italy. For this more than 1,000 million lire had been authorized and most of it already spent. But the picture confronting the Public Works Sub-Commission in this department was one of total devastation. The armies had fought over Italian soil with a consistent ferocity perhaps unequalled in the war. The slow advances had left stricken cities and towns reduced to rubble in their wake. In the Liri Valley scores of towns were virtually uninhabitable, and there were 100,000 homeless. Public Works engineers immediately approved a plan to build homes in nine communities. In this area of the Lazio-Umbria Region a survey showed that 27 towns were 25% to 100% uninhabitable. Preliminary estimates put the cost of war damage and reconstruction at 32,700,000,000.

Some reconstruction had begun and funds set apart. Aside from the 76,000,000 lire for repairs to art centers, 50 million lire had gone to the Pontine Marshes and 235 million for the construction of safety walls against landslides on the slopes of Mt Vesuvius, for example. In Central Italy, however, where damage was heaviest, the major task was in the field of electric power

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Some reconstruction had begun and funds set apart. Aside from the 75,000,000 lire for repairs to art centers, 50 million lire had gone to the Pontine Marshes and 235 million for the construction of safety walls against landslides on the slopes of Mt Vesuvius, for example. In Central Italy, however, where damage was heaviest, the major task was in the field of electric power. Electric development was the key to rehabilitation since all factories depended on it. Systematic German demolition had destroyed 94% of the generating capacity and of this hardly 10% could be repaired within six months. Central Italy had had 862,000 kw. hours of power of which in October 1944 only 87,000 remained available. More than 4,000 men were employed in clearing out the debris and sorting out the few remaining usable parts. 40,000 kw. of emergency power plants and 4,000 tons of engineering equipment were finally approved for shipment from the United States. Primary value of this material would be to get power to key industries which could then manufacture parts missing in the power plants not totally destroyed and for re-building. At least 35 billion lire, however, would be needed to rebuild power plants and transmission lines.

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But before any industrial problem could be approached AMG and Italian engineers had to confront another difficulty, especially in the areas most hotly fought over - which are often the most important industrial areas as well. Details of mine fields laid by the German and Allied Armies, collated in September from AFHQ, AAI and PBS reports gave a depressing picture. The area between the Hitler and the Gustav Lines, the Anzio bridgehead, the region around Pisa and Livorno, all likely landing beaches, the west coast especially, the Pescara sector and the Gothic line were all covered by extensive minefields which were a constant peril to normal activity. Detectors, a secret weapon, were not available for other than Army use. To deal with this hazard 30 Italian soldiers were trained by British engineers at Capua in the latest methods. These men were the nucleus of a training program in five schools where they were to teach mine removal to 1,500 civilians. In October one school of 300 students was in session at Pisa. It was planned to create a headquarters staff of 110, with 10 groups of 100 each, to be available to Regional Commissioners in AMG territory, and to prefects in Italian government territory, to remove mines on assignment. Before this program was set up mine removal personnel consisted of two Italian Army "pioneer" companies only, trained by two companies of mine experts of the Italian Armed Forces. Some work was let out to private contractors, but financial considerations prohibited extensive use of this practice. How many persons are killed or injured by mines no one knows; at one period casualties were estimated at around 200 a week.

While cement must be one of the essential materials in the reconstruction of industry, in the early stages the principal role was played by the acetylene torch. Heavy industry, steel in particular, had been smashed by the war. At Piombino cascade bombing set 500 bombs through the roof of the steel sheds in three minutes. Thousands of workmen with blowtorches were needed merely to clean up the resultant breakage before estimators could even begin their inventory of usable parts that might have survived. Where heavy industry had escaped bombing, German demolition of machinery or outright appropriation for use in Germany had further slashed Italian industrial capacity. What remained was taken over by the Allies for manufacture or repair of implements of war. In point of fact, the necessities of war and the impossibility of importing machinery during the operational stage did not permit any extensive reconstruction of industry. Nevertheless the Industry Sub-Commission, overcoming many handicaps, by October activated factories employing over 50,000 people: among them 6 fertilizer plants, 30 hemp factories, 4 paper mills; 15 soap factories, 2 textile factories, 50 small candle-producing plants and a caustic soda factory which can serve all Italy. Over and above these, in co-operation with the Army it had set going 4 factories for the manufacture of agricultural implements, 2 for rubber, 100 for bricks, 10 for cement, 4 for steel, 2 for chemicals, 6 for matches, 2 for tobacco, and 3 shipyards and a naval workshop.

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In the textile area north of Florence 400 mills had been surveyed; there no operation was impossible because power was lacking. Plants in Southern Italy, however, in September alone were able to turn out 1,800,000 meters of cloth. Further, superphosphates, the lack of which had delayed production by the large Italian fertilizer industry, were finally on the way - a great help in meeting the critical shortage of fertilizer for the spring harvest. Under ACC stimulus Sicilian sulphur mines reached at their highest production level in several years, 3,500 tons being produced in September. Sicilian asphalt was being turned out at the rate of 25,000 tons a month. In the field of consumer goods, the Commerce Sub-Commission, in cooperation with Industry, arranged for the repair and salvage of nearly 250,000 pairs of shoes which were turned over to the Italian government for distribution. Finally, under a policy of exporting whatever was surplus to Italian economy in order to obtain foreign exchange credits abroad, the following items have been exported:

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lemons 21,278 tons; sulphur 23,790; silk 10; tangerine oil 2; orange oil 20; lemon oil 284; bergamot oil 89; dry figs 11; mustard seed 95; filberts 1,561; pumice 241; sumac 408; orange juice 2; lemon juice 348; wines 695; hemp 3,211; vegetable seeds 38; citric acid 607; argals 570; wine lees 736; jasmine .1 ton; oranges 5,753; briarwood 425; bran 765; bentonite 16; carbon bisulphide 75; red squills 40; cadmium 1; almonds 4,381; misc. salvage 805.

In every matter touching food or reconstruction, transport was of course a vital consideration. The Transportation Sub-Commission now had charge of some 5,000 miles of rails in Italy, taken over from military control as the Military Railway Service followed immediately in the path of the armies. The ACC arranged for the transport of civilian goods on a basis of priorities, food being priority No.1. Full use was also made of military RR cars returning empty from the front. The tonnage moved had risen from 5000 tons a month in the early days to 260,000 tons a month in September and October. The Germans had, of course, taken special care to remove all transport they could in their retreat. A sample taken in four provinces on the basis of 1942 figures showed that 68% of all vehicles were missing, and no less than 84½% of trucks of 5 tons and over. Consequently ACC had to lean heavily on its own military transport which was scarce. In all of liberated Italy there were estimated to be only 6000 semi-serviceable Italian vehicles, either trucks or passenger cars. Tires and spare parts could put, perhaps, another 5,000 on the road, but those items were in even more critically short supply. ACC officers had thus to be ingenious in making the best use of what transport could be found. Rail, which saves on trucks, was combined with trucking to inland areas where rail service is lacking. ACC road and rail coordination may be illustrated by the collection of wheat and potatoes from the Macerata area. Trucked to Jesi, it was carried to Rome on empty freight cars returning from Ancona. Paper was picked up at Albacina and lignite at Spoleto. At Terni and Narni seed wheat and fertilizer trucked to those points was put on the train for southern destinations. Total tonnage of these loadings amounted to 1,500 tons a day. Similar back-loading on empty trains going south was made on an adjacent line where lignite from Ribolla, pyrites from Scarlino, wheat from Grosseto and salt from Tarquinia, the total averaging 1,400 tons a day, were loaded for Rome, Naples and points south.

Early in September General O'Dwyer was called back to Washington to report on the economic situation in Italy. With him he took a fat volume of facts and figures which outlined clearly the bases for Italy's requests for aid as approved by the Allied Control Commission. On September 11 President Roosevelt and Prime Minister Churchill met at Quebec. Shortly thereafter the President issued a series of communiques, promising more help to the Italian people. UNRRA, which had sent a mission to Italy in the late summer to investigate possibilities of extending aid to the country, voted a limited form of assistance to Italy in the form of $30,000,000 for children, pregnant mothers and refugees. In addition, UNRRA was prepared to take over the responsibilities for displaced persons.

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In the midst of these international developments Pietro Caruso, former Fascist police chief of Rome, was brought to trial. Charged, among other things, with supplying the Germans with the names of fifty political prisoners who were subsequently executed in the Ardeatine Caves, he was found guilty and shot. On the first day of the trial a state witness, Caretta, former warden of Regional Coeli prison, was lynched by a mob in the presence of squads of Carabinieri. This provoked a crisis, for the government was accused of not being able to maintain law and order. It also brought to the fore the condition of the Carabinieri. They had been reconstituted by ACC as the chief police authority but they had suffered a great diminution of prestige because of their previous connection with Fascism. The strength of the Carabinieri had originally been set at 45,000 but enlistments had succeeded in raising the actual

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enrollment to only some 45,000. There was need of more, especially for duty in the north, still to be liberated. It was necessary to find inducements to secure more and better men. It was agreed to give all police rations equal to those of the Italian Army, to equip them from Italian Army stocks of clothing (the police had had no issue of clothing for a year) and to transfer 5,000 picked Italian troops to the Carabinieri in order to release an equal number of men for service in the North. Mobile Carabinieri units were used to establish law and order in the Army areas, working with 5th and 8th Army AMGs. It was also decided to increase Carabinieri strength to 55,000.

In September Italian prisoners of war began to return, at the rate initially of 100 a day. It had been nearly a year since the Italian government had first broached the question of the Prisoners of War. Arrangements concerning them had been handled by the War Materials Disposal and Italian Prisoners of War Sub-Commission. It was estimated that there were about 1,000,000 Italian prisoners of war, nearly half held by the British and Americans. It may be remarked here parenthetically that the salvage company (1,500 Italian officers and men) working under this Sub-Commission was able to recover a good deal of Italian war material, including 8 million lire worth of radio equipment, 1,000 pairs of new boots, 200 kilos of leather and nearly 100 vehicles.

On October 1 ACC went through another re-organization to meet new conditions. The re-organization was not drastic; a few sub-commissions were re-grouped, the Regional Control and Military Government Section was telescoped into a Chief of Staff's Office and the Administrative Section was renamed the Civil Affairs Section. A forward field echelon of ACC was established at AAI headquarters to assist in the coordination of the far-flung AMGs in the forward areas. Russian observers were attached in greater numbers to the Commission. The personnel of ACC numbered at this time 1,292 officers and 2,170 men, approximately half British and half American. The area under supervision covered 148,000 square kms. including 37 provinces with a population of about 23 million. The enemy held thirty-seven provinces with an area of 124,000 sq. kms and a population of about 22 million. AMGs in the Armies controlled nearly 5,500,000 persons in a territory covering 46,000 sq. kms and 16 provinces. The ACC Regions had been redesignated and bore the names of the Italian compartimenti instead of numbers. Four ACC Regions were still held by the enemy, Liguria, Piemonte, Lombardia and Venezia, while one, Emilia, remained a battle ground.

As time went on there had been increasing anxiety and unrest over the question of wages and prices. Some idea of the gravity of difficulties in this field may be gained from the simple fact that small boys could earn 15 lire for a single shoe-shine, while unemployment benefit still stood at 8 lire per day for a married man. In a country so disrupted and variable as Italy today, statistics must be unreliable; but the following figures of expenditures per person per month on budgeted foods in Rome including black market purchases, give some indication of price movements:-

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Jan 1944 Feb Mar Apr May Jun Jul Aug Sep Oct

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376	479	582	983	1286	2815	1784	1310	986	1100	1000 (estimated)

On Oct. 19 at Palermo 26 people were killed in a conflict between Italian soldiers and a crowd of demonstrators. This unhappy incident indicated what must be the basic concern of the Italian government as the winter closed in. Given the shortages of food and transportation it was becoming increasingly hard to keep prices in line, while on the other hand inevitable raises in wage-scales were an inflationary threat. The government voted in mid-October a special living subsidy for workers but the Leftist parties were already muttering that it was too little and too late.

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Communications with the outside world were being expanded. The Communications Sub-Commission, which had established an internal mail and telegraph service for all of Southern Italy as far back as December, reported that it had supervised the handling of nearly 25,000,000 pieces of mail since that time. Submarine cables to Sicily and Sardinia were already under Italian government control. Cable and radio communication with the outside world for Italian civilian use on a limited basis was to be resumed on November 10th.

Meanwhile the forward areas became static as weather and the Gothic line slowed the advance of the Armies. Populations under AMG control began to worry about food as the long hauls over difficult terrain aggravated the basic handicap of limited imported supply, now that summer produce was disappearing from the market.

On October 16 six more provinces were handed back to the Italian government, in a fourth transfer of territory. Nine days later the ACC learned that it must now drop the second C, becoming the Allied Commission, and at the same time the Allied Nations announced exchanges of diplomatic representatives with the Italian government. While Allied status was not yet accorded, the diplomatic exchange was clearly a great step forward in the campaign of the Italian government to secure full recognition. Concrete evidence of Allied good will could also be seen in the arrival in late October of a special Mission from the U.S. State Department and the British Foreign Office. The Mission was to obtain from the Economic Section detailed information on Italy's most urgent material needs. There were two categories: items of military necessity for combating disease and unrest, and "first aid goods" for re-activating the most essential civilian industries. Joint planning - for the first time in the real sense of the word - commenced at once with a special inter-ministerial committee of the Italian Government on the drafting of three specific but alternative programs and accompanying requisitions that might result from the amount of Allied credits made available in terms of dollar limits set at $150,000,000 or $200,000,000 or $250,000,000. At the same time in early November AC placed the finishing touches on plans to turn over to the Italian Government the entire machinery and operational responsibility for the distribution of food in territory handed over to Italian jurisdiction. The Italian Government, with AC cooperation, was coming of age.

The record that has been presented above is no more than an outline of one years' activity of the ACC enterprise. Limitations of space make it impossible to fill in the details of the work done in the various branches and throughout the successive phases of the operation. As Italy was cleared of the enemy and as successes on other fronts made it evident that the end of the war was drawing near military problems became more and more merged with political issues. The successive titles applied to the organization indicate this development - first military government, administered in the last period only in war or front line areas, then a commission whose task was control and finally simply an Allied Commission. As the record is surveyed two points must be kept in mind. First of all ACC/AMG was never an independent, policy-making organization. From the beginning AMG officers were subordinate to Army commanders. On the ACC level policy was dictated from the Allied capitals [illegible] staff and AFHQ. At no time, for

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On October 16 six more provinces were handed back to the Italian government, in a fourth transfer of territory. Nine days later the ACC learned that it must now drop the second C, becoming the Allied Commission, and at the same time the Allied Nations announced exchanges of diplomatic representatives with the Italian government. While Allied status was not yet accorded, the diplomatic exchange was clearly a great step forward in the campaign of the Italian government to secure full recognition. Concrete evidence of Allied good will could also be seen in the arrival in late October of a special Mission from the U.S. State Department and the British Foreign Office. The Mission was to obtain from the Economic Section detailed information on Italy's most urgent material needs. There were two categories: items of military necessity for combating disease and unrest, and "first aid goods" for re-activating the most essential civilian industries. Joint planning - for the first time in the real sense of the word - commenced at once with a special inter-ministerial committee of the Italian Government on the drafting of three specific but alternative programs and accompanying requisitions that might result from the amount of Allied credits made available in terms of dollar limits set at $150,000,000 or $200,000,000 or $250,000,000. At the same time in early November AC placed the finishing touches on plans to turn over to the Italian Government the entire machinery and operational responsibility for the distribution of food in territory handed over to Italian jurisdiction. The Italian Government, with AC cooperation, was coming of age.

The record that has been presented above is no more than an outline of one years' activity of the ACC enterprise. Limitations of space make it impossible to fill in the details of the work done in the various branches and throughout the successive phases of the operation. As Italy was cleared of the enemy and as successes on other fronts made it evident that the end of the war was drawing near military problems became more and more merged with political issues. The successive titles applied to the organization indicate this development - first military government, administered in the last period only in war or front line areas, then a commission whose task was control and finally simply an Allied Commission. As the record is surveyed two points must be kept in mind. First of all ACC/AMG was never an independent, policy-making organization. From the beginning AMG officers were subordinate to Army commanders. On the ACC level policy was dictated from the Allied capitals through the Combined Chiefs of Staff and AFHQ. At no time, for instance, did the commission receive any clear-cut directive on how cobelligerents should be treated. ACC's problem in this respect was, of course, merely a reflection of the fundamental ambiguity of the novel concept of co-belligerency but ACC, being the agency of direct contact with the Italian nation, found the uncertainty at times embarrassing. Secondly, whatever may have been the measure of triumph in administering the government of the civilian population one accomplishment stands out clearly. The essential task of securing stability in the Communications zone for the Military Commanders in

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The Field was carried out. The combat troops throughout the whole period of the Sicilian and Italian campaigns never had to be concerned for the safety of their rear. On November 10, 1944, General Alexander, the Commander-in-Chief of the Allied Armies in Italy wrote to Commodore Stone, the Acting Chief Commissioner of the Allied Commission, as follows:

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S E C R E T

COPY

IWS/hjp

A/CC 201

5 November 1944

SUBJECT: Relations Between Italian Government and United Nations

TO : G-5 Section, Allied Force Headquarters, APO 512

1. AFHQ letter AC 387/045 GEG-O of the 23rd August 1944 confirmed that the relations between the Italian Government on the one hand and the United Nations on the other must be conducted through the Allied Control Commission. AFHQ letter emanating from the Offic of the Chief of Staff dated 6 September 1944 in amplifying the above instructions stated that, while formal communications between the Italian Government and the United Nations must be conducted through the A.C.C., there was no objection to informal contacts between Italian Ministers and the members of the Advisory Council. This letter stated further that representatives of neutral powers, while also bound to conduct their formal official relations with the Italian Government through the A.C.C., might similarlly be permitted to have unofficial dealings direct with the Italian Authorities.

2. It was pointed out in Political Section's letter addressed to G-5 AFHQ dated the 30th of October that the Brazilian Consul General had already notified this Commission that he had been accredited to the Italian Government as Brazilian Charge d'Affaires and that, on entering into direct official relations with that Government, he would cease to communicate through the Allied Commission. The United States representative on the Advisory Council for Italy and the British High Commissioner have also notified this Commission of the resumption of direct relations between their respective Governments and the Italian Government; the former to be his government's ambassador to Italy.

3. These developments, together with the re-establishment of diplomatic relations between other South American Republics and the Italian Government, appear to be in conflict with the instructions in the letters from AFHQ referred to above, as also with the Directive of the Allied Control Commission as laid down in Administrative Memorandum No. 74, para II 3 of AFHQ dated 2 November 1943. In view of the uncertain situation which has arisen, it is requested that the position be urgently clarified.

4. In this connection it should be noted that there are three classes of foreign powers occupying different relations with the

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Italian Government, each of which needs to be covered in any new directive that may be issued. They are as follows:

a. Members of the United Nations who are represented on the Advisory Council for Italy.

b. Members of the United Nations not represented on the Advisory Council for Italy.

c. Neutrals.

5. Category (a) is at present divided between powers which have entered into full diplomatic relations with the Italian Government, e.g. Soviet Union; powers which have established direct relations but whose ambassador is not formally accredited to the Italian Government, e.g. United Kingdom; and powers which have so far not re-established any direct relations with the Italian Government. The countries representing Category (b) can no doubt be divided into similar groups. Those belonging to Category (c) are already in formal diplomatic relations with the Italian Government.

6. It is suggested for consideration that, if it is decided formally to recognize the right of all those above powers to have direct formal communications with the Italian Government, in informing the latter accordingly, those powers and the Italian Government might be told that they will be expected to keep the Chief Commissioner informed in general terms of any negotiations in which they may be engaged.

ELLERY W. STONE
Commodore, USNR
Acting Chief Commissioner

cc: U.S.Political Adviser
British Resident Minister
U.S. Ambassador to Italy
British Ambassador to Italy
Chief of Staff
Political Section

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FOR INFORMATION ONLY

80/11

ALLIED COMMISSION ROME

AFHQ SIGNED SACMED

F51227

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~~OF PRIORITY~~ URGENT

CITE: FHSGS

RESTRICTED.

The official text of the announcement of the appointment of Mister MACMILLAN is as follows:

"As already announced, the President of the United States and the Prime Minister of Great Britain recently reviewed the situation in ITALY and agreed on a general policy to meet the many economic and other difficulties of that country.

In order to facilitate the task, they have agreed that the Right Honourable HAROLD MACMILLAN, MP, British Resident Minister at Allied Force Headquarters, Mediterranean, should, in addition to his present post, become the responsible head of the ALLIED COMMISSION. In order to effect this, General WILSON will delegate to Mister MACMILLAN his functions as President of the Commission.

Commodore STONE of the United States Navy, at present the Acting Chief Commissioner, will be appointed Chief Commissioner. Mister MACMILLAN as acting president will be specifically charged with the duty of supervising development of new measures, together with any change in structure of the Commission necessary to carry them out."

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DIST

ACTION: S.C. to A/CC 2

INFO: C.o.S.
Econ Sec
C.A. Sec
Pol Sec
Estab Sec
File

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ALLIED CONTROL MACHINERY IN ITALY

In February, 1943, General Eisenhower asked the Combined Chiefs of Staff in Washington for a directive concerning military government of occupied territories in connection with the forthcoming operation for the invasion of Sicily. The State Department and the War Department worked out the "Husky" directive for the establishment and regulation of Allied Military Government of Occupied Territory (AMGOT). Its primary purpose was to protect the forward military operation, to maintain order behind the lines and to mobilize the resources of the occupied territory for the further prosecution of the war. It was strict military government conceived for application in enemy territory. The personnel was roughly 50-50 British and American. They followed the invasion troops immediately and eventually extended their authority over all of Sicily. The name was shortened to Allied Military Government (AMG).

After considerable negotiations through Lisbon, Tangier, and Madrid an Italian plenipotentiary signed a military armistice in Sicily on September 3, 1943. This consisted of 12 short articles, all of a military nature, providing for the cessation of hostilities and the surrender of the Italian armed forces. The Italian capitulation was kept secret and that same night Allied troops crossed the Straits of Messina for the first attack on the Mainland. The day that the Allied attack on Salerno was scheduled, September 8, the Allied Commander-in-Chief announced the Italian surrender from Algiers and Marshal Badoglio announced it from Rome. Allied forces invaded the Italian mainland below Salerno that night. The Italian surrender provided only for the withdrawal of Italy from the war and did not contemplate any collaboration with the Allies. However, the immediate German reaction to the surrender soon

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Meanwhile the American and British Governments had prepared a comprehensive instrument of surrender for the Italians. In addition to the military clauses, it contained political, economic and financial terms; forty-four articles in all. While this instrument had been completed and approved by the two Allied governments prior to the Italian surrender the text

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text had not arrived in the military theater in time to be used by General Eisenhower. Consequently he used the "short terms" already in his possession. However, the British Government insisted that the "long terms" be signed also and, over General Eisenhower's recommendation to the contrary, they were presented to Marshal Badoglio who, after some hesitation, signed them at Malta on September 29, twenty-six days after the military armistice was signed. They provide for the surrender of the Italian armed forces, land, sea and air, and place at the disposal of the Commander-in-Chief all Italian economic and financial resources. The terms were so drastic that Marshal Badoglio asked General Eisenhower to keep their existence secret and they are so treated today.

By the time the Long Terms were signed on September 29, the inevitability of Italian collaboration with the Allies had already become apparent. The King and Marshal Badoglio had already called on the Italian people to resist the Germans who had failed to recognize Italy's right to withdrew from the war and to respect her position of neutrality. General Eisenhower recognized the effective assistence which the Italian armed forces could render the military campaign in Italy if the Italian Government should declare war on Germany and place the country's forces actively on the side of the Allies. With this in mind he gave Marshal Badoglio a letter, at the time the Long Terms were signed in Malta, saying that he recognized that some of the articles of the Long Terms were already obsolete (having been written with a different situation in mind) and that he would recommend to the Combined Chiefs of Staff from time to time that the terms of the Armistice be lightened as Italian collaboration in the war against Germany proved itself effective. This letter was the first concrete manifestation of our willingness to consider modifications in our relationship with and treatment of Italy as a defeated enemy power.

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Italys relationship to Germany and to the United Nations was seriously discussed at Malta. Two weeks later, on October 13, the Italian Government declared war against Germany and the United States, Great Britain and the Soviet Union "took note of the position of the Royal Italian Government as stated by Marshal Badoglio" and accepted "the Italian Armed Forces and the Italian nation as a cobelligerent" in the war against Germany.

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Meanwhile the Allied advance had brought the Italian peninsula, south of Naples, under Allied military control. Allied Military Government was extended from Sicily to all the allied occupied territories on the Mainland except the four southernmost provinces of Le Puglie where the King and the Italian Government had established themselves.

ALLIED CONTROL COMMISSION

Article 42 of the Long Terms provided for the establishment of a Control Commission,"representative of the United Nation", to supervise and assure the execution of the terms of the armistice. The functions and organization of the Control Commission were established by the Combined Chiefs of Staff in a directive to General Eisenhower on October 30, 1943. The functions of the Allied Control Commission were described as follows:

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

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

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

General Eisenhower announced the establishment of the Control Commission on November 10, 1943. In his announcement he defined the purpose and function of the Commission to be one of assuring the execution of the terms of the Armistice and mobilizing Italian resources in the fight against Germany.

In its organization/aspects the Commission has undergone some modifications. As it now stands the Supreme Allied Commander, Mediterranean

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In its organizational aspects the Commission has undergone some modifications. As it now stands the Supreme Allied Commander, Mediterranean Theater, General Sir Henry Maitland Wilson, is President ex officio of the Allied Control Commission. As President of the Commission he has made General Alexander his Representative in Italy to carry out the functions of President with respect to such matters as are delegated to him. General Alexander is also Military Governor of occupied Italian territory.

The active head of the Allied Control Commission, however, is the Deputy President of the Commission or Chief Commissioner, Lieutenant General

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Noel Mason Macfarlane, a British officer. He has an American Deputy, Captain Ellery W. Stone, USNR, whose title is Deputy to the Deputy President or Deputy Chief Commissioner. In addition to being Deputy President and Chief Commissioner of the Control Commission, General Mason Macfarlane is also Chief Civil Affairs Officer for Allied Military Government.

The Control Commission is divided into four sections and six independent sub-commissions. They are:

1. Political Section
2. Economic Section
3. Administrative Section
4. Regional Control and Military Government Section

5. Navy Sub Commission
6. Army Sub Commission
7. Air Sub Commission
8. Displaced Persons Sub Commission
9. War Material Disposal Sub Commission
10. Telecommunications Sub Commission

The heads of the four sections are Vice Presidents of the Control Commission. They are:

Samuel Reber (Am) and Harold Caccia (Br) joint heads, Political
Hon. Henry F. Grady, (Am), head Economic Section
Air Commodore Lord Stansgate, (Br), head Administrative Section
Brigadier Maurice Lush, (Br), head, Regional Control and Military Government Section.

Originally Allied Military Government and Allied Control Commission were separate entities; the former under the direct command of the theater commander in Italy, the latter under the Allied Commander-in-Chief in Algiers. In the reorganization of the Control Commission in January, 1944, the headquarters and the staffs of the two organizations were combined and made identical. They are now known as AMG/ACC in Italy. An organizational chart is, briefly, that AMG functions in territory immediately behind the Allied lines where administration by Allied forces is necessary, while ACC functions in that territory more remote from the front line which has been

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1. Political Section
2. Economic Section
3. Administrative Section
4. Regional Control and Military Government Section

5. Navy Sub Commission
6. Army Sub Commission
7. Air Sub Commission
8. Displaced Persons Sub Commission
9. War Material Disposal Sub Commission
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On February 10, 1944, General Alexander announced the termination of Allied Military Government in Sicily and the six southern provinces of Reggio, Calabria, Potenza, Matera, Cosenza, Salerno and Bari. (Allied Military Government had never been extended to the four southern provinces of Le Puglie and to Sardinia). Thus these areas were returned to Italian Administration under the control Italian government. Italian civil adminis-

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tration now extends over the ten southern provinces of the Italian mainland and to the islands of Sicily and Sardinia. While the actual administration of territory in these areas is Italian it is carried on under the guidance and supervision of the Allied Control Commission. The Italian Government and the Allied Control Commission moved from Brindisi to Salerno in January - February, 1944. The Deputy President of the Commission also have offices in Naples which is still AMG territory.

ADVISORY COUNCIL FOR ITALY.

At the Moscow Conference in October, 1943, it was determined to establish an Advisory Council for Italy, representative of those United Nations most interested in developments in Italy. The countries originally represented on the Council were the United States, the United Kingdom, the Soviet Union and France. Subsequently Greece and Yugoslavia were invited to send representatives.

The secret terms of reference provide among other things that the Council will keep itself closely informed of current Italian affairs and advise the respective Governments and the French Committee of National Liberation in regard to problems relating to Italy, other than military operational questions. ***** They (the members of the Council) will make joint or several recommendations to their Governments or to the French Committee, but will not have power to take final decisions; that "the Council will advise the Allied Commander-in-Chief in his capacity as President of the Allied Control Commission on general policy connected with the work of control"; that it will have the right to ask the Commander-in-Chief as President of the Control Commission for information or explanations on matters effecting the Council's work; and that when in the opinion of the Commander-in-Chief it is possible to terminate direct military control of Italian

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The first meeting of the Advisory Council was held in Algiers on November 30, 1943. There have been twelve meetings to date in Algiers and Naples. In the earlier meetings the Council was composed of representatives of the United States, Great Britain, the Soviet Union and the French Committee of National Liberation. Greece and Yugoslavia were invited to

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participate in the Advisory Council in January, 1944, and the representatives of those countries were first present at a meeting of the Council on February 18, 1944, at Algiers. In March the Council determined to move permanently to Naples and it has met here regularly since April 8.

The activities of the Council have resulted in the following recommendations to the Supreme Allied Commander (formerly Allied Commander-in-Chief).

1. That certain liberated territory of southern Italy and the Islands of Sicily and Sardinia be returned to Italian administration subject to the guidance and instruction of Allied Control Commission and to the conditions that (a) the administration would be carried on by officials of proven good faith and Allied sympathies and (b) the transfer involved no commitments to Marshal Badoglio's Government after the liberation of Rome.

2. That a directive be issued to the Deputy President of the Control Commission to the effect that in exercising his functions of control he be guided, as much as military necessity permits, by the terms of the declaration regarding Italy made at Moscow, with particular reference to the second of such measures.

3. That Soviet and French representatives be accepted on the Allied Control Commission.

4. That all adverseries of Fascism, arrested for political reasons, be immediately liberated.

5. That Palmiro Togliatti, alias Mario Ercoli, be permitted 3266 to return to Italy.

6. That a British Trade Union committee be permitted to visit Italy.

7. That the wearing of Italian decorations for the Greek campaign by all Italian ranks be prohibited.

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At the Council's invitation Marshal Badoglio and some of his Cabinet attended one of the sessions and presented the Italian Government's position and that of the country. The Deputy President of the Control Commission is often invited to attend meetings of the Council for the purpose of reviewing recent political events in liberated Italy for the benefit of the members of the Council.

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AN ANALYSIS OF THE RESULTS

AMG was conceived for application to enemy territory. It may be benevolent in application but it is straight military government designed principally to protect and facilitate the military campaign. It was not designed for the benefit of the local population, nor was it contemplated that it would establish permanent political reforms. It had a mandate to remove principal Fascist officials and leaders from office but beyond that it was not designed to be a liberal force in the political life of the country. This was not generally understood by the people of either the United States or Italy and as a result of the misconception of AMG functions, it has been widely criticized as a tool of reactionary forces. Furthermore it remained in control of Sicily and a large portion of southern Italy for an extended period after the front had passed on and into a period where military considerations were no longer paremount in those areas. The withdrawal of AMG from liberated Italy south of the Salerno - Borletta line in February again brought AMG into proper relationship with the military operations. Its authority and activity is now limited to a relatively small area behind the advancing front line where the necessity for restoring order and exercising military authority is obvious. In the event the new Allied drive continues to push the Germans, back consideration should be given to the early restoration to Italian civil administration of present and rear AMG territories. Should the Allied military authorities require, for strategic reasons, complete control of the port and city of Naples, it could be left under its present administration without prejudice to the withdrawal of AMG from surrounding areas.

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May 20, 1944.

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Pol Sec

HC
JAQ/hjp W.S.
DC
VD
Pol
Sec
Gen

Ref. 502/7/CCS

25 October 1944

TO: The Secretary to the Presidency of the Council of Ministers,
Italian Government

Will you please take note that the Allied Control Commission will henceforth be addressed as the Allied Commission.

J. A. Q.

J. A. QUAILES
Major, R. A.
Staff Officer to the
Acting Chief Commissioner

cc: Chief of Staff
Political Section ✓
G-5, AFHQ
British Resident Minister, AFHQ
U. S. Political Adviser, AFHQ
U. S. ~~American~~ Representative, ACI
British High Commissioner

'A' Files

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SECRET

Pol. Sec

1913

PENINSULAR BASE SECTION
SIGNAL MESSAGE CENTER

29 JANUARY 1944

SECRET

ROUTINE

FATIMA FOR MACFARLANE AND CG PBS(FARGO) FOR SPOFFORD RPTD FAIRBANKS

NONE

CINC

281130Z

282218A

44015

FMCS

HEADQUARTERS
29 JAN 1944
AMG.

DIRECT COMMUNICATIN ON MATTERS OF ROUTNE ISHEREBY AUTHORIZED BETWEEN HEADQUARTERS ALLIED CONTROL COMMISSION AND THE BRITISH AND AMERICAN GOVERNMENTS AT LONDON AND WASHINGTON. FOR GENERAL INSTRUCTIONS AND DIRECTIVES AND ALL MATTERS OR POLICY, THE CHANNEL REMAINS THROUGH THE ALLIED CINC TO AND FROM THE COMBINED CHIEFS OF STAFF. ALL SUCH DIRECT COMMUNICATION MUST BE AUTHORIZED BY THE RESPECTIVE HEADS OF SECTIONS AND SUBCOMMISSIONS AND A COPY OF EVERY SUCH COMMUNICATION MADE A PART OF THE COMMISSIONS RECORDS.. ADVISE THIS HEADQUARTERS IF YOU WISH DETAILED AMPLIFICATION OF MINISTRIES AND AGENCIES TOBE ADDRESSED UNDER ABOVE AUTHORITY.

ACC DIST 3263

PBS DIST

ACTION AMG HQ
INFO SECY
CG

(ACTION) COL SPOFFORD (2)
BRIG GUETERBOCK
POLITICAL SEC
EX OFFRS
AG

SECRET

11620

0295

Declassified E.O. 12356 Section 3.3/NND No. 785016

Draft

Cable to G-5, Info Br.Res Min, USPA

In view of many inquiries from Allied as well as Italian sources, I shall be grateful for information whether Anglo-American Declaration regarding Italy is now to be considered in force, or whether it is intended to instruct this Commission to communicate it officially to Italian Government.

2. Particular points on which questions are asked are (a) whether the structure and functions of the Allied Commission will continue as under Allied Control Commission until specifically modified in any special instance; (b) what will be the position of Italian representatives in Washington and London and will they, for instance, be allowed direct confidential communication with xkix Italian Government by means of codes and ciphers not deposited with Allied Commission.

3. I presume that you will issue necessary instructions about change of title of Commission

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Pol Sec 325

~~SECRET~~

~~AAI, AFSO, REGION 2, REGION 4, REGION 7, REGION 5, REGION 6, REGION 2,~~
REGION 8, REGION 9, NAVE REGION, ITALIAN GOVERNMENT: ACC ADV FOR AIR
SUB COMM AND ACC A DV FOR NAVY SC, DISTRICT 1, DISTRICT 3, DISTRICT 2

ACC MAIN SIGNED STONE

SECRET

7297

PRIORITY

221100

PRESENT LOCATION HQ A CC CLOSES AND OPENS A T LOCATION ACC A DV COCT RHB JULY 15. ACC REAR CLOSES CCCT RHB JULY 9. ALL MESSAGES ADDRESSED POLITICAL SECTION AND ACTING CHIEF CONTROL COMMISSION SHOULD BE ADDRESSED TO ACC ADVANCED. ALL MESSAGES FOR FO HQ HQ SE, COMM IC AND ADMINISTRATIVE SECTIONS SHOULD BE ADDRESSED TO HQ, REAR ACC ADV AS FROM CCCT RHB 10 JULY

ACC ADV DEUS.
INFO—EX OFFR
SEC GEN
ECON SEC
ADM SEC
HIS COMMT
AIR FORCE
NAVY SC
C. A. HQ
ADJ
POL SEC
ECON SEC
REG IV
REG VIII
FILE

3261

0297

Declassified E.O. 12356 Section 3.3/NND No. 785016

250899A

N - 3745

RAD

1610

SIGNAL CORPS, UNITED STATES ARMY
TELEGRAM

POLITICAL SECTION

RECEIVED AT
PENINSULAR BASE SECTION
SIGNAL MESSAGE CENTER

25 JANUARY 1944

SECRET

PRIORITY

TO (ACTION) : CG PBS FOR FARGO, FILPOT FOR ALEXANDER, FATIMA FOR MACFARLANE, FAIRBANKS

(INFORMATION) : MOSE

FROM : CINC

DATE TIME SIGNED : 241840A

DATE TIME RECD : 250899A

REFERENCE NO. : 42485

CITE : FREEDOM

HEADQUARTERS
25 JAN 1944
AMG

GENERAL ALEXANDER WILL BE REPRESENTATIVE IN ITALY OF PRESIDENT OF ACC AND ACT FOR AND ON HIS BEHALF CARRY OUT FUNCTIONS OF PRESIDENT ACC IN ITALY IN RESPECT OF SUCH MATTERS AS SHALL BE DELEGATED TO HIM FROM TIME TO TIME. WILL CONTINUE MILITARY GOVERNOR OF OCCUPIED TERRITORY UNDER A.C.

GENERAL MACFARLANE WHILE SERVING AS DEPUTY PRESIDENT ACC WILL BE CHIEF COMMISSIONER OF ACC AND COMG OF OCCUPIED TERRITORY UNDER AMG. HIS HQ WILL BE HQ ACC AND IN ADDITION CIVIL AFFAIRS BRANCH OF HQ AGWF.

HQ AMG FIFTEEN ARMY GROUP DISBANDED. HQ AMG FIFTH AND 8TH ARMIES WILL OPERATE UNDER OPERATIONAL COMMAND OF ARMY COMMANDERS AND UNDER TECHNICAL CONTROL OF HQ ACC.

ITALIAN TERRITORY NOT UNDER AMG WILL BE ADMINISTERED BY ITALIAN GOVERNMENT, UNDER DIRECTION OF ACC.

REGIONAL ORGANIZATION ON PRESENT LINES WILL BE MAINTAINED UNTIL FURTHER ORDERS. RESPONSIBILITY FOR ALL TERRITORY NOW UNDER HQ AMG PASSED TO HQ ACC. AFHQ GENERAL ORDER BEING ISSUED, DATED 24 JANUARY, EFFECTIVE 0001 HOURS 25 JANUARY, TO FOLLOWING EFFECT.

3260

PBS DISTRIBUTION
ACTION: AMG HQ
INFO : G-2
CG
Secy.

AG DISTRIBUTION
Gen. Macfarlane
Brig. Quaterbock
Cpl. Spofford
Exec. Off.
Political Section
G-1

Declassified E.O. 12356 Section 3.3/NND No. 785016

CONFIDENTIAL

Pol Sec 2423 Auth DD GD

ACTION: THOMPSON, AGWAR, ETOUSA, CHALF, MIDEAST, USAFME, NOB NATOUSA, MAAF, ARI, MADIST, DISTWO SAC APHQ SIGNED WILSON

89/3

CONFIDENTIAL
ROUTINE
CITE FHQCT

AUG 0482113

SAC NOB, MEW, PEC, NCRBS, ABS, EBS, FIFTH ARMY, AC SARDINIA, 7TH ARMY, GIBRALTAR, MALTA, RAFWATC, CINC MED, BALKAN AIR FORCE, ZFA, FR DOMIN CORSICA, ACC, CHQ INDIA.

REFERENCE OUR FX-77937 DATED 1 AUGUST. ~~SECRET & POLITICAL ADVISER~~ WHICH MESSAGES WILL NOW BE ADDRESSED TO APHQ.

What's Dix about?

ACC DIST

INFO-ACTION - CSO
SEC GEN
A/CS
CA BR
ECON SEC
POL SEC
AIRCIR SEC
DEF BR
EX OFFRS
G-1 (B)
G-1 (A)
G-4 (B)
G-4 (B)
INFO DIV
AFN
SIG M/C
FLOAT
FILE

HEADQUARTERS 4 AUG 1944 A.C.C.

3259 2

CONFIDENTIAL

AUG 0519308

0291

Declassified E.O. 12356 Section 3.3/NND No. 785016

See RK 2nd letter

SECRET

2129

(1) TROOPERS (2) AGWAR (3) ETOUSA (4) SHAEF (5) MIDEAST (6) USAFIME (7) SOS NATOUSA (8) MAAF (9) AAI (10) NORTH AFRICA DISTRICT (11) DISTWO (12) SOM (13) MBS (14) PBS (15) NORBS (16) ABS (17) EBS (18) 5 ARMY (19) AC SARDINIA (20) 7 ARMY &&& 3 & 4/02

AFHQ GOD WILSON
FX 77937

SECRET
PRIORITY
CITE FHQ87

AUG/

&&& (21) GIBRALTAR (22) MALTA (23) NOFWATC (24) CINC MED (25) BALKAN AIR FORCE (26) IFA (27) FRENCH COMMANDER CORSICA (28) ACC (29) AFHQ REAR (30) G.HQ INDIA

INFO - ACTION

TRANSFER OF MESSAGE CENTRE RESPONSIBILITIES FOR AFHQ REAR IN ALGIERS TO NORTH AFRICA DISTRICT WILL BECOME EFFECTIVE 2200 Z HOURS JULY 31ST. AFHQ MESSAGE FX 72844 DATED JULY 16TH AND FX 73473 DATED 18TH JULY WILL BE SUPERCEDED BY THIS MESSAGE AT THAT TIME. FOLLOWING STAFF SECTIONS WILL REMAIN AT AFHQ REAR AT ALGIERS AND MESSAGES FOR THEM WILL BE ADDRESSED INTERNALLY TO NORTH AFRICA DISTRICT REPEAT NORTH AFRICA DISTRICT PASS AFHQ REAR WITH STAFF SECTION OR INDIVIDUAL INDICATED: BANKING AND CURRENCY ADVISER (BRITISH) USA POLITICAL ADVISER JOINT INTELLIGENCE COLLECTION AGENCY, JOINT RE-ARMAMENT COMMITTEE, NORTH AFRICAN JOINT ECONOMICS MISSION, 2677 REGIMENT OSS (PROVISIONAL) CLAIMS COMMISSION HIGHERNIGS DIRECTORATE (BRITISH), BRITISH REPRESENTATIVE RT HON A. DUFF COOPER, GHQ 2ND ECH (BRITISH), G-3, SPECIAL PROJECT OPERATIONS CENTRE. MESSAGES FOR ALL OTHER STAFF SECTIONS WILL BE ADDRESSED AFHQ AS AT PRESENT. FOR MIDEAST. THIS ANSWERS YOUR BX 23656 DATED JULY 23RD.

HEADQUARTERS
2 AUG 1944
A. C. C.

ACC DIST
3256

INFO-ACTION - CSO, SEC GEN, ACOS, CA Br, Econ Sec, Pol Sec, Adm Sec, Est Br, Ex Offrs, G-1 (B), G-1 (A), G-4 (B), G-4 (A), Info Div, Adj Sigs M/C, File (8), Float

SECRET
ACC 020945B

Declassified E.O. 12356 Section 3.3/NND No. 785016

SECRET

1774

TROOPERS, ACWAR, ETOUSA, SHAEF, MIDEAST, USAFIME, SOS NATOUSA, MAAF, AAI,

AFHQ SIGNED WILSON

FX 75683

JUL 260020

SECRET

ROUTINE

CITE FHQCT

********NADIST,DISTWO,SOM,MBS,PBS,NORBS,ABS,EBS,FIFTH ARMY, AG SARDINIA,
SEVEN ARMY,GIBRALTAR, MALTA,NAFWATC,CINC EED,BALKAN AIR FORCE, TO IFA,
FR COMDR CORSICA, ACC FOR INFO

FURTHER TO OUR FX 72844 OF 16 JULY. PARA 1. SIGNALS FOR THE FEW BRANCHES IN ALGIERS TO BE ADDRESSED AFHQ REAR AND REMAINDER TO BE ADDRESSED AFHQ. PARA 2. FOR TROOPERS. THIS ANSWERS YOUR 61980 SD 2A DATED 21 JULY.

SECRET

3257

JULY 28

Declassified E.O. 12356 Section 3.3/NND No. 785016

CONFIDENTIAL CONFIDENTIAL

POLITICAL SEC.
DCK/er
AP 137 636 V

2686

ALLIED FORCE HEADQUARTERS
APO 512

ADMINISTRATIVE MEMORANDUM)
:
NUMBER 30)

26 July 1944

Announcement of Allied Force Headquarters Advanced Detachment I
Designation of Commanding General, AFHQ Advanced Detachment II

I ---- ANNOUNCEMENT OF ALLIED FORCE HEADQUARTERS ADVANCED DETACHMENT.

Effective this date, the Allied Force Headquarters Advanced Detachment is established.

II --- DESIGNATION OF COMMANDING GENERAL, AFHQ ADVANCED DETACHMENT.

Lieutenant General JACOB L. DEVERS, United States Army, is announced as Commanding General, Allied Force Headquarters Advanced Detachment, in addition to his other duties. (AG 321-3 (AFHQ)

By command of General WILSON:

H. V. ROBERTS,
Colonel, AGD,
Adjutant General.

DISTRIBUTION:
"C"

970

3256

CONFIDENTIAL

CONFIDENTIAL

0302

Declassified E.O. 12356 Section 3.3/NND No. 785016

Pol Sec WC 1050

SECRET

TROOPERS AGWAR ETOUSA SHAEF MIDEAST TWX USAFIM SOS NATOUSA MAAF AAI NADIST DISTWO SOM MDS PBS NORBS ABS IBS F ERS FIFTH ARMY AG SARDINIA AFHQ ADV CP SEVENTH ARMY. GIBRALTAR MALTA NAFWATC NC INC MED BALKN IJ FORCE LFA FR COMDR CORSIA ACC

SECRET

AFHQ SIGNED WILSON

FX 72844

CITE: FHGCT

JUL1700Z0B

EFFECTIVE 0001 B 20 JULY AFHQ AND NATOUSA CLASS? AT ALGIERS AND OPEN CASERTA ITALY SAME TIME. ALL RADIO TRAFFIC FOR AFHQ WITH EXCEPTIONS LISTED BELOW TO BE ROUTED JJJJ STATION AND ALL OTHER TRAFFIC WITH SAME EXCEPTIONS TO LAEE. EXCEPTIONS: (1) ALL TRAFFIC FOR FOLLOWING TO BE ROUTED AS AT PRESENT WITH INTERNAL ADDRESS IN THE TEXT UNTIL FURTHER NOTICE. BANKING AND CURRENCY ADVISER (BRITISH), US POLITICAL ADVISER, COMBINED SERVICES DETAILED INTERROGATION CONTER, JOIN INTELLIGENCE COLLECTION AGENCY, JOINT PERMANENT COMMITTEE NORTH AFRICAN JOINT ECONOMIC MISSION, 2677 REGIMENT, OSS (PROVISIONAL) CLAIMS COMMISSION AND HIRINGS DIRECTORATE (BRITISH), BRITISH REPRESENTATIVE RT HON A DUFF COOPER. (2) ALL TRAFFIC FOR THE FOLLOWING TO BE ROUTED AS AT PRESENT WITH INTERNAL ADDRESS IN THE TEXT UNTIL DATE AND TIME INDICATED FOR EACH, THEN ROUTE TO JJJ AND LAEE, UNTIL 1200B 24 JULY GHQ SECOND ECHELON (BRITISH), UNTIL 1200B 26 JULY, CAMP COMMANDANT

CONTINUED ON NEXT PAGE

3255

SECRET

0303

Declassified E.O. 12356 Section 3.3/NND No. 785016

(BRITISH) AND UNTIL 2400B 30 JULY TRANSPORTATION SECTION AFHQ (RA) AND ALL BRANCHES ONLY)

Int Dist

G(SD)	6	ACTION	MED 1
MA TO CAO	1		ORD 1
DCAO	3		REME 1
G(TRC)	1		LABOUR 1
G(RECORDS)	1		PROVOST 1
A	2		AFA 1
AG(US)	1		ACC LNN 1
X	3		PET SEC 1
CSO L OF C	1		HQ RAC 2
Q	2		HQ INF 1
Q(AE)	2		WTSFP 1
G4	2		HQ 1 OF RESEARCH 1
RA	2		DSTO 2
RE	2		CLAIMS/HIRINGS
WES	1		PAY 1
SVY	3		OSS DET 1
MOV	5		CC COMD GP SIGS 1
TN(A)	2		US CIPHERS 1
POSTAL	1		BR CIPHERS 1
ST	1		SIGNAL MASTER 1

ACC DIST 3254

(INF- ACT) SIGNALS OPT
(INF) A/CC
COMS SC
EX OFFS
CA.BR 2
ECON SEC
ADM SEC
POL SEC

SECRET

0304

Declassified E.O. 12356 Section 3.3/NND No. 785016

Political Sect.

SECRET

5030 ~~SR~~ ~~HC~~ ~~RK~~

ALLIED MILITARY MISSION...INCOMING MESSAGE

M/C NO....16/10

REF NO....W4756/62473 WtH

FILED.....092155A

RECD.....101349
JHM

SECRET
PRIORITY
FREEDOM
FATIMA

UNCHANGED IS THE REGISTERED CABLE ADDRESS TO DESIGNATE GENERAL ALEXANDERS COMMAND AND REMAINS FILPOT.(ABOVE IS PARA 3 OF CRYPTO FREEDOM PARAPHRASE THE PARAGRAPHS OF WHICH ARE TO BE ARRANGED NUMERICALLY)

PARA 1. THE FOLLOWING TITLES FOR COMMANDERS IN THE MEDITERRANEAN THEATRE WILL BE EFFECTIVE FORTHWITH. CITE FHGCT. (A) GENERAL WILSON TO BE SUPREME ALLIED COMMANDER MEDITERRANEAN THEATRE.(B) GENERAL DEVERS TO BE DEPUTY SUPREME ALLIED COMMANDER MEDITERRANEAN THEATRE. (C) GENERAL ALEXANDER TO BE COMMANDER IN CHIEF ALLIED ARMIES IN ITALY. (ADDSD AGWAR, TROOPERS, AAI,MIDEAST, FLAMBO,SOS NATOUSA, FAIRBNAKS, FATIMA,NO.1 DISTRICT, NO.2 DISTRICT, NO.3 DISTRICT, ABS, MBS,EBS,IBS, PBS, NORBS,ADV HQ MAAF, CINC MED)(NAPLES),7TH ARMY, FARGO, FALCON, NAD RPT NFD, FIRST ARMD DIV, 6TH ARMD DIV, 21ST ARMY TK BDE,25TH ARMY TK BDE, 85TH US DIV FOR ACTION)

PARA 2. THE TITLE ALLIED CENTRAL MEDITERRANEAN FORCE IS BY THE TITLE ALLIED ARMIES IN ITALY REPLACED.

ACC DISTRIBUTION:

Info.....Sec Gen
Dep C C
C A Br (For Ex Comm)
Ex Off (Est Br)
G-1 (B)
G-1 (A)
G-4 (B)
G)4 (A)
Admin Sec
Political Sec
Econ Sec
Adj (Rear MAIN
File.....Float

HEADQUARTERS 10 MAR 1944 3253 A. C. C.

SECRET

1500
10 Block 4-4

0305

Declassified E.O. 12356 Section 3.3/NND No. 785016

RESTRICTED

DCK/ar

HEADQUARTERS
NORTH AFRICAN THEATER OF OPERATIONS
UNITED STATES ARMY
APO 534

GENERAL ORDERS)
: 21 September 1944
NUMBER 93)

Announcement of Deputy Theater Commander North African Theater of Operations . . I
Announcement of Chief of Staff North African Theater of Operations II

I --- ANNOUNCEMENT OF DEPUTY THEATER COMMANDER NORTH AFRICAN THEATER OF OPERATIONS

Announcement is made of the designation of Major General THOMAS B. LARKIN, 03785, USA, as Deputy Theater Commander, North African Theater of Operations, in addition to his other duties.

II -- ANNOUNCEMENT OF CHIEF OF STAFF NORTH AFRICAN THEATER OF OPERATIONS

Announcement is made of the designation of Brigadier General GEORGE D. PENCE, 015629, GSC, as Chief of Staff, North African Theater of Operations, vice Major General DAVID G. BARR, 010313, GSC, relieved.

By command of Lieutenant General DEVERS:

GEORGE D. PENCE,
Brigadier General, GSC,
Chief of Staff.

OFFICIAL:

R. H. CHRISTIE,
Colonel, AGD,
Acting Adjutant General.

3252

DISTRIBUTION:
"Y"

RESTRICTED

0306