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

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VICE PRESIDENT'S CONFERENCES
APR. 1946 – JAN. 1947

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

67A

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC 551/3

28 January 1947

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning 29 January 1947, at 1000 hours at the Chief Commissioner's Conference Room.

DISTRIBUTION:

Chief Commissioner
Executive Commissioner
V.P. Economic Division
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy S/C
Land Forces S/C
Air Forces S/C
French Representative AC
Public Relations Br.
Chief Legal Advisor
Financial Advisor

4940

EDWARD D. S. SULLIVAN
Major Air Corps
Staff Officer to CC.

JKM
28/1

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/3

22 January 47

MINUTES

Vice Presidents' Meeting, 1000 hours, 22 January 1947, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Carr, Capitaine de Villefosse, Rear Admiral Morren, Air Vice Marshal Brodie, Mr. Hankey, Colonel Holbach, Colonel Fiske, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Colonel Weber, Colonel Battensby, Captain Judkins.

Brigadier Carr, Executive Commissioner, announced that the Chief Commissioner had gone to AFHQ to attend a SACMED meeting and that therefore he would preside at the meeting.

---

1. Future of the Allied Commission

In connection with paragraph 1 of Minutes of 15 January, the Executive Commissioner stated that information concerning the abolition of AC was still Secret. AFHQ had requested from COS a downgrading of their signal and correspondence pertaining thereto but no immediate reply had yet been received; thus, anything said on this matter during the meeting must for the present remain secret. The Executive Commissioner also reported it had now been confirmed that the AC would be abolished as of 2359 hours, 31 January 47. It is proposed tentatively by AFHQ to appoint the Assistant Chief of Staff, G-5, AFHQ, as Chief Civil Affairs Officer. A Liaison and Civil Affairs Branch will be set up in Rome as an integral part of G-5, AFHQ, and recommendations for the organization of the section are being submitted to AFHQ. Instructions were still awaited with regard to the Land Forces, Air, and Navy Subcommissions and the establishment of the Italian Military Affairs Section (LMAS).

2. Political Resume

Captain Judkins gave a brief resume of the developments of the past week. The political situation as it had developed could be broken up into three general segments -- the results of De Gasperi's trip and his return to Italy; the continuation of the split in the Socialist party; and the crisis in the cabinet precipitated by the resignation of De Gasperi.

As regards the Socialists, the main outcome of the Congress was the split of the party into two branches -- Nenni's Italian Socialist Party and Saragat's Socialist Party of Italian Workers. At the conclusion of the Congress, Lelio Basso was elected to succeed Lombardo as secretary of the

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

Present: Brigadier Carr, Capitaine de Villefosse, Rear Admiral Warren, Air Vice Marshal Brodie, Mr. Peakey, Colonel Holbech, Colonel Fiske, Lieutenant Colonel Rose, Lieutenant Colonel Wilbe-Jones, Colonel Weber, Colonel Battensby, Captain Judkins.

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As regards the Socialists, the main outcome of the Congress was the split of the party into two branches -- Nenni's Italian Socialist Party and Saragat's Socialist Party of Italian Workers. At the conclusion of the Congress, Lelio Basso was elected to succeed Lombardo as secretary of the party. Following the split there was much conjecture as to whether Saragat's party intended to precipitate a crisis, but such fears were allayed by Saragat's admonitions to his party members to remain at their posts in the government unless forced to withdraw by other political causes. In connection with the Presidency of the Constituent Assembly, although Saragat had resigned his post it had been agreed that he would continue as President until his resignation could be acted upon by the Constituent Assembly which was scheduled to meet on 30 January; however, that meeting has been postponed until February. As for the draft of the Constitution, it was expected it should be ready by 21 January. In regard to the battle between Saragat and Nenni, there had been much conjecture in the press as to its possible outcome. Saragat was reported to have on his side 29 of the Socialists in the Constituent Assembly, but "Giornale d'Italia" had reported 43, instead, had

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remained with him. The strength of the two parties, however, remained very confused, but Saragat showed signs of gaining strength.

De Gasperi left the United States on 15 January and almost immediately after his departure the State Department in Washington released the results of his trip. The main gains were: US plans to increase wheat shipments to Italy (in this connection six ships loaded with wheat had been diverted to Italy); additional coal; cancellation of Italy's debt for food and unfreezing of Italian assets in the U.S. would be discussed; further funds for Italian industry would be earmarked by the Import-Export Bank; revival of trade between the two countries was judged most necessary and to this end negotiations for new commercial agreements should start as soon as possible; the U.S. would make a $50,000,000 payment to cover American troop expenditures in Italy; the U.S. would return the "Conte Grande" and the "Conte Biancamano" to Italy. It was pointed out that the extent of American assistance depended upon the stability of democracy in Italy. In an interview given in Paris, De Gasperi touched briefly on the peace treaty and stated that Secretary Byrnes had assured him that Yugoslavia would sign the treaty but he had had indications to the contrary. Upon arrival in Italy he made some statements in regard to the Communists. If they were willing to collaborate, he would work with them; if not, he would do without them.

Nenni resigned on 17 January and expressed the belief that his action would not precipitate a crisis since another Socialist could be appointed to take over his post. Scoccimarro in "Unita" indicated that the Communists were also opposed to having a crisis. Saragat admonished his followers to stay at their posts unless forced to withdraw by other political factors. The crisis, however, finally took place when De Gasperi resigned as Prime Minister on 20 January. The first indication of the resignation came at a press conference that afternoon in which De Gasperi stated clarification of the political situation was very necessary. Then, in response to a reporter's inquiry, he stated he was going to resign as Prime Minister. De Gasperi, nevertheless, seemed very confident and said the situation would ultimately be resolved. Just what would be the complexion of the new cabinet was a matter of conjecture. In this connection Saragat had declared he would not take part in a government which did not include the Communists. In some quarters a rightist government was expected.

The peace treaty has been received and it is expected to be taken up at the next meeting of the Constituent Assembly.

3. Food Situation

Colonel Walbach reported that for the first nineteen days of January there was available 455,975 tons of wheat. During this period 210,995 tons were consumed, leaving a balance of 244,980 tons which will meet the requirements for 22 days provided it can be distributed to deficiency areas. There is signalled to arrive up to 10 February 96,130 tons of wheat which includes the 50,000 tons recently obtained on loan by the Italian Government. This amount was diverted by the military authorities in the United States from the account of the U.S.M.G. in Germany and will be repaid by UNRRA from future shipments destined for Italy.

On 14 January 6,416 tons of flour instead of wheat arrived in Venice and 8,009 tons arrived in Trieste for A/G account. The Italian Government

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

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On 14 January 8,416 tons of flour instead of wheat arrived in Venice and 8,009 tons arrived in Trieste for AMG account. The Italian Government as of 21 January had picked up 4,400 tons of flour at Venice against the recent loan of 5,000 tons from AMG account.

9,000 tons of coal loaned by UNRRA to AMG account arrived on 18 January at Trieste. Since 12 December 1946 this amount brings the total borrowings to 21,278 tons with an additional amount of 9,108 from FTOUSA account due to arrive 23 January.

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to arrive 23 January.

Venezia Giulia is out of fats and cannot make January issues. G-5, AFHQ, has been advised of the situation. Efforts have been made to borrow from Italian Government, but unsuccessfully due to their short supply.

4. Fuel Situation

Colonel Walbach reported that there is no change in the coal situation since last week's report, the amount available on 31 January being estimated at 215,000 tons or less than one-half the present monthly consumption rate.

P.O.L. -- Two tankers arrived during the past week, one with 126,186 barrels motor gasoline discharging at Ancona and Venice and the other with 69,626 barrels diesel oil and 37,342 barrels kerosene discharging at Vado and Genoa. Including the above shipments, the estimated stocks on hand are: motor gasoline, 86 days; diesel oil, 46 days; kerosene, 90 days; fuel oil, 37 days.

5. Power Situation

Colonel Walbach reported there was no change reported for Northern Italy.

The situation in Central and Southern Italy remained critical.

The energy stored in the Sila reservoirs remained about 60 million KWH.

Power import from Northern Italy remained unchanged at 400,000 KWH daily.

6. Civil Airlines

AVM Brodie reported that a meeting was being held that morning at the Italian Air Ministry in which it was expected final decision would be taken and the general plan for the operation of civil airlines completed.

Next Vice Presidents' Meeting: Wednesday, 29 January 1947, 1000 hours

---

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
Political Advisor (B)

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

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Next Vice Presidents' Meeting: Wednesday, 29 January 1947, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:

Chief Commissioner
Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
political Advisor (B)
Navy S/C (3)
Land Forces S/C (MTOA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Chief Legal Advisor, AC
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)

4938

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654

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC- 951.

20 January 1947.

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice presidents' Meeting will be held, Wednesday morning 22January 1947, at 1000 hours at the Chief Commissioner's Conference Room.

DISTRIBUTION;

Chief Commissioner
Executive Commissioner
VP, Economic Division
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy S/C
Land Forces S/C
Air Forces S/C
French Representative AC
Russian Representative AC
Public Relations Br.
Chief Legal Advisor
Financial advisor

4537

EDWARD D.S.SULLIVAN
Major Air Corps
Staff Officer to CC.

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

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC-551

13 January 1947.

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' meeting will be held Wednesday morning, 15 January 1947, at 1000 hours at the Chief Commissioner's Conference room.

DISTRIBUTION :

Chief Commissioner _____
Exec. Commissioner _____
VP, Econ. Division _____
Executive Officer A _____
Executive Officer B _____
Political Advisor A _____
Political Advisor B _____
Navy S/COMMISSION _____
Land Forces Sub-Comm. _____
Air Forces S/C _____
French Representative, AC _____
Soviet representative, AC _____
Public Relations Br. _____
Chief Legal Advisor _____
Financial Advisor _____

EDWARD D. S. SULLIVAN,
Major, Air Corps,
Staff Officer to C.C.

SSO hrf 63A

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

M I N U T E S

CC 551/1

8 January 1947

Vice Presidents' Meeting, 1000 hours, 8 January 1947, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Capitaine de Villefosse, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Future of the Allied Commission

With reference to para 1 of Minutes of 27 December, the Chief Commissioner stated that on 27 December SACMED recommended to the Combined Chiefs of Staff that in his view it was desirable to receive instructions for the abolishment of the AC immediately or not later than "S" Day, the day of signing. The recommendation was apparently based on the belief that early ratification of the peace treaty was a distinct possibility, and in that case the problem of evacuating the three senior commands (AFHQ, MTOUSA, and CMF) will be somewhat difficult within the 90-day period contemplated in the treaty. The telegram stated that it was understood the proposal had been made some time ago but that the consent of the French and Soviet Governments would be required. So far as is known, no reply has yet been received. The Chief Commissioner referred to previous Minutes with regard to the ratification of the treaty, stating that President Truman in his message to Congress clearly stated the treaty would be submitted to the U.S. Senate for ratification after it was signed. The Chief Commissioner stated that it was therefore his personal opinion that the Italian treaty would not go into effect before the end of March and more probably in April.

2. Political Resume

In the absence of Mr. Hankey, who has been assigned additional temporary duties at the British Embassy, Captain Judkins gave a brief resume of the political developments since the last meeting. The principal news has been De Gasperi's visit to the U.S. As a result of political discussions in the press regarding his trip, De Gasperi stated at a meeting of the Council of Ministers on 30 December that he was going to the U.S. as the Head of the Government and not as the head of a political party, adding that while his trip should not be overvalued it certainly should not be undervalued. De Gasperi left Italy on the 3rd and arrived in Washington on the 5th. He is scheduled to remain in Washington until the 8th and on the 10th and the 11th he is scheduled to visit Cleveland taking part in an "International Study Convention" sponsored by "TIME". De Gasperi stated that his mission was (1) to create confidence in the new Italy in the minds of Americans, (2) to obtain a guarantee of increased food shipments, and (3) to obtain a loan. On the 6th he had a conference with Secretary Byrnes, with Ambassador Tarchiani and Ambassador Dunn present. He attended the joint session of Congress for the President's message to Congress and was warmly applauded. At a dinner on the 6th Byrnes gave a warm toast to De Gasperi, saying that he knew of no man confronted with a more difficult task. He said De Gasperi was confronted with extremists of the right and left, saying

Declassified E.O. 12356 Section 3.3/NND No. 735017

Admiral Warren, Colonel Weber, Colonel Greensby, Captain Judkins.

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On the 7th De Gasperi was received by President Truman, but no details of the meeting have been given out. On the same day De Gasperi visited the Secretary of the Treasury, at which time it is believed they discussed the unfreezing of $60,000,000 Italian assets and also further repayment for lire spent by the American forces in Italy.

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Foreign Trade Minister Campilli conferred with the Secretary of Agriculture and it is reported that the meeting resulted in a proposed allocation of 200,000 to 225,000 tons of food in February. On the 6th Campilli and Menichella conferred at the U.S. Treasury, reportedly discussing the possible devaluation of the lira.

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There has been considerable unrest during the past week, the situation at Bari being particularly difficult. However, there have been no serious outbreaks since the start of De Gasperi's trip to Washington.

The demands of the Republicans were presented to the Council of Ministers on 30 December and were tabled until De Gasperi's return from the U.S.

A Commissioner, Mario di Cesare, has been appointed for Rome, due to the deadlock over the appointment of a mayor.

There was a meeting of reconciliation of members of the Partisans and young former fascists in Perugia on New Year's Day. A similar ceremony took place on 5 January at Piazza Venezia, but this meeting was denounced by most papers and partisan organizations.

3. Food Situation

Colonel Walbach reported that as of 7 January wheat stocks on hand were 403,317 tons, sufficient to meet the ration requirements for 36 days provided stocks can be moved to deficiency areas. The Chief Commissioner stated that because of the lack of systematic control of the distribution of grain it is not certain that the situation is as favorable as the figures might indicate, and it is understood that the situation is causing considerable strain in the Italian Government. From advance information it is understood that there are several areas which are already short with others to follow. The condition is serious enough to possibly affect the orderly evacuation of Allied troops.

The food situation in Venezia Giulia and Udine is unchanged. A ship is expected on 15 January with approximately 8,000 tons of wheat.

In Rome the fight against the black market and the attempt to control food prices have resulted in a shortage and great increases in prices. It is understood, however, that the small black market vendors will be allowed to resump until certain perishable goods have been distributed.

4. Fuel Situation

Colonel Walbach reported that the estimated availability of coal for January was 1,045,000 tons. Allocation for consumption for January has been increased from 400,000 to 500,000 tons, leaving an estimated balance at the end of the month of 545,000 tons.

The coal situation in Venezia Giulia is serious. A cargo of 8-9,000 tons of coal is expected in Trieste on 9 January. A shipload of coal is now owed to PBS, but the situation is so serious that AFHQ is attempting to obtain coal either from UNRRA or from the U.S.

The civilian POL situation remains practically unchanged.

5. Power Situation

Colonel Walbach reported that the power situation in Central and Southern Italy is practically unchanged. The Sila reservoir group have now about 58,000,000 KWH in storage as against the 40,000,000 KWH last reported.

The electrical situation is again at a critical point due to decreased hydro-electric generation, decreased import from Northern Italy on account of the freezing of rivers and canals, and increased consumption as compared with the month of December. The estimated shortage of power for January is about

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

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6. Civil Airlines

With reference to para 2 of Minutes of 27 December, AVM Brodie stated that the general plan for the operation of civil airlines has not yet been submitted by the Air Ministry to the Air Forces S/C. As soon as the plan has been completed by the Air Ministry an advance copy will be submitted to the Air Forces S/C for information before the Italian Government as a whole have studied it. The Chief Commissioner requested that AVM Brodie continue to press the Air Ministry for early action.

7. Free Territory Economic Mission

The Chief Commissioner stated that there has arrived in Trieste economic mission representatives of the Council of Foreign Ministers whose mission is to investigate the economic situation for the proposed Free Territory with a view

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to preparing budgets, the determination of import and export levels, etc. It is believed that the plan for the U.N. to provide operating funds for the Free Territory has not yet been approved by the UN. Mr. Greene stated that the plan has not yet in fact been approved by the Council of Foreign Ministers.

The Chief Commissioner expressed his wishes for a Happy New Year for his colleagues in the new year which would mark the end of AC's operations.

Next Vice Presidents' Meeting: Wednesday, 15 January 1947, 1000 hours

---

Edward D.S. Sullivan
EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:

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

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

Next Vice Presidents' Meeting: Wednesday, 15 January 1947, 1000 hours

---

Edward D.S. Sullivan

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:

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

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

HEADQUARTERS ALLIED COMMISSIONER
Office of the Chief Commissioner

7 January 1947,

CC- 551.

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice presidents' Meeting will be held, wednesday morning 8 January 1947, at 1000 hours at the Chief Commissioner' Conference room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Economic Division
Executive Officer (A)
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Political Advisor (B)
Navy S/C
Land Forces S/C
Air Forces S/C
French Representative AC
Soviet Representative AC
Public Relations Br.
Chief Legal Advisor
Financial Advisor

EDWARD D.S.SULLIVAN
Major Air Corps,
Staff Officer to CC.

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SECRET
HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/93

27 December 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 27 December 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Lieutenant Colonel Golubev, Capitaine de Villefosse, Mr. Greene, Group Captain Jarman, Colonel Fiske, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Future of the Allied Commission

With reference to para 14 of Minutes of 18 December 1946, the Chief Commissioner thanked the Executive Commissioner for the effective work he and his staff had done in getting off the initial draft plans on the rundown of the AC to G-5 AFHQ in compliance with the AFHQ directive that such plans must be submitted before 25 December. Plans have also gone in from AFA and from ASAA. No information is available as to what may have gone forward in connection with the rundown of AMG in Venezia Giulia. The principal difficulty is that neither the final draft treaty nor the statute for the Free Territory has been received and it is not known what is contemplated in the way of a temporary or interim setup. The Chief Commissioner said that there are many problems involved with regard to Venezia Giulia particularly in the economic field in connection with properties that are going to be split up between Italy and the Free Territory. Mr. Greene stated that the Embassy had asked the State Department whether reports that the treaty would be effective on the date of signing could be considered accurate. In reply the Department quoted the treaty article which states that the treaty goes into force on the deposit with the French Government of the ratifications by the Big Four.

2. Civil Airlines

With reference to para 13 of Minutes of 18 December, Group Captain Jarman stated that the general plan for the operation of civil airlines has not yet been submitted by the Air Ministry to the AF S/C. Captain Jarman stated that he would check into this matter.

3. Political Résumé

Mr. Greene gave a brief resume of the political developments since the last meeting. He stated that it appeared that when the Costituente convenes in plenary session 21 January the first item of discussion will most likely be the Italian peace treaty. All parties concerned have so far avoided committing themselves on the position they are likely to take in the debate on whether or not the Government should sign the treaty.

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It has been announced since the last meeting that De Gasperi has been invited to visit the United States in the first half of January and has accepted that invitation. The announcement led to discussion in the press as a result of which the Government issued a statement stating that although it had been suggested that Nenni accompany De Gasperi, Nenni felt that it was perhaps better for him to go to the United States later. Colonel Battensby stated that Donato Menichella, Direttore Generale of the Bank of Italy, would accompany De Gasperi

The Italo-U.K. trade meetings have adjourned. Agreement was reportedly reached to set up a joint committee of experts to study the broad problem of Italo-U.K. relations.

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The Italian Cabinet approved on 20 December the withdrawal of the Italian Ambassador in Madrid in conformity with the recommendation of the United Nations General Assembly and the announcement of last October that Italy, in relations with Spain, would follow the example of the United Nations.

Internally, economic trouble led to a more or less general strike in the Naples area during which only essential public services appear to have been maintained. It was reported in the press that the principal demands made by the labor chamber included an increase in allotments to public works schemes to relieve unemployment, an increased unemployment subsidy, an extension of the range of low-price foods issued on ration cards, assurance that the Naples area would receive a fair share of all food supplies, and the perennial demand for reduction in the cost of living. On 18 December De Gasperi appealed to the strikers to return to work and assured them that every effort would be made to avoid unfairness, and the next day the strike ended. The Government press release describing the discussion of the strike in the Council of Ministers indicated that there have been slip-ups in the distribution of food to Naples and the Government tone was apologetic, assuring that slip-ups would be avoided in the future. It was later announced that extra rations would be distributed during the Christmas week. It was also announced that the public works program would be expanded, veterans' and unemployment subsidies would be increased to equal those payable in Rome, and a Christmas bonus would be paid to veterans.

In Rome the deadlock on the appointment of a mayor continued. The latest suggestion is that a commissioner rather than a mayor be appointed.

With regard to the relations between parties, Giannini discussed in BUONSENSO on the 19th possible cooperation between the forces of liberalism (Uomo Qualunque) and totalitarianism (Communists), feeling that if there is no cooperation the result will be totalitarianism no matter who is the victor. In two later replies, Togliatti warned against anti-Communist, anti-democratic symptoms in the Uomo Qualunque party. He left the matter of collaboration open for discussion on the condition that the Uomo Qualunque recognize that the Italian Communist party has been the most consistently democratic party in Italy.

In the Costituente a draft article on the relations between Church and State has been approved (subject to approval by the Costituente plenary assembly). This draft recognizes the independence and sovereignty of the Church and State and states that their relations shall be covered by the Lateran Pacts. The leftists wanted this reference to the Lateran Pacts excluded. In fact, an AVANTI editorial urged that the Pacts be renegotiated. This article also charged the Christian Democrats with establishing a bogey of anti-clericalism. Mr. Greene stated that as a matter of fact there seems to be a surface anti-clericalism in Italy as evidenced by such papers as DON BASILIO. The Pope appeared at a mass meeting on the 22nd which was obviously intended as a show of strength of the opposition to anti-clericalism.

4. Food Situation

The Chief Commissioner stated that over the holiday a food crisis developed in Milan and Turin. The difficulty was that an UNRRA ship was routed first to Greece for partial unloading there prior to unloading in Italy. On 23 December

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Colonel Walbach stated that as of 21 December, based on the UNRRA estimate of 11,031 tons daily consumption, stocks on hand were sufficient to maintain the present ration for 44 days, provided stocks could be moved to

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deficiency areas. In transit and signalled to arrive prior to 4 January there was 73,899 tons. Beginning 1 January, one day each week the bread ration will consist of 100 grams bread and 200 grams of maize flour, except in Rome where the ration for that day will be 135 grams bread and 200 grams maize flour.

5. Fuel Situation

Colonel Walbach stated that for the month of December there was available 755,000 tons of coal. At the present reduced consumption rate of 400,000 tons, balance on hand at the end of December would be 355,000 tons.

The civilian POL situation has improved further and stocks on hands are as follows: motor gasoline 53 days; diesel oil 38 days; kerosene and fuel oil 60 days.

6. Power Situation

Colonel Walbach stated that there was no change in the power situation in Northern Italy. The power situation in Central and Southern Italy is practically unchanged, but the Sila reservoir group continues to refill, containing now 40 million KWH as compared to the 19 million KWH reported at the last meeting.

A meeting of the Advisory Committee on Electric Power for Central and Southern Italy was held on December 20. Additional hydro-electric and steam generating units will be put in operation in January thus relieving a critical situation. It is estimated that insofar as curtailment is concerned, no important change will take place in January.

7. Lire Devaluation

In response to the Chief Commissioner's query, Colonel Battensby stated that he believed the American Embassy had started negotiations with a view to devaluing the lire, and 1 January has been mentioned as a possible date for the change. However, Colonel Battensby stated that he understands the chief official of the Ministry is ill and for the time being negotiations are held up.

8. Italian POW's

Colonel Fiske reported that the transfer of files pertaining to former U.S. held POW's to PBS has been 60% completed and would be completed on 10 January at which time the Italian civilians working on this in the Land Forces S/C will be released.

9. Land Forces S/C Liaison Officers

Colonel Fiske reported that instructions were received from AFHQ on 24 December to close down forthwith field units of the Land Forces S/C with the [illegible] Liaison Officers at Bologna, Udine and Rome. The functions

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Colonel Fiske reported that instructions were received from AFHQ on 24 December to close down forthwith field units of the Land Forces S/C with the exception of the Liaison Officers at Bologna, Udine and Rome. The functions of these units were discontinued at once. About 40 officers are involved in this and a slightly larger number of O/Rs.

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The Chief Commissioner announced that in view of the holidays the next Vice-Presidents' Meeting will be held on Wednesday, 8 January 1947, at 1000 hours.

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EDWARD D. S. SULLIVAN
Major, Air Corps,
Staff Officer to CC

DISTRIBUTION:

Chief Commissioner
Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative AC
Soviet Representative AC
Chief Legal Advisor AC
Financial Advisor AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)

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DISTRIBUTION:

Chief Commissioner
Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (FFMLA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative AC
Soviet Representative AC
Chief Legal Advisor AC
Financial Advisor AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/92

23 December 1946.

MINUTES

Vice Presidents' Meeting, 1000 hours, 18 December 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Lt Commander Golubev, Capitaine De Vaisseau de Villefosse, Colonel Walbach, Lt. Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Rear Admiral Warren, AVM Brodie, Colonel Riske, Colonel Weber, Colonel Battersby, Lt. Col. Ross. Captain Judkins.

1. Future of the Allied Commission.

The Chief Commissioner stated that at this time probably everyone concerned knew about the plans for the rundown of the Commission. The drafting of AC's proposals has been made difficult by the fact that the provisions of the peace treaty with Italy and the statute for Trieste affect some of the plans to be drawn up and, so far as is known, no one in Italy has seen the present draft of the treaty or the statute for Trieste. The northwestern frontier had no bearing on the plans since that question was purely a matter between the French and Italian Governments and the Commission was not concerned. The Chief Commissioner went on to say that there is still question about the date of ratification of the peace treaty, and some of this confusion was due to conflicting announcements that have been made. One announcement emanating from the State Department in Washington had it that the treaty would go into effect on the date of signature, which is scheduled to be on February 10. This was somewhat surprising in view of the American constitutional requirement that international treaties must be made with the advice and consent of the Senate. Another report was to the effect that the treaty as agreed in New York would be submitted to the American Senate immediately after it convened in New York the first week in January. The Chief Commissioner observed that this was purely speculation and since there was nothing official about the date on which the treaty would go into effect, it was difficult for AFHQ and AC to precise plans for the future. The Chief Commissioner also observed that another factor involved was how long the American Senate would take to ratify the Italian treaty, especially since there was a possibility that there might be presented to the Senate for ratification not only the Italian treaty but also those with the other satellite countries. If this happened, it was very probable that the ratification discussions in the American Senate would take a longer time than if the Italian treaty were to be ratified separately from the others. The Chief Commissioner expressed his belief that ratification by the Senate before February 10 was doubtful. On the question of the conflicting dates of February 10 and February 19 for the signature of the treaty, Captain Judkins reported he had called the Associated Press who had stated that the correct date was February 10, the other having been a misprint.

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2. Implementation of the Operations Memorandum.

The Chief Commissioner announced that word had been received from the Italian Government on the implementation of the Operations Memorandum re employment of Italian troops and police to quell civil disorder and a signal had been sent to AFHQ on the matter.

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3. Rundown of the Commission - Transfer of Functions.

The Chief Commissioner explained that the problem had arisen as to which, if any, civilian agencies (including the Embassies) some of the functions of the Commission might be transferred. He went on to say that the two Embassies had shown some reluctance to assume them and the present trend was towards creating an Allied liquidation agency to wind up some of these functions; it was hoped that the Italian Government might agree to the presence of such an agency for a while after the treaty should have gone into effect. The Chief Commissioner expressed his opinion that this was the most practical solution to the problem and he did not envisage any trouble with the Italian Government on this score.

4. Political Resume

Mr. Hankey gave a brief resume of the political developments of the past week.

The main development in Italian external affairs was the announcement of the date for the signature of the peace treaty on February 10. (Since the question had already been thoroughly discussed, Mr. Hankey did not dwell upon it).

M. Couve de Murville, French representative at New York, had made an official statement in connection with the Italian colonies in which he repeated the French Government's view that the colonies should be placed under Italian trusteeship.

In the domestic field, much space had been given in the Italian press to discussion of the incidents at Padua resulting from a number of Italians having been injured by a British military truck. Mr. Hankey said the incidents had happened at a particularly unfortunate moment when Italian feeling was bitter as a result of the finally agreed terms of the peace treaty. He added that, giving these circumstances, the repetition of similar disturbances was not to be excluded.

A split had been reported in the Liberal Party as a result of discussion in the Executive Committee on the question whether or not to link up with the Uomo Qualunque Party. By a vote of 15 votes to 13 it had been decided against fusion. Signor Selvaggi, followed by other members of the Party (though none of them members of the original Croce group), had thereupon resigned and had later joined the Uomo Qualunque Party. This party had concurrently adopted a new name, the Liberal Democratic Front of the Uomo Qualunque. On the Capitol, the Christian Democrats, by allying with the other Right Wing Parties, had secured election of a Christian Democrat as Mayor, Signor Rebecchini. But he had resigned with the subsequent refusal of the Left Wing Parties to join the Giunta. A temporary solution had been found by having the previous Mayor and Giunta continue in office until the deadlock was solved. The Christian Democrat attitude in this matter was subject to much press comment, and increasing emphasis was given to the part played in the dispute by clerical and anti-clerical influences.

5. Food Situation.

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5. Food Situation.

Colonel Welbach reported that estimated stocks of wheat available from 1 to 15 December amounted to 701,409 tons. Estimated consumption was 165,464 tons, leaving a balance on hand of 535,945, or sufficient to meet requirements for 49 days, provided it could be moved to deficiency areas. In transit and signalled to arrive prior to 26 December there was 47,372 tons.

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A total of approximately 17,000 tons of wheat has arrived during the past week for AMG territories which will satisfy the bread and paste requirements to 28 February.

6. Fuel Situation.

Colonel Welbech reported that there is very little change in the coal situation. The European Coal Organization allocation for Italy for January is 422,400 tons from the United States and 176,000 from all other sources making a total of 598,400 tons.

The improvement of the civilian POL situation is reflected in the following stock position : motor gasoline, 35 days; diesel oil, 14 days; kerosene, 30 days; fuel oil, 60 days.

7. Power Situation.

Colonel Welbech reported no change in Northern Italy.

The hydroelectric situation is gradually improving in Central and Southern Italy. The seasonal refill of the Silo reservoir group has started raising them from a low of 7 million KWH to 19 million KWH. The capacity of this group is 300 million KWH. The thermal plants are still working almost to full capacity.

8. Minesweeping.

Colonel Welbech stated that, according to the Navy Subcommission, minesweeping is being carried on and there are sufficient coal supplies at the present moment, but that an additional 1500 tons from the allocation already made to the Ministry of Marine would be needed.

It was thought that the Ministry of Marine should initiate a request to the Coal Committee of the Ministry of Commerce and Industry for the allotment of additional coal. Colonel Welbech further explained that UNRRA had no objection to the release by the Coal Committee, of this additional 1500 tons of UNRRA imported coal, to the Ministry of Marine for purposes of minesweeping. Therefore, if the Ministry of Marine is unable to get additional coal from stocks imported for the account of the Italian Government, the Economic Division will arrange to obtain UNRRA imported coal when requested to do so by the Navy Subcommission.

6500 tons of coal are required for minesweeping in December. Rear Admiral Warren stated that minesweeping had been held up again except in La Spezia.

9. Bank Meeting in Africa.

Colonel Bartlett announced that the British Authorities in Italian Africa had invited the banks to send a delegation to discuss the banking situation there. The invitation to the Banco d'Italia was turned down on the grounds that it was useless for them to send a delegation until the question of the disposition of the former Italian colonies in Africa is resolved.

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10. Retirement of Admiral De Courten.

Rear Admiral Warren announced the retirement of Admiral De Courten from the Italian Navy. This left his post as Naval Chief of Staff open and the name of Admiral Maugeri had been put up as his successor. SACMED and CINCMED had stated that they had no objection to this proposal and that the announcement would be made public in a few days.

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11. Repatriation of Italians abroad.

Rear Admiral Warren reported that Italian cruisers were being used during January to repatriate 2500 PWs from Egypt, and that word had been received that the SS "Toscana" was on her way to Italy with repatriates from Massawa. The Chief Commissioner inquired whether the word "repatriates" implied in this case Italian prisoners of war and Rear Admiral Warren replied the report mentioned just repatriates and that could mean civilians too.

12. Move of Fighter Squadrons.

AVM Brodie stated that approval had been given for the move of five of the seven fighter squadrons at Lecce in Southern Italy to Northern Italy. This move has no strategic or political significance and is made only in order to raise the morale of the fighter personnel who then would find themselves near their homes.

13. Civil Airlines.

AVM Brodie reported that authority had come through some time ago for internal civil airlines to be operated in Italy. A final allocation meeting was held on December 17 at the Air Ministry and the general plan is expected by AFSC shortly. 28 different groups were interested in operating civil airlines but according to the Air Ministry the number had now been reduced to 15.

On civil aviation, other than internal civil airlines, authority has recently been given to the Italians for a limited number of charter and taxi services and also a certain amount of private flying in order to help industrialists and businessmen in getting round the country. No permission has been granted for private flying for pleasure nor for flying or glider clubs to operate.

Authority has also been given to the Italian Air Ministry to allow construction of non-combat aircraft in Italy in quantity and types suitable for use in civil aviation within Italy. Construction of aircraft for external airlines and for sale abroad has not yet been authorized.

14. Rundown Plan.

Brigadier Carr announced that a committee had been set up to draft plans for the rundown of the Commission. At two meetings the problems of all divisions except one had been discussed. The Chief Commissioner urged all present to give fullest cooperation to the Executive Commissioner in the preparation of the report, first draft of which has to be submitted to AFHQ by December 25. The Chief Commissioner also stated that the Service Subcommissions are obviously to cease operations on so-called R Day except for some units of PWIB which are tentatively scheduled to close some 30 days before that.

15. Driving in Italy.

The Chief Commissioner stated that it was incumbent upon the Allied Commission to put constant pressure on the question of driving. He reported

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

ease Italian prisoners of war and Rear Admiral Warren replied the report mentioned just repatriates and that could mean civilians too.

12. Move of Fighter Squadrons.

AVM Brodie stated that approval had been given for the move of five of the seven fighter squadrons at Lecce in Southern Italy to Northern Italy. This move has no strategic or political significance and is made only in order to raise the morale of the fighter personnel who then would find themselves near their homes.

13. Civil Airlines.

AVM Brodie reported that authority had come through some time ago for internal civil airlines to be operated in Italy. A final allocation meeting was held on December 17 at the Air Ministry and the general plan is expected by AFSC shortly. 28 different groups were interested in operating civil airlines but according to the Air Ministry the number had now been reduced to 15.

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15. Driving in Italy.

The Chief Commissioner stated that it was incumbent upon the Allied Commission to put constant pressure on the question of driving. He reported that recently he had almost had a collision with a PBS jeep which was going at high speed. Colonel Fisk and Rear Admiral Warren reported similar experience. The Chief Commissioner went on to say that Allied driving in Italy

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today is scandalous and the individual cases cited be mentioned in the communication being prepared for AFHQ and on the Italian Government's notes on the Padua incidents.

Next Vice Presidents' Meeting : to be announced.

EDWARD D.S. SULLIVAN,
Major, Air Corps,
Staff officer to CC.

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VP, Economic Division (3)
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Executive Officer (B)
French Representative AC
Soviet Representative AC
Chief Legal Advisor
Financial Advisor AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)

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Next Vice Presidents' Meeting : to be announced.

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Major, Air Corps,
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Executive Officer (B)
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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC- 551.

17 December 1946.

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 18 December 1946, at 1000 hours at the Chief Commissioner Conference room.

DISTRIBUTION:
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Executive Officer (B)
Political Adviser (A)
Political Adviser (B)
Navy S/C
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French Representative AC
Soviet Representative AC
Public Relations Dr.
Chief Legal Adviser
Financial Adviser
Air Forces S/C

4327

EDWARD D.S. SULLIVAN
Major Air Corps.
Staff Officer to CC.

1 Drivers
8 Legation Messengers.
2. 10 Feb. Invalid signatures = effective date ?
within 90 days we clear out

KB 18/12.

580

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/92

11 December 1946

MINUTES

Vice Presidents' Meeting, 1800 hours, 11 December 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Lieutenant Colonel Cros, Colonel Walbach, Lt Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Colonel Fiske, Group Captain Jarman, Captain Judkins.

1. Future of Allied Commission

The Chief Commissioner stated that in view of the agreement reached on the peace treaty, it was very probable that the Commission would continue until after the first of the year. The treaty was not expected to be signed until sometime in February and instructions had been received from AFHQ to plan the necessary rundown of the Commission in its various activities including the transfer of certain functions to civilian agencies where such functions are to be continued.

2. Coal for Minesweeping

With respect to paragraph 5 of Minutes of 4 December, the Chief Commissioner stated that an additional point should be made to meet the UNRRA objection that their coal may not be used by the military. The point in question would be that unless the channels are swept, UNRRA supplies for rehabilitation run the grave risk of being interrupted. The Chief Commissioner stated he would not accept any refusal of UNRRA to allocate coal for minesweeping and stressed that the coal in question was not for the military at all but to facilitate rehabilitation. He directed that the Economic Division insist that such coal be made available. In this connection Colonel Walbach stated that UNRRA was willing to allocate the coal if the demand for it was put on the basis of rehabilitation.

3. Political Resume

Mr. Greene gave a brief resume of political developments during the past week.

In connection with the peace treaty he stated that it seemed probable that it would be signed in about six weeks' time; then the next step would be ratification. This would require some constitutional processes in each of the four countries involved and it might take considerably more time. If the treaty were presented to the American Senate for ratification in February, Mr. Greene estimated discussions would probably last for a month thereafter. The Italian [illegible] made a last minute

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

11 December 1946

M I N U T E S

Vice Presidents' Meeting, 1800 hours, 11 December 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Lieutenant Colonel Cree, Colonel Walbach, Lt Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Colonel Fiske, Group Captain Jarman, Captain Judkins.

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In the international field, the departure of the Italian commercial delegation to the London conference was of interest.

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SSO [illegible] 20/12
SIO [illegible] 20/12
[illegible] 18/12

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In the domestic field the relationships among the various parties are still in a state of flux. Early in the middle of last week the Rome City Council met to elect a mayor but failed. The question would again come up on the 12th when some more voting would take place and the candidate getting the largest number of votes would be elected. At the same time the scramble in the Rome municipal elections brought about a great deal of disagreement between parties and inside the parties themselves. There have been rifts among the Christian Democrats and in the Socialist party.

At a cabinet meeting it was decided to speed up the work of the Constituent Assembly so that elections might be held before next Fall. This seemed to have met with general support. On the other hand there was no discussion on the proposal to postpone until 31 of January the date on which the required final draft of the Constitution should be ready. The postponement is said to be required for purely technical considerations.

Over the week-end both De Gasperi and Togliatti made political speeches. De Gasperi dealt with the subject of national unity and relief for reconstruction, whereas Togliatti's had to do with inter-party relations. In connection with the latter, Togliatti indicated he thought collaboration between the parties was the most satisfactory situation.

The Constituent Assembly met on December 10th and in addition to extending the deadline for writing the Constitution proceeded to elect a new vice president. Tupini was elected to replace Grandi.

4. Press Articles

The Chief Commissioner wished to draw the attention of all, and particularly of the foreign representatives to the Allied Commission, to the series of articles appearing in the Italian newspaper "Italia Nuova" on the thirty days' reign of the King. He referred in particular to the articles in which reference was made to him and stated he had been astonished at some of the misstatements made in connection with the events in which he took part. He made specific mention of some of these and refuted them, adding that the facts had been greatly distorted and many of the things reported were simply fiction. In fact, the newspaper "Il Momento" had published an article in which it pointed out some of the obvious discrepancies. The Chief Commissioner urged the foreign representatives to the Commission not to take any of the articles too seriously.

5. Transfer of certain responsibilities of the IPW Division

Colonel Fiske reported that the responsibility and activities of the American section of the IPW Division had been transferred to the Peninsular Base Section and explained that meant the Commission had no further responsibility with respect to all matters concerning Italian prisoners of war who had been held by the American Government.

6. Food Situation

Declassified E.O. 12356 Section 3.3/NND No. 745017

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6. Food Situation

Colonel Walbach reported that the estimated stocks of wheat on hand on 1 December amounted to 699,958 tons. The daily consumption rate had now been reduced to 11,031 tons due to the reduction of pasta rations from 2000 grams to 1000 grams monthly effective 1 December, thereby making available as of 9 December 611,710 tons. This amount would meet requirements for approximately 55 days from and including 9 December.

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The Chief Commissioner stated that he accepted UNRRA figures with considerable reserve.

The approval of the subsistence program for AMG territory for the first half of 1947 has been received and supply for the first three months has been authorized to be called forward.

During the past week several circulars have been issued by the High Commissioner of Food abolishing special food rations for colleges, institutes and similar organizations as well as special rations of sugar, meat, powdered milk, etc., for citizens of the United Nations. Also, as stated above, the pasta ration for December has been reduced from 2000 grams to 1000 grams.

The wheat subsistence in Venezia Giulia and Udine is unchanged from the past week.

7. Fuel Situation

Colonel Walbach reported that the end of the coal strike in the US came too late to expect coal to arrive from that source during December.

The total availability of coal as of 1 December including that already shipped, stood at 704,000 tons and with an estimated consumption during the month of 400,000 tons there will remain on hand as of 31 December approximately 304,000 tons.

The Italian Government and UNRRA consider that a minimum consumption of 600,000 tons per month is necessary to avoid a set-back in Italian industrial rehabilitation program after several months of gradual improvement.

The Italian civilian POL stocks are as follows: motor gasoline 26 days; diesel oil 20 days; kerosene 32 days, fuel oil 54 days.

A tanker with 130,000Bls. of motor gasoline is expected on the 9th and several other tankers loaded with both motor gasoline and diesel oil are scheduled to arrive during the next seven or ten days. Another two tankers carrying crude oil from Arabia were received at Bari during the past week. More than a third of the two million barrels of crude oil purchased by UNRRA has now been brought into the country.

8. Power Situation

Colonel Walbach reported no change in Northern Italy.

The hydroelectric position in Central and Southern Italy is improving slightly, but the water storage in the Sila reservoir group, Southern Italy, remains at a very low level.

The thermal plant at Naples using fuel oil and coal burning plant at Rome are both working to capacity.

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

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Next Vice Presidents' Meeting, Wednesday, 18 December, 46, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

SECRET

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/90 4 December 1946

MINUTES

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

Present: Brigadier Carr, Capiteine de Vaisseau de Villefosse, Colonel Savko, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Henkey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Political Resume

Mr. Henkey gave a brief resume of political developments during the past week. From Nenni's report to the Prime Minister and in the light of subsequent developments it appeared that conversations between the Italian and Yugoslav delegations in New York on the broad question of Venezia Giulia had broken down but that discussions would be continued in some other capital on matters of lesser importance. Ignoring the fact that negotiations were in progress, the Yugoslav delegation was said to have made a new offer to the Big Four, offering a new line which would leave Monfalcone to Italy. However, there was no reason to believe the Big Four would diverge from the French Line. There had been considerable hostile press criticism of the arrangement whereby 5,000 Yugoslav troops would be included in the Allied occupation force of Trieste.

Internally, the most striking single piece of news had been the condemning to death by shooting of Generals Mackensen and Maeltzer.

In internal politics, parallelling the split in the Socialist Party, right-wing Christian Democrats passed a resolution advocating that the Christian Democrats break away from the coalition government, more closely ally with other right-wing parties, and withdraw from the CGIL. The general press comment had been to the effect that this move, following the dissension within the Socialist Party, increased the danger that the coalition government would not be able to survive until the elections. There had been some discussion on how the work of the Costituente could be speeded in order to have the elections sooner than originally contemplated, and certain steps had been taken to institute machinery for speeding up deliberations in the Costituente.

2. Food Situation

Colonel Walbach reported that as of 1 December wheat stocks were sufficient to maintain the present ration for 54 days. Daily consumption is now figured by

Declassified E.O. 12356 Section 3.3/NND No. 745017

M I N U T E S

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

Present: Brigadier Carr, Capitaine de Vaisseau de Villefosse, Colonel Savko, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Political Resume

Mr. Hankey gave a brief resume of political developments during the past week. From Nenni's report to the Prime Minister and in the light of subsequent developments it appeared that conversations between the Italian and Yugoslav delegations in New York on the broad question of Venezia Giulia had broken down but that discussions would be continued in some other capital on matters of lesser importance. Ignoring the fact that negotiations were in progress, the Yugoslav delegation was said to have made a new offer to the Big Four, offering a new line which would leave Monfalcone to Italy. However, there was no reason to believe the Big Four would diverge from the French Line. There had been considerable hostile press criticism of the arrangement whereby 5,000 Yugoslav troops would be included in the Allied occupation force of Trieste.

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2. Food Situation

Colonel Walbach reported that as of 1 December wheat stocks were sufficient to maintain the present ration for 54 days. Daily consumption is now figured by UNRRA at 12,500 tons, which is the net rate after making allowances for various factors. A decree concerning regulations of public restaurants, including surrendering of ration card coupons for all bread and pasta served and limiting the number of courses available, has been issued by the Italian Government and published in the Official Gazzette No. 272 of 29 November 1946.

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The wheat and flour situation in Venezia Giulia and Udine remains unchanged from the past week. There is expected to arrive on 10 December 8,000 tons of wheat. On arrival, wheat stocks will be sufficient to maintain the present ration until 24 January.

3. Fuel Situation

Colonel Walbach reported that coal stocks on 1 December were 415,000 tons. There is in transit from the U.S. 112,000 tons and estimated arrivals during December from all other sources are 138,000 tons. Due to the coal miners' strike in the U.S. the consumption of coal for December will be limited to 400,000 tons. which will leave an estimated balance on 31 December of 265,000 tons.

The tense fuel situation in Venezia Giulia and Udine was relieved somewhat by the arrival of 9,000 tons of coal in Trieste on 2 December. However, this coal is in effect a loan as it was intended for PBS at Leghorn and under instructions from G-5 AFHQ, will be repaid from the first shipment of AMG coal allotment.

Civilian POL stock position based on current reduced rate of consumption is as follows: motor gasoline 10 days (50% cut in consumption), Diesel oil 20 days (40% cut), kerosene 25 days, fuel oil 60 days. A tanker carrying 80,000 barrels of gasoline and 50,000 barrels of Diesel oil arrived at Naples 3 December. Advice has been received of sailings of seven tankers carrying 460,000 barrels of gasoline and 343,000 barrels of Diesel oil, the bulk of which is due to arrive during the first half of December. On receipt of these quantities the cuts imposed on consumption early in November will be lifted. Five tankers of crude oil, totaling 568,000 barrels, have been received, three at Bari and two at Naples. This represents slightly more than a quarter of the crude to be imported by UNRRA. It is expected that distribution of the products from this crude will begin at an early date.

4. Power Situation

Colonel Walbach stated that no change has been reported on the power situation in Northern Italy. The Central and South Italy situation was reviewed by the Central Commission for the Rationing and Control of Electric Power during the monthly meeting held on 30 November. The general situation is slightly improved and in spite of the increased consumption the estimated shortage in December will be about 26%, as opposed to the November shortage of 32%. Feeder disconnections will be carried out according to the November rationing scheme. In the event that more power becomes available from the hydroelectric plants, the steam plants will curtail generation in order to conserve fuel. It was reported that the Sila reservoirs in Southern Italy are again at a critical point as the seasonal refill has now temporarily stopped. Power import from the North will remain unchanged.

5. Minesweeping

With reference to paragraph 6 of Minutes of 29 November, Colonel Walbach stated that a conference was held with UNRRA representatives on the question of supplying coal for mine sweepers and we were informed that UNRRA does not of itself have any coal, as all coal arriving for UNRRA account is turned over to the Coal Committee of the Ministry for Commerce and Industry for control and

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

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6. Labor and Wages Committee

With reference to para 5 of Minutes of 29 November, Brigadier Carr stated that the AFLWC at its meeting on 29 November recommended that the wages rates for Italian employees of the Allied Forces should be increased by 35% effective 1 December. The Chief Commissioner in forwarding this recommendation to AFHQ has agreed to the proposed rate of increase but strongly recommended that the effective date be 1 October rather than 1 December, thus bringing the wages for Italian employees of the Allied Forces into line with wages being paid by Italian industry. Brigadier Carr pointed out this matter was only in the proposal stage and was under consideration at AFHQ.

Next Vice Presidents' Meeting: Wednesday, 11 December 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:

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Executive Commissioner
VP Economic Division (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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

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Next Vice Presidents' Meeting: Wednesday, 11 December 1946, 1000 hours

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Chief Legal Advisor
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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

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TRIESTE UNITED NATIONS ALLIED COMMISSION
Office of the Chief Commissioner

CC-551 10 December 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held Wednesday morning, 11 December 1946, at 1000 hours at the Chief Commissioner Conference room.

DISTRIBUTION
Chief Commissioner
Executive Commissioner
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy S/C
Land Forces S/C
French Representative AC
Soviet Representative AC
Public Relations Dr.
Chief Legal Advisor
Financial Advisor
Air Forces S/C ✓

10/12

EDWARD D.S. SULLIVAN
Major Air Corps.
Staff Officer toCC.

4322

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Air Forces, US

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/89

29 November 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 29 November 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Capitaine de Vaisseau de Villefosse, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Political Resume

Mr. Greene gave a brief resume of political developments during the past week. The Chief Commissioner stated that the most important development was the press report from New York believed reliable that agreement was reached by the Foreign Ministers that effective with the signing of the peace treaty the Allied troops in Venezia Giulia would be cut to 15,000, of whom 5,000 would be American, 5,000 British and 5,000 Yugoslav. These troops will remain until the Governor says there is no need for Allied troops in Venezia Giulia, which decision he is to make within 90 days of his appointment. Mr. Greene stated that the one remaining problem to be solved is the administration of the free port. On the question of direct negotiations between Italy and Yugoslavia, the principal development was the Yugoslav request for cession of Monfalcone as well as Gorizia. In Italy, Don Sturzo, who has now begun to take active part in politics, warned in an editorial against any assumption on the part of Italians that conclusion of an agreement with Yugoslavia would necessarily prejudge the question of whether Italy would sign the peace treaty. The Central Committee of the Communist Party in Italy at the end of its meeting on the 21st adopted a motion lauding Togliatti for his efforts to settle the Trieste question.

There have been further administrative elections held in various sectors on the 24th. In four Northern sections the Communists led in three and the Socialists ran second in three, with the Christian Democrats leading in one and running second in another. The Uomo Qualunque ran a bad fourth in two sections, although they showed a striking gain over the June elections. Of nine sections in the South the Uomo Qualunque running alone won in one and running in combination with the Liberals won in four, with the Communist-Socialist joint tickets winning in four. The Christian Democrats were second in two places but otherwise ran far behind the leftists and the rightists. The results of the administrative elections have given rise to public talk of the possibility of a crisis in the Government. While this now appears not likely, it does appear that there is even less [illegible]

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M I N U T E S

Vice Presidents' Meeting, 1000 hours, 29 November 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Capitaine de Vaisseau de Villefosse, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

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The inter-party polemics between the Christian Democrats and the Communists have reached a fever pitch over Togliatti's reported accusation that de Gasperi deliberately impeded the return of Italian prisoners from Yugoslavia. The press reported that 68 prisoners arrived in Udine on the 18th and 3100 at Ancona on the 28th. Another 3,000 are reported due to debark on the 29th.

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Intra-party strife in the Socialist party has come out into the open with Saragat criticizing Nenni for his policy of maximum fusion with the Communists, which he claimed caused a loss of Socialist strength among the electors. The executive commission of the party has decided to advance the meeting of the party to January as a result.

2. Food Situation

Colonel Walbach reported that wheat stocks on hand as of 24 November are sufficient to maintain the present ration for 62 days. Daily consumption has been reduced from 12,500 tons to 11,737 tons by the elimination of extra rations to civilian nationals of Allied Nations. There is still no definite assurance that the 50,000 tons of wheat allegedly being arranged for shipment from the U.S. in November or the 80,000 tons allegedly purchased in Turkey will ever arrive in Italy.

Loans of flour have been made from Udine to Venezia-Giulia so that wheat stocks in these two areas are sufficient to maintain the present ration to 3 January 1947. Sugar stocks are sufficient until about the middle of January and fats are sufficient until the end of the year.

3. Fuel Situation

Colonel Walbach reported that there is little change in regard to the estimated coal arrivals for November. The U.S. coal strike is now under way and an embargo has been placed on all coal exports. The Chief of the UNRRA Coal Branch has departed for London to attend the European Coal Organization meetings where an attempt will be made to secure additional coal from sources other than the U.S. Present estimate for December arrival is 206,000 tons, including 68,000 tons already shipped from the U.S. UNRRA advises that 5 ships loading in the U.S. at the time the embargo was imposed will be sailed, which would add 44,000 tons to expected December arrivals.

In Venezia Giulia and Udine the coal situation is serious. Of the 123,000 tons approved for the last half of 1946, there is a shortage of 39,612 tons. There is due 20,500 tons on the December slate, but it is seriously doubted if these amounts will be received due to the coal strike and the embargo on coal in the U.S, as well as present curtailment of shipments from other areas.

Efforts to borrow coal from British military stocks have failed.

The present situation will be alleviated somewhat by the arrival in Trieste on 30 November of approximately 9,000 tons. This shipment was originally slated for the 88th Division, but inasmuch as that Division has already met its winter needs, this 9,000 tons of coal was diverted to AMG uses by G-5, AFHQ. With the arrival of this 9,000 tons of coal Venezia Giulia and Udine will have on hand sufficient coal to last until about 24 December.

The civilian POL stock position is as follows: motor gasoline 10-12 days, Diesel oil 20 days, kerosene 30 days, and fuel oil 60 days. A tanker carrying

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The civilian POL stock position is as follows: motor gasoline 10-12 days, Diesel oil 20 days, kerosene 30 days, and fuel oil 60 days. A tanker carrying Diesel oil arrived 23 November. The next tanker carrying gasoline is due on 5 December, which should relieve the tight situation in gasoline. The fifth crude oil tanker has arrived from Arabia and both Naples and Bari refineries are now operating.

In reply to the Chief Commissioner's question, AVM Brodie stated that there is no difficulty on the supply of aviation gasoline to the Italian Air Force but that there has been a temporary reduction of 50% in gasoline for the IAF motor transport. Admiral Warren stated that the Italian Navy has informed him that there is no difficulty in the supply of marine petroleum stocks.

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4. Power Situation

Colonel Walbach stated that there has been no change reported for Northern Italy in the power situation. There has been some improvement in Central and Southern Italy and the Sila reservoirs have started to refill. The Commission on electric power has officially notified the Rome power companies to supply Allied Military establishments on a preferential basis as requested by RAAC. Telephone installations in Rome will receive sufficient power to operate continuously. Commencing 25 November feeder disconnection was again enforced in Rome, but the "off" period will be temporarily reduced to 5 hours, from 0800 to 1300 hours.

5. Labor and Wages Committee

The Chief Commissioner stated that a very important meeting of the AFLWC was taking place in Rome on 29 November. Colonel Walbach stated that Lieutenant Colonel Graves would represent AC. The Chief Commissioner stated that with the signing by the CGIL of the agreement increasing the "caro vita", it was necessary that wages paid by the Allies be brought into line. He requested the Executive Commissioner and Colonel Walbach to see that Colonel Graves was well briefed for the meeting to present the AC view.

6. Minesweeping

Admiral Warren stated that minesweeping has been at a standstill for the last fortnight because of the weather. In this connection, he reported receipt of a letter from the Ministry of Marine pointing out a curtailment of coal supply to minesweepers. On this the Navy Subcommission drew the attention of the Ministry of Industry and Commerce to the necessity of keeping up supplies of coal to minesweepers and requested that a high priority be given to these demands. The Chief Commissioner directed that Colonel Walbach take this question up with UNRRA. He suggested that if UNRRA objects to assigning coal to the Italian Navy, Colonel Walbach should point out to UNRRA the vital necessity of minesweeping in order to permit UNRRA ships to get into Italian ports safely. The Chief Commissioner also asked Colonel Walbach to see if coal could be obtained from military stocks for this purpose.

7. Italian Expenses at Bitter Lakes

Admiral Warren reported that the British Government has ruled that the Italian Government will have to pay for expenses of Italian naval vessels at Bitter Lakes.

8. Courier Flights

With reference to para 6 of Minutes of 20 November, AVM Brodie stated that military courier service to Udine started 26 November. In order to have contact with Padua and Venice, it has been decided to eliminate the Venice Lido stop on this run and to continue using Treviso as a stop. The run will then be Rome-Bologna-Treviso-Udine. The air courier services to the South will call at Capo-

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

Allied Military establishments on a preferential basis as requested by RAAC. Telephone installations in Rome will receive sufficient power to operate continuously. Commencing 25 November feeder disconnection was again enforced in Rome, but the "off" period will be temporarily reduced to 5 hours, from 0800 to 1300 hours.

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Next Vice Presidents' Meeting: Wednesday, 4 December 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

4920

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Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMLA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor,
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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

Chief Commissioner
Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
Political Advisor (B)
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Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
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Public Relations Branch
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British Ambassador
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Mr. Harlan Cleveland, UNRRA

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5HB

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC-551

2 Dec. 1946.

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice-Presidents' Meeting will be held, Wednesday morning, 4 Dec. 1946 at 1000 hours at the Chief Commissioner's Conference Room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
V.P. Civil Affairs Section
Executive Officer (A)
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Political Advisor (A)
Political Adviser(B)
Navy Subcommission
Land Forces S/C
Air Forces S/C
French Representative, A.C.
Soviet Representative, A.C.
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, UNRRA

4919

JOSEPH C. RIVELY,
Major, Inf.
30 to CC.

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S E C R E T

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/88

20 November 1946

M I N U T E S

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

Present: Rear Admiral Stone, Brigadier Carr, Lieutenant Colonel Cros, Colonel Savko, Colonel Walker, Lieutenant Colonel Graves, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Lieutenant Colonel Hannaford, Lieutenant Colonel Fogelberg, Captain Judkins.

1. Civil Aviation

With reference to para 7 of Minutes of 6 November, the Chief Commissioner reported that AFHQ has instructed that Italian internal civil airlines may be authorized within limits to be set by the Air Forces S/C with the concurrence of the Chief Commissioner and that only items of major importance are to be referred to AFHQ.

2. Political Resume

Mr. Hankey gave a brief resume of political developments during the past week. Replies to the Italian note to the members of the Council of Foreign Ministers had been received from the U.S., Britain, and France, the general line being that they did not wish to close the door on direct negotiations between Italy and Yugoslavia but that conclusions reached must be within the framework of the decisions of the Council of Foreign Ministers already reached in Paris, or at any rate, they must be subject to Council of Foreign Ministers' approval. The Chief Commissioner observed that the British reply added that the agreement reached would have to be incorporated in the peace treaty. No reply had yet been received from Russia. The important news of the week was the announcement in the press that on 13 November the so-called "French Line" had been approved by the Council of Foreign Ministers, which thus appeared to exclude the possibility of ceding Gorizia to Yugoslavia. There were still a number of points to be settled on the Trieste situation.

On 15 November the press reported fully the long report made by Nenni to the International Treaties Commission of the Constituent Assembly, giving a very clear account of negotiations since Togliatti's announcement. The meeting concluded with the issuance of a communique stating it was the unanimous wish that direct negotiations be started with Yugoslavia within the framework of peace treaty negotiations. Since then Nenni told the Cabinet that in a private capacity he had invited Tito to make an official proposal to the Italian Govern-

Declassified E.O. 12356 Section 3.3/NND No. 743017

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Present: Rear Admiral Stone, Brigadier Carr, Lieutenant Colonel Cros, Colonel Savko, Colonel Walker, Lieutenant Colonel Graves, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Lieutenant Colonel Hannaford, Lieutenant Colonel Fogelberg, Captain Judkins.

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There were reports in the press on 16 November that the AMG Provincial Commissioner, Udine, had informed a press conference that Slav agents had made their way into Zone A to form cells for the spreading of Communism and expressed the fear that the Communists might act as fifth columnists even against

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the interests of Italy as soon as Allied troops left. The Chief Commissioner reported that Colonel Bright had subsequently denied making any such report.

In the internal field, the principal item of interest was Togliatti's speech strongly attacking De Gasperi and his policy and also the Church, asserting that the Church had intimidated voters in Rome against the Communists. He accused De Gasperi of failing to bring about repatriation of Italian POW's from Yugoslavia. This speech brought forth a communique on 19 November stating that the Government had done everything in its power as regards repatriation of Italian civilian and military prisoners, giving details as to the action taken.

3. Food Situation

Colonel Walker reported that wheat stocks on hand are sufficient to maintain the present ration for 68 days. The Chief Commissioner stated that De Gasperi had cabled La Guardia that wheat supplies in Italy were sufficient to last only until 31 December. Colonel Graves replied that De Gasperi's figure apparently did not take into consideration wheat equivalents of rice and corn which are included in the figures on stocks on hand. The Chief Commissioner stated that UNRRA has allocated 120,000 tons through 31 December but that only 5,000 tons are on route and only 45,000 tons are expected in December. In addition, the American Government is considering the allocation of an additional 120,000 tons in the same period outside of UNRRA. It is not clear whether this is to be made available to the Italian purchasing commission or whether it is to be financed by a loan over and above existing loans and credits.

Stocks of wheat on hand in Venezia Giulia are sufficient to maintain the present ration to 31 December 1946 and in Udine stocks are sufficient to maintain the ration to 28 January 1947.

4. Fuel Situation

Colonel Walker stated that it is expected that 202,000 tons of coal will arrive from the U.S. during November, which is 59,000 tons less than previously reported, due to the strike threat. The latest estimate of total arrivals for November is 352,000 tons.

The coal situation in Venezia Giulia and Udine remains serious. Only 30,000 tons of the 123,000 tons promised for the six months ending 31 December have been received. Reports from Venezia Giulia indicate that the industries in that area will be forced to shut down in December if no more coal is supplied.

The situation with regard to motor gasoline and diesel oil is serious, with but 12-14 days' supply remaining. Tankers expected to arrive during the second half of November have been delayed. Due to unequal distribution throughout the country some areas may run dry before the end of the month. The level of stocks held by the Allied Military do not warrant expectations of help from that source but an attempt is being made by the British to divert a gasoline tanker to Italy from another theater. A slight amelioration of the situation may be made possible by the refining of the three tankers of crude oil recently arrived, two at Bari and one at Naples. Refining is already under way at Bari and is expected to begin in two days at Naples. The Chief Commissioner requested the

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5. Power Situation

Colonel Walker stated that in Northern Italy power rationing is now carried out by disconnecting all customers, except essential services, two days a week during daylight hours. In Central and Southern Italy, although there has been

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a temporary improvement, the general situation remains practically the same. Power rationing is now being enforced in all Central and Southern Italy with the exception of the Rome Area.

Meetings were held in Rome between the representatives of RAAC, AC, the power companies, and the Italian Commissioner on Electric Power to discuss the electricity supply, on a preferential basis, for the Allied military establishments in Rome. It was agreed that a list of the essential requirements, in order of priority, will be submitted by RAAC to the Italian Commissioner. The matter of uninterrupted supply of power for telecommunications is also being studied by the Commission.

6. Courier Flights

With reference to para 2 of Minutes of 30 October, Air Vice Marshal Brodie reported that authority has been granted to extend the military courier service beyond Treviso to Udine and it is hoped to make the change in that service possibly on Monday 25 November. AVM Brodie stated that consideration has been given to the elimination of Treviso on this line, which is Rome-Bologna-Venice-Treviso. No one present had any objection to the elimination of Treviso but the Chief Commissioner requested that AVM Brodie check with the Italian Government before the stop is eliminated.

Next Vice Presidents' Meeting: Friday, 29 November 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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Navy S/C (3)
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Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Hendrix, Chargé d'Affaires

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EDWARD D.S. SULLIVAN
Major, Air Corps
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Chief Commissioner
Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMT) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

SECRET

4917

Declassified E.O. 12356 Section 3.3/NND No. 735017

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

520

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551 26 November 1946

MEMORANDUM:

TO : See "DISTRIBUTION"

The Vice Presidents' Meeting scheduled for Wednesday, 27 November, is postponed until 1000 hours, Friday, 29 November.

EDWARD D S. SULLIVAN
Major, AUS
Deputy Chief Commissioner

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Economic Division
Political Advisor (A)
Political Advisor (B)
Navy S/C
Land Forces S/C (HMLA)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor
Financial Advisor, AC
Public Relations Branch

26/11

4916 -

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

51B

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC-551

19 November 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents'meeting will be held Wednesday morning, 20 November 1946 at 1000 hours at the Chief Commissioner's Conference room.

Distribution
Chief Commissioner _____
Executive Commissioner _____
V.P.Civil Affairs Section _____
Executive Officer (A) _____
Executive Officer (B) _____
Political Adviser (A) _____
Political Adviser (B) _____
Navy S/C _____
Land Forces S/C _____
Air Forces S/C _____
French Representative, AC _____
Soviet Representative, AC _____
Public Relations French _____
Chief Legal Adviser _____
Financial Adviser _____

4913

EDWARD D.S. SULLIVAN.
Major, Air Corps
Staff Officer to C.C.

Udine Secrie
Sotto of Foreign a/c - hand over to the Govt.
Civil Av

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/87 13 November 1946

MINUTES

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

Present: Rear Admiral Stone, Brigadier Carr, Lieutenant Colonel Cros, Colonel Savko, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Political Resume

Mr. Greene gave a brief resume of political developments during the past week. A principal development of the week was Togliatti's report in "Unita" of the results of his trip to Yugoslavia, which he undertook in an unofficial and private capacity. The reasons for the trip were given as the desire to renew old acquaintances in Yugoslavia and to express the admiration of Communists and sincere Italian democrats in the progress made by the new Yugoslav State, and also to discuss outstanding questions in Italo-Yugoslav relations. Togliatti said he found general understanding of Italian questions among the Yugoslav officials. With regard to Trieste, it was reported that Tito had expressed the view that he would be agreeable to having Trieste remain under Italian sovereignty if at the same time Gorizia were to be ceded to Yugoslavia, the sole condition being that Trieste should have an autonomy, within the Italian State, regulated by an effectively democratic statute. This condition was not elaborated on and has been the subject of some discussion in the press. It was also reported that Tito had assured Togliatti that the Yugoslav constitution provides adequately for national rights of any Italians left in Yugoslavia after the new border has been drawn. According to Togliatti, Tito also agreed to the immediate repatriation of all Italian military personnel held as POW's in Yugoslavia. Togliatti added in this connection that the Communists planned to ask the National Partisan Association to organize the repatriation to avoid bureaucratic red tape and delay. Togliatti also reported that he had discussed the possibility of arranging commercial treaties with Yugoslavia, pointing out that there are fields where the two countries could assist each other in mutual efforts toward reconstruction.

The reacion to Togliatti's report was immediate and either strongly in favor or strongly opposed. The Italian Government met the same day and issued a communique taking note of the private nature of the trip but nevertheless seeing the possibility of negotiations with Yugoslavia within the limitations of negotiations for the peace treaty currently in progress. The Government rejected the proposal for cession of Gorizia, a predominantly Italian city, and repeated its request for an ethnic border to be determined by plebiscite where other determinations were difficult. At the Council of Ministers meeting which adopted this communique, De Gasperi expressed his regret that Togliatti had seen fit to make his trip in a private capacity and, having done so, not to inform the government

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

Vice Presidents' Meeting, [illegible] November [illegible], Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Lieutenant Colonel Cros, Colonel Savko, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Political Resume

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D.D. [illegible] 20/11
S.S.O. [illegible] 21/11
S.I.O. [illegible] 22/11
Adj [illegible] 24/11
[illegible] 19/11

SECRET

ALLIED FORCES SUB-COMMISSION ROME ORDERLY ROOM 358/2 [illegible] 1914

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

SECRET

On Saturday night the Foreign Ministry issued a communique saying that the Foreign Minister had seen representatives in Rome of each of the Big Four. According to the press, Nenni said he had made known the Italian point of view on reports from New York that the Council of Foreign Ministers had decided to postpone further discussion of Trieste and that in any further negotiations between Yugoslavia and Italy the Italian position would be substantially as previously reported to the Council of Foreign Ministers. The next day the press added that Nenni had informed the Big Four that it was the Italian assumption that the postponement constituted an invitation to Italy and Yugoslavia to negotiate.

Press reaction to the original report has been strongly opposed, on the part of the center and right groups, which object not only to the method but also to the substance, particularly the proposal of the swap of Gorizia. "Unita" was in favor of the proposal while the Socialist paper "Avanti!" followed Nenni's lead and emphasized the possibility that now seems to exist for negotiating agreement, avoiding mention of Gorizia. There has been a strong exchange of editorials between Togliatti and De Gasperi, with Togliatti criticizing De Gasperi 's "kicks in the pants" policy and De Gasperi replying that the matter of the Italian peace treaty has been very little in Italian hands, and saying that the unofficial trips did not serve the interests of the country no matter how Togliatti felt he had served the interests of his party.

Another principal item of interest was the elections held on Sunday in many communes and in Turin, Genoa, Florence, Rome, Naples, and Palermo. There were widespread abstentions averaging in the neighborhood of 50% in the large cities. The general pattern of the results indicates a loss of strength by the center to either the right or left. At Rome the left parties running on a single list polled the most votes, with the Uomo Qualunque party running second and polling the largest vote for a single party. The voting throughout the nation showed a general defection of Christian Democrat strength, to the left in the North and to the right in the South. The general opinion is that there will be no change in the composition of the present government, although it is inevitable that the Christian Democrats in their direction of the government will have to take note of the trend. Mr. Hankey observed that one possible reason for the large percentage of abstention in Rome was that the polls were closed at 7:00 p.m., while a number of voters, estimated at up to 15%, turned up at the voting places after that hour.

2. Food Situation

Colonel Walbach reported that there has been little change in the food situation since last report, with wheat stocks actually on hand being sufficient to maintain the present ration for 70 days. Wheat stocks in Udine are sufficient to maintain the bread and pasta ration until 27 January 1947. The supplementary bread ration for United Nations citizens in Zone A has been abolished as from 1 November.

3. Fuel Situation

Colonel Walbach reported that the latest estimate of coal arrivals for November is 261,000 tons from the U.S. and 149,000 tons from all other sources, making a total of 410,000 tons. This will result in having a stock on hand at end of November of 402,000 tons. It is estimated that 728,000 tons will arrive during December.

Declassified E.O. 12356 Section 3.3/NND No. 745017

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The gasoline and oil situation is somewhat serious as two gasoline tankers expected to arrive in November have been held up owing to difficulty experienced in obtaining crews. Stocks in short supply are as follows: gasoline 24 days; kerosene 55 days; Diesel oil 24 days.

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

4. Power Situation

Colonel Walbach reported that there has been little change in the power supply position, although it appears to be easing somewhat. The plan reported in para 6 of Minutes of 6 November to shut off power for two days each week has been postponed indefinitely. Announcements will be made over the radio from day to day concerning the power situation. The recent heavy rains and the stock pile of coal in Rome for use in thermal plants has considerably improved the availability of power. Steps are being taken to insure at all times sufficient power for the continuous operation of all military telephone circuits.

5. Valuation of the Lira

Colonel Battenby reported that, as the Italian Government is bound to give A.C. due notice of any change in the valuation of the lire, the Banca d'Italia was asked if there was any truth in the strong rumors prevalent that the lira would be devalued in the near future. The Bank said the Italian Government has no intention of devaluating the lire, but discussions are going on as to changing the percentage of export proceeds which the government allows exporters to retain. At present exporters are allowed to retain 50%.

6. Repatriation of POW's

With reference to para 7 of Minutes of 23 October, General Goulburn stated that a message has been received from the War Office that they have reconsidered their previous decision to permit disembarking of POW's only at Venice and that POW's will all be repatriated at Naples.

There is a report, not yet confirmed, that all POW's from India will sail by the end of December.

General Goulburn stated that the Embassies are discussing the question of handling POW matters as from 1 January. The IPW Branch has prepared a report for submission to the Embassies on the outstanding POW questions as of 1 January. Mr. Hankey stated that the residual work to be done as of 1 January will probably be greater than believed when the suggestion was originally made, and it had been suggested that the date for the transfer be put forward for two or three months in order to reduce the size of the commitment. He added that he did not think the question would be viewed with favor by the Embassy when it is officially put to the Embassy.

Appointment of Financial Advisor

The Chief Commissioner introduced Colonel L. R. Battensby who has been head of the Allied Financial Agency and who has been assigned additional duty as Financial Advisor to the AC. Colonel Battensby has had long service in Italy and the Chief Commissioner stated that he has given valuable assistance to the AC since the loss of all representatives of the AC Finance Subcommission.

Next Vice Presidents' Meeting: Wednesday, 20 November 1946, 1000 hours

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

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Next Vice Presidents' Meeting: Wednesday, 20 November 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

SECRET

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

SECRET

DISTRIBUTION:

Chief Commissioner
Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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

Land Forces S/C
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

12 November 1946,

CC- 551.

Vice Presidents8 Meeting

The regularly scheduled weekly Vice Presidents' Meeting will be held, wednesday morning 13 November 1946 at 1000 hours at the Chief Commissioner's Conference Room:

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
Executive Officer(A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy S/C
Land Forces S/C
Air Forces S/C
French Representative AC
Soviet Representative AC
Public Relations Br
Chief Legal Advisor
Mr. Cleveland, UNRRA

EDMARD D.S. SULLIVAN
Major Air Corps
Staff Officer to CC.

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Air Force 418

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/86 6 November 46

MINUTES

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

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Lieutenant Colonel Cros, Colonel Walbach, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Lieutenant Colonel Hannaford, Captain Judkins.

1. Admiral DeCourten

With reference to para 5 of Minutes of 30 October, the Chief Commissioner stated that Admiral DeCourten is somewhat better and is back at the Ministry of the Navy on a part-time basis.

2. Italian Army

With reference to para 12 of Minutes of 30 October, the Chief Commissioner stated that he had received a report from Colonel Fiske giving the figures on the strength of the Italian Army, which, as of 1 November, exclusive of US and British ITI units, was 137,000. General Goulburn confirmed that this represented the actual figure. It is estimated that as of 1 December the strength will be 107,000, due to the release of classes from the Army, but by 15 January it is expected that the strength will be 140,000.

3. Political Resume

Mr. Hankey gave a brief resume of political developments during the past week. The principal item of interest was a note sent by the Italian Government to the Council of Foreign Ministers in New York setting forth the Italian case in connection with the Peace Treaty. This was summarized in advance by Nenni in an interview, extracting three points from the note. First, the Italian treaty as drafted at Paris was not in keeping with the principles of the Atlantic charter and did not give sufficient recognition to the part Italy played in the war against Germany. Second, the frontier as drawn between Italy and Yugoslavia did not safeguard Italy's territorial integrity and created a situation not in the interests of Europe in general and the frontier countries in particular. The note added that insufficient guarantees were given for the minorities in that area. It also recommended that the frontier should follow the ethnic line proposed by the Foreign Ministers in 1945, settling local differences by plebiscite. Third, the reparations arrangements including the arrangement for sequestration of Italian property abroad placed Italy in a very difficult position economically. The note concluded by a specific reservation of the sovereign rights of the Italian Constituent Assembly as regards eventual acceptance of the treaty. The [illegible] generally moderate and dignified in tone.

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

Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Lieutenant Colonel Cros, Colonel Walbach, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Lieutenant Colonel Hannaford, Captain Judkins.

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The Council of Foreign Ministers began discussions on 4 November. The Italian press reported the possibility of the French putting forward further compromise solutions to the Trieste problem which would result in the Slav group withdrawing their claims to Venezia Giulia in return for U.S. and British withdrawal of claims regarding the Danube.

The only item of considerable interest was a statement by a spokesman of the French Ministry of Foreign Affairs indicating that if current negotiations between Italy and France were successful France would renounce her claims on Italian property in France and would subsidize the families of 25,000 Italians in France

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working in coal mines.

The week was very quiet with regard to internal politics. Emphasis has been on the preparation for municipal elections taking place Sunday November 10th. The item of outstanding interest politically was De Gasperi's long comprehensive speech of November 3rd in the course of the electioneering campaigns. On behalf of the Christian Democrats, he gave a fighting reply to the Socialist-Communist unity of action pact, which he described as a natural consequence of the Marxist ideology of both parties leading to dictatorship and the denial of democracy and affirmed that this pact would be opposed by the Christian Democrats. He expressed the belief that this unity of action pact meant the failure of the tripartite coalition government. Nevertheless he repeated Nenni's assertion that the government would continue in existing form until the spring elections. De Gasperi also announced that the leader and other members of the Partisan resistance movement who had been arrested during the previous week had been released. De Gasperi said, however, that there was abundant evidence that the movement was not a peaceful one and that the leaders had admitted they had given instructions for the emplacement of machine-guns. He said that he did not deny the right of anyone to form political parties but only the state could maintain military organizations.

Togliatti, in proceeding to Belgrade, was escorted in Venezia Giulia to the AMG Security Office in Trieste where necessary transit passes were given him. First press reports in one Rome paper were that he was arrested but these were promptly denied in other papers. The Chief Commissioner stated that Togliatti had been assured by the Foreign Ministry that there would be no difficulty in securing a pass for him to go through Venezia Giulia and he left Rome before his pass was received. Unfortunately, the Foreign Ministry did not use the established channels to obtain this pass and the AC was not notified of the trip or the route until the morning of 2 November, at which time Togliatti was already on route from Venice to Venezia Giulia. The Chief Commissioner promptly obtained approval for the trip but the difficulty was in contacting Togliatti so that the pass could be delivered.

The Chief Commissioner expressed to the British Political Advisor the deep regret of the AC at the outrageous bombing of the British Embassy on 31 October, and stated that he had called on the Charge d'Affaires to express his regret. Mr. Hankey stated that after some speculation in the press as to who had done it, a communique had been issued by Irgun Zvai Leumi, a Jewish terrorist organization, which maintained that this was only a part of a systematic campaign of terrorism against British establishments.

4. Food Situation

Colonel Walbach reported that there has been a slight decline in wheat stocks, which are now sufficient to maintain the present ration for 72 days. Stocks have been decreasing steadily for the past several months since 12 September, when stocks were sufficient for 128 days, indicating that imports and amassing are constantly falling behind consumption. Expected imports and amassing for November and December are about 1/4 the expected consumption for these months, clearly indicating the seriousness of the situation.

The wheat situation in Venezia Giulia is unchanged with stocks on hand on [illegible] sufficient to last until [illegible] December for bread and only through

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

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The wheat situation in Venezia Giulia is unchanged with stocks on hand on 24 October sufficient to last until 4 December for bread and only through November for pasta. Stocks on hand in Udine on 28 October were sufficient to support the bread ration until 7 February and the pasta ration through December. It is believed that if stocks in those two areas are combined there will be sufficient bread and pasta to last through December.

5. Fuel Situation

Colonel Walbach stated that the end of the shipping strike in the U.S. permitted approximately 100,000 tons of coal to be sailed before the end of October, according to telephone conversation (UNREP) between Washington and Rome.

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Declassified E.O. 12356 Section 3.3/NND No. 745017

This will increase estimated stock on hand at the end of November from 265,000 tons of coal to 365,000 tons. It is hoped that further sailings will increase this figure, but no definite information is now available.

There is a 30-day supply of gasoline on hand, with a tanker expected 17 November. Loans from military stocks have been arranged for areas in short supply. Diesel oil stocks are down to 30 days' supply. No further news has been received on the arrival of crude oil slated for 12 and 16 November.

6. Power Situation

The production of power in Central and Southern Italy has shown a slight improvement, but due to the seasonable increase in consumption and decrease in the supply from the North, it is estimated that a 32% shortage below previous levels will occur in November. The Central Commissioner for Rationing and Control of Electric Power for Central and Southern Italy has decided that all customers (with the exception of a few essential services) are to be disconnected from 0700 to 1700 hours two days per week and from 0800 to 1300 hours on Sundays.

7. Civil Aviation

With reference to para 3 of Minutes of 30 October, Air Vice Marshal Brodie reported that the Italian Government has submitted to the AC part of a comprehensive plan for the resumption of civil airlines within Italy.

Appointment of Director, Economic Division

The Chief Commissioner introduced Colonel James de B. WALBACH, U.S. Army, who has been appointed Director of the Economic Division.

Correction to Minutes of 30 October 1946

List of those present, delete "Colonel Weber".

Next Vice Presidents' Meeting: Wednesday, 13 November 1946, 1000 hours

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VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C ~~(MTL)~~ (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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

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Next Vice Presidents' Meeting: Wednesday, 13 November 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C ~~(MTA)~~ (2)
Air Forces S/C
Executive Officer (A)
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French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

5 November 1946.

CC- 551

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice presidents' Meeting will be held, Wednesday morning 6 November 1946 at 1000 hours at the Chief Commissioner's Conference Room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
Executive Officer (A)
Executive Officer (B)
Political ADvisor (A)
Political Advisor (B)
Navy S/C
Land Forces S/C
Air Forces S/C
French Representative AC
Soviet Representative AC
Public Relation Branch
Chief Legal Adviser
Mr. Cleveland, UNRRA

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EDWARD D. S. SULLIVAN
Major Air Corps,
Staff Officer to CC.

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SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/8

30 October 1946

MINUTES

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

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbo-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Colonel Fiske, Commodore Ziroli, Colonel Savkov, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

1. Disturbance at Viminale

With reference to para 1 of Minutes of 23 October, the Chief Commissioner stated that latest reports have confirmed that the disturbance at the Viminale was not caused by refugees from the UNRRA refugee camp at Cinecittà. Mr. Greene stated that the Questura submitted a report to the Council of Ministers which report was returned for continuation and amplification. The report indicated that the trouble was brought about by a group of people distributing lethal weapons from a truck parked in a nearby street. Press interpretations that Yugoslavs were in the truck were not confirmed by the report.

2. Courier Flights

With reference to para 6 of Minutes of 23 October, AVM Brodie reported that no reply has been received from AFHQ in regard to the extension of military courier service to Udine.

3. Civil Aviation

In reply to the Chief Commissioner's question, AVM Brodie stated that plans have been formulated and submitted to the Italian Government by the American commercial airline company planning on engaging in Italian internal civil airline operations. The Italian Air Ministry is presently studying this plan and plans for several other companies with a view to formulating concessions. AVM Brodie stated that the Italian Air Ministry is constantly being pressed to submit these plans to the AC.

4. Repatriation of POWs

With reference to para 4 of Minutes of 23 October, Colonel Fiske stated that no reply has been received from GHQ CMF in reply to the AC's request for reconsideration of the proposal to disembark repatriates at Venice only.

5. Admiral DeCourten

Commodore Ziroli reported that Admiral DeCourten's condition is satisfactory

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

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

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Harkey, Air Vice Marshal Brodie, Colonel Fiske, Commodore Ziroli, Colonel Savkov, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

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5. Admiral DeCourten

Commodore Ziroli reported that Admiral DeCourten's condition is satisfactory but that he is faced with a period of probably 2½ months convalescence. At the present time is receiving visitors and is doing work.

6. Reported Resignation of General Cadorna

The Chief Commissioner stated that the published report that General Cadorna had submitted his resignation as Chief of Staff of the Army is not strictly accurate, according to information received by AC. General Cadorna, however, along with certain other high-ranking officers has expressed willingness to

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accept retirement in accordance with a plan for separation that the Ministry has devised but he has not resigned as Chief of Staff and as far as is known his separation from the service is not imminent.

7. Political Resume

Mr. Greene gave a brief resume of the general political situation. A week ago the Christian Democrat deputies in the Costituente met and were addressed by the Prime Minister who reviewed the whole complexity of the factors leading to Italy's present position with respect to the peace treaty, mentioning the steps he and his government had taken in an attempt to obtain a less unfavorable treaty. The question of whether or not the government or the Constituent Assembly should approve ratification of the peace treaty was discussed. The Prime Minister called for a sense of responsibility in considering whether they should recommend ratification or rejection of the treaty. Press reports indicate that there are three currents in the party, the largest group flatly opposing the treaty and advocating refusal to sign unless completely revised, another group disapproving the treaty in principle but advocating ratification rather than embarrass the government, and the third group advocating referring the whole matter to the UNO for consideration of Italian claims prior to the final Council of Foreign Ministers draft.

The Chief Commissioner stated that with reference to the first paragraph of para 2 of Minutes of 23 October, Nenni called on the Chief Commissioner last week and in reply to a direct question stated he was not going to New York. Mr. Greene stated that the Italian ambassadors to the Big Four would be in New York. Nenni has made public his views on the line the Italian delegation is expected to take. The establishment of a free territory of Trieste will still be opposed in principle as being an "artful compromise". If the Council of Foreign Ministers refuses to consider any other solution the Italians will express the view that the guarantees regarding the integrity and independence of the territory should be provided by the Security Council. Nenni also indicated that the Italians will insist that the constitution of the territory be on a democratic basis, probably in reference to recent developments at Trieste where the Italo-Slavic Anti-Fascist Union has been modified into a so-called "democratic front" in an apparent attempt to change the group's emphasis from pro-Slav to pro-autonomy.

In the North the government moved fast and employed carabinieri against certain partisan groups who had moved into the hills. There had been no actual disorders and the government was anxious to permit none. The government carefully avoided attributing this group, calling itself Partisan Resistance Movement, to any of the political parties and termed it neo-squadrist. The National Partisan Association disavowed the Movement. One of the ringleaders was a well-known partisan during the war but is anti-communist. There has been an increase in banditry in Emilia attributed to neo-fascist bandits. The question of public order will cause concern throughout the winter as the basic causes of economic unrest do not seem likely to be removed in the near future. Mr. Greene stated that it would require strong public security forces to maintain order and the Chief Commissioner observed that it would likewise require a strong effort to alleviate the distressed economic conditions.

The big event in the domestic political field was the rewriting of the Communist-Socialist unity of action pact. The agreement does not represent any great change on its face, with the possible exception of agreement on "rigorous

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The big event in the domestic political field was the rewriting of the Communist-Socialist unity of action pact. The agreement does not represent any great change on its face, with the possible exception of agreement on "rigorous taxation" of the rich. As Nenni pointed out in a statement published coincidentally with the pact, it in no way prejudices the autonomy of either party and independence of action is specifically reserved in case of disagreement. On the whole, it still remains to be seen whether the pact is an indication of strengthening of the left.

8. Food Situation

Colonel Walker reported that wheat stocks in Italy are sufficient to maintain the present ration for 81 days. This figure is theoretical only and is

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based on the assumption that the Italian Government will be able to effect equal distribution throughout Italy. This is extremely doubtful because of lack of transport and a serious and increasing resistance on the part of provinces with larger quantities of grain from the "Ammassi" against releasing it to provinces in short supply. The Combined Food Board cereal allocation for Italy for the balance of the year is equivalent to 180,000 tons of wheat. The amassing is expected to produce an additional 15 days' supply. The situation is very serious and any shortage in the program will likely require a cut in the ration early in 1947. In any event, it appears a cut will be necessary before the 1947 harvest. The Italian Government has been informed of this situation by UNRRA.

9. Fuel Situation

Colonel Walker reported that the shipping strike in the U.S. has ended and several cargoes of coal have sailed for Italy. Coal stocks on hand as of 30 October are 535,000 tons. Estimated arrivals from sources other than the U.S. during November are 180,000 tons, making a total availability of 715,000 tons. November allocations will be 450,000 tons, leaving a balance of 265,000 tons on hand at the beginning of December. To this will be added the quantity which will arrive from the U.S. in November. No estimate of this quantity is possible at this time.

A partial strike started 18 October at the Sardinian mines, the controversy being over the payment for "piece-work". Daily production has been reduced from 3,800 tons to 2,000 tons. The Chief Commissioner requested Colonel Walker to check with UNRRA to see what is being done about settling this strike.

The stock of motor gasoline is now down to 35 days' supply. This in itself is not so serious, but the bulk of the supply is in the North. Therefore, the situation in Southern Italy is critical and it may be necessary to apply to Allied Military authorities to relieve the situation by loans. The stocks of kerosene and fuel oil cover the 60 day target level. Diesel oil is down to approximately 35 days' supply. The first two cargoes of crude oil are now expected at Bari on 12 and 16 November respectively. Two cargoes are also due at Naples on 16 and 17 November respectively. It is not expected that refined products from this crude oil will be available for local distribution before December.

10. Power Situation

Colonel Walker stated that there has been a further very slight improvement in the power supply situation in Central and Southern Italy due to the recent rainfall. In Northern Italy the electric power availability is good, but due to the considerable post-war increase in consumption, rationing has had to be imposed. Only by the construction of new hydroelectric and thermal plants can the power situation in Italy be permanently improved.

11. Minesweeping

Commodore Ziroli reported that the minesweeping program is continuing effectively, concentrating off Civitavecchia and Venice. In reply to the Chief Commissioner's question, Commodore Ziroli stated that there has been no further news on the mining of two British destroyers, but an investigation is being conducted. The destroyers were proceeding between Corfu and the mainland in a

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12. Italian Army

Colonel Fiske reported that MMIA has approved a request of the Ministry of War for the release in November of classes due for release in December and for the call-up of a new class in January. The Army is normally below strength

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anyway at Christmas time and this release will make it unnecessary to issue winter clothing to these troops affected. The Chief Commissioner asked Colonel Fisko for a memorandum on the present strength of the Army.

Next Vice Presidents' Meeting: Wednesday, 6 November 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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Political Advisor (B)
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Land Forces S/C (MMLA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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Next Vice Presidents' Meeting: Wednesday, 6 November 1946, 1000 hours

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Air Forces S/C
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American Ambassador
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HEADQUARTERS ALLIED COMMISSION,
Office of the Chief Commissioner,

29 October 1946.

CC- 551.

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 30 October 1946 at 1000 hours at the Chief Commissioner's Conference Room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
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Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy S/C
Land Forces S/C
Air Forces S/C
French Representative AC
Soviet Representative AC
Public Relation Branch
Chief Legal Advisor
Mr. Cleveland, UNRRA

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EDWARD D. S. SULLIVAN
Major, Air Corps,
Staff Officer to CC.

Chief Air Staff Plans
JKM 29/10

JKM
31/10

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/84

23 October 1946.

MINUTES

Vice Presidents' Meeting, 1000 hours, 23 October 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Colonel Fiske, Commodore Ziroli, Colonel Savko, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

1. Disturbance at Viminale

With reference to the seventh sub-paragraph of para 3 of Minutes of 16 October, Brigadier Carr stated that the AC had investigated the Italian Government allegation that refugees from Cinecitta were involved in the riot at the Viminale and had learned from the Questura that about 150 persons from Cinecitta were at the Viminale that day, but they were all Italians employed at Cinecitta on public works and they were not armed. Present information is that there were no refugees at the Viminale at the time of the riot.

2. Political Resume

Mr. Hankey gave a brief resume of the general political situation. With reference to sub-para 10 of para 3 of Minutes of 16 October, and in reply to the Executive Commissioner's question, Mr. Hankey stated that there is still no official confirmation that Nenni is going to New York in connection with the Big Four meeting there.

After the initial failure of the Italian press generally to understand that the Paris draft of the peace treaty was final, the press had adopted an increasingly pessimistic view about the chances of final settlement at New York. The speech by Secretary Byrnes on 18 October was prominently reported in the press and was termed firm but conciliatory in regard to the differences outstanding between Russia and the U.S. Bevin's speech in the House of Commons was reported in the press and with the exception of repeating the line already taken by HMG on the Trieste question and the desire to renew relations with the new Italy, there was nothing new in it insofar as Italy is concerned. On his arrival at New York last week Molotov stated to correspondents that he was confident all difficulties would be overcome at the forthcoming conference and that the Soviet delegation would contribute to ensure that the work of the Assembly and Council of Ministers would be successful.

The main items of news of the week in foreign affairs of substantial interest to Italy are closely connected with U.S. policy. On 17 October the press reported the U.S. decision to limit the sum due by the Italian Government for war damages sustained by U.S. citizens to 25% of the total, said to be $50,000,000. It is reported that the $12,500,000 therefore payable by Italy will be used for wages of Italian workmen employed in repairing these damages. On 18 October news was

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Present: Brigadier Carr, Colonel Walker, Lieutenant Colonel Rose, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Colonel Fiske, Commodore Ziroli, Colonel Savko, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

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30/10 29/10 FKM 31/10 Rmk 1/11

29/10

ALLIED COMMISSION

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loan was announced as being held in abeyance until after definite conclusions had been reached by the Council of Ministers over the reparations clauses in the Italian treaty.

Internally, the principal event of the week has been the assumption on 19 October by Nenni of his new post as Minister of Foreign Affairs. The appointment does not seem to have been greeted with unanimous approval by the Socialist Party, and doubts have been expressed as to whether he could possibly carry out the broad policy expressed in his recent speech. It was also thought Nenni might be too far involved in acceptance of purely Christian Democrat policies. Nenni appears to have made a statement that he would accept the resignation of anyone in the Ministry who could not conscientiously serve the Republic. This has given rise to speculation as the left-wing papers say there is a higher proportion of persons who were employed under the Fascists in this Ministry than in other ministries. With Nenni's appointment, De Gasperi can concentrate on the internal situation. In an interview on 21 October he complained that several of the parties in the Government seemed to show a great deal more devotion to the ideology of their own party than to the State. He complained that he has now become the butt of criticisms from all sides, even his own party.

On 16 October, Scoccimarro had an interview with De Gasperi in which he made some of the criticisms against the Christian Democrats that Corbino had made against the Communists. He complained of unjust criticisms made by Christian Democrat papers and even the Secretary General of the party. De Gasperi is reported to have said that the criticisms were made in fair retaliation. Scoccimarro also pointed out the failure of local government authorities to comply with central government policies and complained that Communists are persecuted in many localities as being subversive. The interview is said to have ended with mutual recognition of the need for establishing closer relations.

The High Commissioner of Food reported to the Council of Ministers that in spite of favorable results of the amassing, 20,000,000 quintals of wheat were needed, of which up to 8,000,000 quintals would be supplied by UNRRA. The rest would have to be bought on the world markets. However, he stated that the situation was not precarious and no reduction in the bread or pasta ration was contemplated. It was planned to introduce rationing for textile products, clothing and footwear.

On 18 October, the Council of Ministers decided to call a National Economic Conference, mainly of experts, to meet in Rome in the first part of November to discuss economic, financial and reconstruction problems.

On 19 October, it was reported that following two interview De Gasperi had with the Minister of Interior orders were given to prefects all over Italy to make use of the unemployed in carrying out work of a useful nature. The Ministers of Public Works and Agriculture were urged to lose no time in undertaking work to relieve the unemployment situation. Sig. Corsi stressed the importance of such measure to avoid unrest and disturbances of public order.

3. Food Situation

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

speech. It was also thought Nenni might be too far involved in acceptance of purely Christian Democrat policies. Nenni appears to have made a statement that he would accept the resignation of anyone in the Ministry who could not conscientiously serve the Republic. This has given rise to speculation as the left-wing papers say there is a higher proportion of persons who were employed under the Fascists in this Ministry than in other ministries. With Nenni's appointment, De Gasperi can concentrate on the internal situation. In an interview on 21 October he complained that several of the parties in the Government seemed to show a great deal more devotion to the ideology of their own party than to the State. He complained that he has now become the butt of criticisms from all sides, even his own party.

On 16 October, Scoccimarro had an interview with De Gasperi in which he made some of the criticisms against the Christian Democrats that Corbino had made against the Communists. He complained of unjust criticisms made by Christian Democrat papers and even the Secretary General of the party. De Gasperi is reported to have said that the criticisms were made in fair retaliation. Scoccimarro also pointed out the failure of local government authorities to comply with central government policies and complained that Communists are persecuted in many localities as being subversive. The interview is said to have ended with mutual recognition of the need for establishing closer relations.

The High Commissioner of Food reported to the Council of Ministers that in spite of favorable results of the amassing, 20,000,000 quintals of wheat were needed, of which up to 8,000,000 quintals would be supplied by UNRRA. The rest would have to be bought on the world markets. However, he stated that the situation was not precarious and no reduction in the bread or pasta ration was contemplated. It was planned to introduce rationing for textile products, clothing and footwear.

On 18 October, the Council of Ministers decided to call a National Economic Conference, mainly of experts, to meet in Rome in the first part of November to discuss economic, financial and reconstruction problems.

On 19 October, it was reported that following two interview De Gasperi had with the Minister of Interior orders were given to prefects all over Italy to make use of the unemployed in carrying out work of a useful nature. The Ministers of Public Works and Agriculture were urged to lose no time in undertaking work to relieve the unemployment situation. Sig. Corsi stressed the importance of such measure to avoid unrest and disturbances of public order.

3. Food Situation

Colonel Walker reported a small increase in wheat stocks which now are sufficient to maintain the present ration for 84 days. This is based on present stocks of 1,061,072 tons and a daily maintenance of 12,500 tons.

4. Fuel Situation

With reference to para 5 of Minutes of 16 October, Colonel Walker

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stated that the U.S. shipping strike continues, and estimates for October coal arrivals stand at 300,000 tons. The Italian Government have reduced the overall allocation for October and November to 700,000 tons. If no additional coal arrives from the U.S. during this period, stocks will be reduced approximately 250,000 tons, including the ISR stocks, which will be sufficient only for 30 days beyond the end of November. The present drastic cuts in industrial allocations are certain to have serious repercussions on the rehabilitation program for Italy. If the strike is not terminated and sailings resumed in the early part of November, a real crisis will occur.

The shipping strike has also affected the POL situation and gasoline stocks have fallen far below the normal 60-day supply. In the event the strike does not end before 1 November, drastic reductions will be made in November allocations. Other petroleum products stand at about a 60-day level. There has been no further news concerning the arrival of crude oil.

5. Power Situation

Colonel Walker reported that power rationing went into effect in Northern Italy on 21 October, necessitated by exceedingly high consumption. The rationing will be carried out by disconnecting all customers one day per week. In Central and Southern Italy the situation is practically unchanged.

6. Courier Flights

Air Vice Marshal Brodie reported that a recommendation has been submitted to AFHQ for extension of the military courier service beyond Treviso to Udine, which would be more convenient for AC and Italian officials proceeding to and beyond Udine. From a military point of view there is general approval at AHQ Italy, but the question still has to pass through political and staff channels at AFHQ.

7. Repatriation of POWs

With reference to para 8 of Minutes of 2 October, Colonel Fiske reported that a request was submitted to GHQ CMF requesting that the decision to disembark repatriates at Venice rather than Naples or Taranto be reviewed in order to permit use of existing facilities at Taranto or Brindisi. A long and somewhat inaccurate reply was received in which Q Movements expressed their intention to adhere to their original stand. A signal is being forwarded from AC to GHQ calling attention to the inaccuracies in this letter and requesting reconsideration of the AC proposal. It is believed, however, that this matter may not be within the jurisdiction of the Theater Commander and any decision may have to be made at the War Office.

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

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Next Vice Presidents' Meeting: Wednesday, 30 October 1946.

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

4504

DISTRIBUTION:
Chief Commissioner
Executive Commissioner

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

DISTRIBUTION (cont'd):
V.P., Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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

Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC-551

21 October 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 23 October 1946 at 1000 hrs at the Chief Commissioner's Conference Room :

DISTRIBUTION
Chief Commissioner _____
Executive Commissioner _____
VP, Civil Affairs Section _____
Executive Officer, (A) _____
Executive Officer, (B) _____
Political Advisor, (A) _____
Political Advisor, (B) _____
Navy Sub Commission _____
Land Forces S/C _____
Air Forces S/C X
French Representative, AC _____
Soviet Representative, AC _____
Public Relations Branch _____
Chief Legal Advisor _____
Mr. Cleveland, UNRRA _____

4303

jktm 25/10

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to C.C.

7 JB 22/10

~~D.D.~~
~~S.S.O.~~
~~S.I.O.~~

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SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/83

16 October 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 16 October 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Commodore Ziroli, Colonel Savko, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

1. Allied Personnel and Italian Courts

With reference to para 2 of Minutes of 9 October, the Chief Commissioner stated that a communication has been received from the American Embassy giving the American Government's viewpoint on the trial of Americans by Italian courts and has been referred to the Legal Sub-Commission for study.

2. Future of the Allied Commission

With reference to para 1 of Minutes of 9 October, the Chief Commissioner stated that there was no change in the situation as to the future of the Allied Commission.

3. Political Résume

Mr. Greene gave a brief resume of the general political situation. With the end of the Paris Conference, there has been a minor resurgence of anti-Allied feeling in Italy, but on the whole the tendency is to accept the peace treaty as it stands. Only "L'Unita'" seems to recognize that many points have not been resolved, and that there will be no treaty until the Council of the Foreign Ministers finally approves it.

The Chief Commissioner gave a short history of the peace treaty and the peace conference. As a result of the Paris meetings which began on 25 April, the Council of Foreign Ministers agreed on certain points of the proposed peace treaty with Italy and disagreed on others. Their conclusions were submitted to the Peace Conference of 21 nations, 20 of whom were allowed to consider the Italian treaty. Three major commissions of the Conference were established: Military, including navy and air force; political; and economic. Each voting nation was represented on each commission. Before the Conference it had been agreed that the Foreign Ministers would have the job of writing the treaty and at the Conference it was agreed that they would consider recommendations made on a 2/3 majority vote. Recommendations that were passed

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

Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Commodore Ziroli, Colonel Savko, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

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Mr. Greene reported that the Italo-Austrian agreement on the South Tyrol was debated in the treaty commission of the Costituente the other day, the discussion centering not on the substance of the agreement but

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on whether or not it should be included in the peace treaty, De Gasperi supporting the affirmative position. The question is to be debated in the Costituente.

The conclusion of an Italo-Polish commercial agreement for the supply by Poland of 750,000 tons of coal has been announced. The coal is to be paid for by Italian industrial and agricultural exports. In addition, for four years Poland can order up to $40,000,000 worth of Italian products selected in consultation with the Italian Government.

Mr. Byrnes has written De Gasperi indicating that the U.S. is now ready to extend the first $50,000,000 for purchases made in Italy with AM-lire by U.S. forces. The Chief Commissioner stated that it is his understanding that the total amount involved is roughtly $150,000,000. The following day a similar arrangement was announced by Canada, the initial amount being $4,000,000. The Chief Commissioner reported that he had spoken to Sig. Sacerdoti, head of the Italian economic mission in the U.S., who says that the credit extended by the U.S. and Canada will be used to get grain and other materials into the pipeline while the UNRRA program is closing down.

It was reported that the Labor Confederation and the Industrial Confederation had reached agreement. The industrial basic wage rate will be increased 35% and no further increase in excess of 15% will be granted for at least six months. Vacations were increased from six to twelve days and agreement was reached on payment of Christmas and "13 month" bonus.

On the morning of 9 October an orderly crowd of workers marched through the city to the Viminale protesting against an order read on arrival at work that morning suspending state-sponsored public works program in the Rome area. The Government reported that the crowd was orderly on arrival at the Viminale and apparently unarmed but that a disorderly and armed group, allegedly arriving from the UNRRA displaced persons camp at Cinecitta, turned the demonstration into a riot in which 2 died and 141 were injured. Nenni tried by personal appearance to quell the disturbance but, according to one report, the police interpreted the surging forward of the crowd to cheer him as an attempt to do him harm and the police fired. The Government appointed a commission to prepare a substitute public works program. The Government is determined not to lay off the thousands of workers involved in the public works program but there is some indication that all is not well in the administration of the program through contractors in this area. The Government has ordered inquiries into the administration of the public works program, into the police action taken at the riot, and into the alleged descent of the displaced persons from Cinecitta on Rome.

The Chief Commissioner stated that press reports indicated that the police were prevented by the Allies from the use of tear bombs. This has been denied in a letter the Chief Commissioner has sent to the Prime Minister and AFHQ has issued a statement partially dealing with this question. The facts are that in an early directive on the use of Italian troops in quelling civil disturbances in 1944-45 there was a curious and unexplainable limitation on the use of tear-bombs. The AC protested and as a result of this protest the restriction was removed and the Prime Min-

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

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The right attempted to blame the left and the left attempted to blame the right for the disturbance at the Viminale but both were inclined to blame the Government for the delay in solving the unemployment program. In trying to form a program the Government runs into the difficulty of getting three strong parties to agree on the method of solving unemployment.

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Nenni is scheduled to take over the Foreign Affairs post this week. He spoke last Sunday on foreign affairs and internal problems at Genoa, criticizing the peace treaty along well known lines. He emphasized the problems Italy faces as a result of the treaty and stated Italy should never renounce the defense of its rights which should include territorial integrity and national political and economic independence. He indicated the desire to collaborate with other countries and to live in peace with Italy's neighbors. In reply to the Chief Commissioner's question, Mr. Greene stated that there has been no confirmation of the reports that Nenni is to go to New York in connection with the Big Four meeting to be held there.

The Chief Commissioner directed the Executive Commissioner to check with the AFHQ Labor Committee to see if the CGIL intends to present to the Committee the results of its recent agreement with the Confederation of Industrialists.

4. Food Situation

With reference to para 4 of Minutes of 9 October, Colonel Walker reported that there has been a steady decline in wheat stocks for the past several weeks. Stocks on hand are now sufficient to maintain the present ration for 83 days.

5. Fuel Situation

With reference to para 5 of Minutes of 9 October, Colonel Walker stated that the shipping strike in the U.S. has caused the estimates of October arrivals to be cut to 300,000 tons. Stocks at present in Italy amount to 660,000 tons. Unless shipments are resumed or consumption reduced, present stocks and expected arrivals are sufficient only to the end of November.

Latest information is that tankers will be loaded with crude oil in the Persian gulf about 1 November but no definite date of expected arrival is available -- they will probably arrive about the middle of the month. The refineries at Bari and Naples are ready to start almost immediately upon the arrival of the first crude oil.

6. Power Situation

With reference to para 6 of Minutes of 9 October, Colonel Walker reported that there was little change in the power situation except a slight improvement in Southern Italy.

7. Withdrawal of Royal Navy

Commodore Ziroli reported that the Royal Navy is withdrawing from Naples and Taranto. It is intended to transfer as much fuel oil, coal and coke as possible to Trieste for naval account, the balance to be turned over to the Italian Government. In connection with the withdrawal, Commodore Ziroli reported that rumors that the U.S. Navy is planning to establish a naval base at Naples were denied by Admiral Bieri, Commander of U.S. Naval Forces, Mediterranean, who stated that all naval activities in Naples

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

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8. Repatriation

Commodore Ziroli reported that an Italian naval ship is being sent to Rhodes to repatriate Italian civilians there. Middle East signalled that no lift will be required during October. The next batch will be ready to move in December.

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9. Minesweeping

Commodore Ziroli reported that the story appearing in the "Rome American" that a U.S. merchant ship had struck a mine near Leghorn was untrue and probably based on false rumors arising out of the fact that the ship was delayed because of fould weather.

10. Internal Organization of AC

Brigadier Carr reported that with effect from 21 October there will be an internal reorganization in the AC. The general effect is that the appointments VP CA Section and AVP Economic Section are abolished and, with the exception of the Service Sub-Commissions, the title sub-commission will disappear and the remaining sub-commissions will be called divisions.

11. Telephone Lines

Brigadier Carr reported that there have been many cases recently of theft of telephone wire and cable between Rome and Naples. This is being taken up with the Minister of Posts and Telecommunications. It is believed that these are acts of sabotage rather than theft of material.

Next Vice Presidents' Meeting: Wednesday, 23 October 1946, 1000 hours.

EDWARD D. S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C ( )
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch

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

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EDWARD D. S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (2)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

SECRET

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41.7

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

16 October 1946

CC- 551.

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 16 October 1946, at 1000 hours in the Chief Commissioner's Conference Room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy S/C
Land Forces S/C
Air Forces S/C
French Representative, AC
Soviet Representative AC
Public Relatin Branch
Chief Legal Advisor
Mr. Cleveland, UNRRA

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC.

410A

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/82

9 October 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 9 October 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Commodore Ziroli, Lieutenant Commander Colubev, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

1. Future of the Allied Commission

With reference to para 2 of Minutes of 2 October, the Chief Commissioner stated that there was no change in the situation as to the future of the Allied Commission.

2. Allied Personnel and Italian Courts

With reference to para 3 of Minutes of 2 October, the Chief Commissioner requested that action on the question of Italian jurisdiction over Allied personnel be speeded up in order to have it settled by the time the Allied Commission ceases operations. The Chief Commissioner requested that the armistice terms be studied to determine if Allied military personnel are exempt from Italian customs laws on personal property.

3. Political Resume

Mr. Hankey gave a brief resume of the general political situation. The Italian press has been principally interested in foreign politics generally during the week, not only in the Paris Conference, but also in the Nuremberg trials and the Russian interest in the Dardanelles.

At Paris a tremendous effort has been made to achieve agreement in time for the reports to be presented to the plenary sessions, and there has been some optimism over the success achieved. In the Political Commission the deadlock over the Trieste statute was resolved by acceptance by a two-thirds majority of a compromise plan put forward by the French. The principal feature of the compromise was the delimitation of the powers of the Governor, which was the crux of the dispute. It is understood that the Governor will have certain rights limiting the powers of the assembly and the cabinet and will have the right of veto when the independence of the territory or the fundamental rights of the citizens are threatened. Those persons domiciled in Trieste before 10 June 1940 will have the right to citizenship. In reply to the Chief Commissioner's

Declassified E.O. 12356 Section 3.3/NND No. 783017

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 9 October 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Commodore Ziroli, Lieutenant Commander Golubev, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

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On 3 October it was announced that Italy had been admitted to the International Monetary Fund and the International Bank, with only Yugoslavia opposing. "Popolo" pointed out that Italian participation was originally subject to Italy's signing the Peace Treaty and hailed the change in this decision as greater faith by the Allies in Italian currency and capacity for economic recovery.

SECRET

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

The Economic Commission of the Paris Conference on 5 October fixed Italy's reparations at $325,000,000 -- $100,000,000 each to Russia, Greece, and Yugoslavia, and $25,000,000 to Ethiopia. No reparations were awarded Albania, although it is expected that this last decision will be hotly contested.

The Council of Ministers approved certain increases in salaries of state employees on 4 October, providing increases up to 70% in base pay, an additional month's pay to be paid 16 December each year, and a big pension increase.

The gas workers went on strike for 2 days and the miners for 1 day, both strikes being for modification of conditions of employment rather than for increased pay.

Various groups of the Uomo Qualunque party have seceded because of the party's direction. Discussions continued with regard to fusion of the Uomo Qualunque party with the Liberal party.

The discussions between the CGIL and Confindustria with regard to dismissal of employees have broken down and the matter has been referred to the government.

4. Food Situation

With reference to para 5 of Minutes of 2 October, Colonel Walker reported a further slight decline in wheat stocks now sufficient to maintain present ration of 93 days.

5. Fuel Situation

With reference to para 6 of Minutes of 2 October, Colonel Walker reported that because of the U.S. shipping strike, October coal arrivals are expected to total 500,000 tons, a decrease of 100,000 tons. Current allocations, however, will not be affected.

There is no change in the POL situation, and there is no further news on the arrival of crude oil.

6. Power Situation

With reference to para 7 of Minutes of 2 October, Colonel Walker reported that the power situation in Central and Southern Italy continues serious because of the water shortage. The recent improvement in the Rome area is due to the completion of repairs to one of the main transformers in the Rome area, which was out of service for ten days.

Next Vice Presidents' Meeting: Wednesday, 16 October 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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Executive Commissioner
VP, Civil Affairs Section

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

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Next Vice Presidents' Meeting: Wednesday, 16 October 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
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Land Forces S/C (~~MAAA~~) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

3919

CC-551

8 October 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 9 October 1946, at 1000 hours at the Chief Commissioner's Conference Room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
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VP, Economic Section
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy S/C
Land Forces S/C
Air Forces S/C
French Representative, AC
Soviet Representative, AC
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, UNRRA

4399

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CG

3819

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/81 2 October 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 2 October 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Lieutenant Colonel Marek, Major General Goulburn, Commodore Ziroli, Colonel Savko, Capitaine de Vaisseau Villefosse, Captain Judkins, Lieutenant Colonel Hannaford.

1. U.S. Navy in the Mediterranean

The Chief Commissioner read the text of a statement issued by US Secretary of the Navy Forrestal with respect to activities of the US Navy in the Mediterranean. It stated that it was planned to maintain a number of ships in European waters to support Allied occupation forces and Allied military government in the discharge of their responsibilities in occupied areas in Europe and to protect U.S. interests and U.S. policies.

The Chief Commissioner also reported that Admiral Richard L. Conolly, USN, has relieved Admiral H. K. Hewitt, USN, as Commander, U.S. Naval Forces in Europe.

Colonel Savko asked the Chief Commissioner if he knew if at the present time the Allied Occupation Forces and AMG in Italy have any difficulties requiring the support of the U.S. Navy. The Chief Commissioner replied that he knew of no present specific troubles in Italy but that the effect of the Navy's statement so far as Italy is concerned is to support AMG and occupation forces in Udine and Venezia Giulia.

2. Future of Allied Commission

With reference to para 1 of Minutes of 25 September 1946, the Chief Commissioner stated that there was no change in the situation as to the future of the Allied Commission.

3. Allied Personnel and Italian Courts

With reference to para 7 of Minutes of 25 September, Colonel Hannaford stated that the Italian Government is still reluctant to take the initiative on the question of Italian jurisdiction over Allied personnel until advice has been received from the AC. Colonel Hannaford stated that he is awaiting advice from the British Embassy and the British Government before preparing a letter

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

MINUTES

Vice Presidents' Meeting, 1000 hours, 2 October 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Lieutenant Colonel Marek, Major General Goulburn, Commodore Ziroli, Colonel Savko, Capitaine de Vaisseau Villefosse, Captain Judkins, Lieutenant Colonel Hannaford.

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4. Allied Driving

The Chief Commissioner stated that there has been a resumption of the Italian press campaign against Allied driving. The Chief Commissioner has spoken to Colonel Dasher at RAAC and has requested the latest figures on accidents and also a statement as to the punishment meted out to offenders. He then proposes

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to submit the matter to AFHQ making reference to the fact that an increasing number of Allied vehicles are surplus vehicles disposed of to other agencies and individuals, and recommending that AFHQ should make a public statement in this connection.

5. Political Resume

Mr. Greene gave a brief review of the general political situation. At the Paris Conference the accent during the past week has been on speed. Most of the articles of the Italian draft peace treaty, except those on Trieste, have been discussed and voted on. The one-year postponement of the disposition of the Italian colonies was accepted, which evoked some bitterness in the Italian press. With regard to Trieste, a deadlock seems to have been arrived at. On the other hand, the so-called French Line, other than around the proposed free state of Trieste, seems to have been accepted by the Commission. Discussions have been held between the French and Italian delegations on the distribution of power from areas ceded to France.

On the domestic scene, the newly appointed Minister of the Treasury outlined the Costituente his program, which seemed to be rather well received. The keynotes were work and monetary stability. He reviewed the fiscal situation, pointing out that the deficit would be about 400,000,000,000 lire, largely due to extraordinary expenses such as the bread subsidiary and the Republic bonus. He declined to indulge in printing or borrowing to meet this deficit and called for strict economy and heavy taxes on the well-to-do -- even a capital levy seems to be contemplated -- and on Fascist profits, which has been discussed for some time. The next day the Prime Minister took the floor and reviewed the whole political situation from the outbreak of the "Corbino Crisis." He more or less demanded that the parties in the Government keep their complaints and suggestions to the privacy of the Government or get out of the Government. A motion of confidence in the Prime Minister was carried by a vote of 331 to 58, with 50 abstentions. The Prime Minister went over the ground covered by the Minister of the Treasury and called for discipline in social and labor relations. He reported that industrial production has recovered considerably, a factor which will contribute to social stability and help Italy in seeking external loans.

There have been strikes by the telephone workers, which were settled by raises of up to 70% in their basic salaries, and also the gas workers.

The Constituent Assembly sub-commissions drafting the new constitution have been progressing quite satisfactorily, although none of the really difficult problems have yet come up. Various civil rights bills have been adopted.

5. Food Situation

With reference to para 3 of Minutes of 25 September, Colonel Walker reported a further slight decline in the level of wheat stocks, which now are sufficient to maintain the present ration for 99 days.

6. Fuel Situation

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

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5. Food Situation

With reference to para 3 of Minutes of 25 September, Colonel Walker reported a further slight decline in the level of wheat stocks, which now are sufficient to maintain the present ration for 99 days.

6. Fuel Situation

With reference to para 4 of Minutes of 25 September, Colonel Walker stated that coal arrivals during September amounted to approximately 682,000 tons, 12,000 tons of which came from Poland. October arrivals are expected to be 600,000 tons. The allocation from the Ruhr has been cut to 50,000 tons.

Crude oil is expected about 15 October, which will permit the refineries at Bari and Naples to start operating before the end of the month.

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7. Power Situation

With reference to para 5 of Minutes of 25 September, Colonel Walker stated that the power situation in Central and Southern Italy continues to be serious because of the water shortage. No information has been received on the gas strike.

8. Repatriation of POW's

General Goulburn reported that British authorities have ordered that after 1 November no repatriation ships which also carry British personnel or material will call at Naples or Taranto but instead will go to Venice. Facilities for handling POW's exist at Naples and Taranto but there are no facilities at Venice and in addition, the displaced persons situation at Venice is difficult right now. General Goulburn has written to GHQ CMF pointing out the difficulties and requesting that Taranto or Brindisi be used for the POW's. General Goulburn reported that 3000 POW's are due from Australia and 6000 from India, and the Chief Commissioner suggested that this information be furnished to the press.

9. Italian Army

General Goulburn reported that he had observed recent Italian Army exercises and stated that the morale of the troops is good and that good types of men are being called up now because the services are able to pick and choose.

10. Detachment of Brigadier Lush

The Chief Commissioner announced with the very deepest regret that Brigadier Lush, who has served with the Allied Commission during its entire life, is to leave the AC this week and return to civil life in the service of his government on the Intergovernmental Committee for Refugees in Germany and Austria. Brigadier Lush's first association with the AC was when he became SCAO of the 15th Army Group. All in the AC had occasion to work with him most gratifyingly at a time when AC was not unified with AMG. In January 1944 he became General MacFarlane's Executive Commissioner and in June 1944 Executive Commissioner to Admiral Stone. The Chief Commissioner stated that he found it difficult to thank Brigadier Lush for his brilliant and hard working discharge of his duties, and stated that regardless of different nationality and service he could not ask for greater loyalty and greater asistance than Brigadier Lush has rendered. He expressed the greatest regret at Brigadier Lush's leaving and wished him, on behalf of all members of the AC, success and good fortune in his new position.

Brigadier Lush thanked the Chief Commissioner for his good wishes and expressed his sorrow at leaving the AC. He thanked the Chief Commissioner and his colleagues for the assistance, advice, and tolerance shown him in his association with the AC.

11. Liaison Office at Tenda

Brigadier Carr reported that on instructions received from AFHQ, the ACLO will be withdrawn from Tenda on 15 October.

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

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Next Vice Presidents' Meeting: Wednesday, 9 October 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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4097

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

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Political Advisor (B)
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Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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Air Forces S/C
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Mr. Harlan Cleveland, UNRRA

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HEADQUARTERS ALLIED COMMISSI
Office of the Chief Commissioner

370

1 October 1946

CC-551

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 2 October 1946, at 1000 hours at the Chief Commissioner's Conference Room.

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French Representative, AC
Soviet Representative, AC
public Relations Branch
Chief Legal Advisor
Mr. Cleveland, UNRRA

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC-351

21 Sept 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 25 September 1946 at 1000 hours at the Chief Commissioner's Conference Room.

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Air Forces S/C
French Representative, AC
Soviet Representative, AC
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, USEL

EDWARD D. S. SULLIVAN
Major, Air Corps
Staff Officer to CC

947

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/79 18 September 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 18 September 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Ellery W. Stone, Brigadier Carr, Colonel Walker, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Rear Admiral Warren, Colonel Fiske, Colonel Hannaford, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Captain Judkins, Colonel Savko, Capitaine de Villefosse.

1. Future of Allied Commission

The Chief Commissioner stated that there were no developments in connection with the revised armistice but added that the possibility existed of AC being abolished whether the Italian Government signed the new terms or not. It is expected that the plan proposed in the revised armistice would in that case become effective and that a special section of AFHQ would be established (probably in Rome) to control and direct the three service subcommissions -- Land Forces, Air, and Navy. There is still doubt as to whether the remaining functions of the Commission -- such as displaced persons, liaison work -- would be handled by that special section or by another smaller one. The Chief Commissioner added that the matter remains unresolved but that the next two weeks might see some progress made along that line.

2. Disposition of Italian Navy Units

The Chief Commissioner called attention to an article in the "Rome Daily American" of 18 September 46 in which were expressed the views of Captain Pryce, US Navy, a member of the peace conference's military commission. These were to the effect that submarines and other excess submarine equipment should be sunk as was done in the case of German and Japanese vessels. The Chief Commissioner stated that he personally did not subscribe to Captain Pryce's position and wished to make it clear that the latter's views did not reflect his own. The Chief Commissioner added that his recommendation had been that any excess tonnage should be scrapped so that Italy might have the benefit of salvageable material.

3. Political Resume

Mr. Greene gave a brief resume of the political events of the week. Interest was centered largely on Italian domestic problems rather than ... the peace conference.

A government crisis was precipitated by Minister Corbino's resignation of his post as Minister of the Treasury. There has been a considerable number of meetings of a committee of ministers with the director of the Bank of Italy in an

Declassified E.O. 12356 Section 3.3/NND No. 735017

Vice Presidents' Meeting, 1000 hours, 18 September 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Ellery W. Stone, Brigadier Carr, Colonel Walker, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Rear Admiral Warren, Colonel Fiske, Colonel Hannaford, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Captain Judkins, Colonel Savko, Capitaine de Villefosse.

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A government crisis was precipitated by Minister Corbino's resignation of his post as Minister of the Treasury. There has been a considerable number of meetings of a committee of ministers with the director of the Bank of Italy in an attempt to formulate a government economic plan and policy. Following the cabinet meeting of Monday, 16 September, it seems likely that the Prime Minister will report to the Constituent Assembly in the next day or two, throwing the whole problem, together with the points on which there has been agreement, before the Constituent Assembly. The director of the Bank of Italy himself is mentioned as one of the possible appointees as Minister of the Treasury. In connection with the government crisis, at the beginning of the period under review, the Socialists seemed to be pressing for fusion of the Treasury and Finance ministries, but it now looks as though the idea has been dropped. Consolidation of the Industry and Foreign Commerce ministries has also been talked of.

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The government crisis has had repercussions among the parties in the field of party politics, and there seems to be a trend towards diminution of the large number of parties and consolidation of their forces. There have been rumors that the Labor-Democrat, Liberal, and Uomo Qualunque parties would merge. The Secretary General of the Uomo Qualunque party would not precisely deny them but instead indicated there were several points on which agreement had not been reached. Another reported impending merger is that of the Action party and the Socialists, which, however, has been denied by the Action party's newspaper.

Proposals have been made for an internal loan and agreement between labor and management to the end of wage stabilization. After that is accomplished the internal problem of full production would be tackled, considering that more production means more work. The ultimate end of all this would be mainly the stabilization of the lira as an indispensable step towards Italian rehabilitation.

The Secretary General of the Communist party, Signor Togliatti, in a speech over the week-end dealt largely with the economic situation, urging that steps be taken to alleviate the economic position of the country and of the working classes. In a later newspaper interview, he characterized relations between the three major parties as unsatisfactory and claimed that the unity of action pact between the Socialist and Communist parties had not been operating too well.

In Paris, peace conference proceedings continued as in previous weeks. There seems to be a general effort to speed up the work of the conference and the several commissions have been asked by the Secretary General to complete their tasks by October 5, so that the full conference may wind up in time for the UNO General Assembly in New York on October 23.

In connection with the Italian treaty, Alberto Tarchiani, Italian Ambassador to the United States, appeared before the Economic Commission and made a plea for moderation on reparations plans and rationalization of those already agreed upon. He also asked for a moratorium providing that a five-year interval should be allowed to lapse between the ratification of the treaty and the first payments of reparations. Another point touched upon was Article 69 providing for confiscation of Italian assets abroad; here, too, he asked for moderation and rationalization.

Trieste continued to be a difficult problem at the conference. The Italian Political Territorial Commission set up a subcommission to study the problem of the statute and on the same day the American delegation withdrew its proposals on the Italo-Yugoslav border line and the boundaries of the Free Territory. The Italian delegation proposed that a plebiscite in the disputed territory of Venezia Giulia should be held and used as a basis for fixing the line, contending that both Italy and Yugoslavia seemed to agree on two fundamental points: 1) that the line should be ethnic; and 2) that the wishes of the people in the disputed area should be taken into account. Also, there have been reports, not denied as yet, of direct consultations between members of the Italian and Yugoslav delegations on the subjects of the Free Territory, the statute, and administration of the Free Territory.

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

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In Paris, peace conference proceedings continued as in previous weeks. There seems to be a general effort to speed up the work of the conference and the several commissions have been asked by the Secretary General to complete their tasks by October 5, so that the full conference may wind up in time for the UNO General Assembly in New York on October 23.

In connection with the Italian treaty, Alberto Tarchiani, Italian Ambassador to the United States, appeared before the Economic Commission and made a plea for moderation on reparations plans and rationalization of those already agreed upon. He also asked for a moratorium providing that a five-year interval should be allowed to lapse between the ratification of the treaty and the first payments of reparations. Another point touched upon was Article 69 providing for confiscation of Italian assets abroad; here, too, he asked for moderation and rationalization.

Trieste continued to be a difficult problem at the conference. The Italian Political Territorial Commission set up a subcommission to study the problem of the statute and on the same day the American delegation withdrew its proposals on the Italo-Yugoslav border line and the boundaries of the Free Territory. The Italian delegation proposed that a plebiscite in the disputed territory of Venezia Giulia should be held and used as a basis for fixing the line, contending that both Italy and Yugoslavia seemed to agree on two fundamental points: 1) that the line should be ethnic; and 2) that the wishes of the people in the disputed area should be taken into account. Also, there have been reports, not denied as yet, of direct consultations between members of the Italian and Yugoslav delegations on the subjects of the Free Territory, the statute, and administration of the Free Territory.

Still in connection with the Trieste question, Signor Reale the Italian Ambassador to Poland, published an editorial in "Unita" previous to his return to Paris in which he argued that: the Trieste problem should be settled by direct agreement between Italy and Yugoslavia; that these two countries must agree on administration of the Free Territory of Trieste; that the agreement should provide for equal treatment of minorities left in the three areas concerned.

After Mr. Greene had finished his resume, the Chief Commissioner observed that no matter how hopeful the Italians might be in correcting the national economy, the fact remained that when the cessation of UNRRA activities took place there was nothing in sight to provide for a continuation of the necessary flow of raw materials into the country. There is not even an indication that a

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clear external aid program will come into effect even after the peace treaty is signed. In the Chief Commissioner's opinion, the reported proposed U.S. loan of $100,000,000 would not accomplish what is needed and all depends primarily on the peace treaty. Reparation demands, he felt, would have to be scaled very far down in order to get any substantial U.S. loan. As he saw it, barter arrangements could be the only solution.

4. Food Situation

With reference to para 2 of Minutes of 11 September, Colonel Walker stated that there has been a further slight decline in the food position. Wheat stocks on hand are sufficient to maintain the present ration for 114 days.

5. Fuel Situation

With reference to para 3 of Minutes of 11 September, Colonel Walker reported that the shipping strike in the U.S. has reduced estimated September arrivals of coal from 800,000 tons to 600,000. The first five trainloads of coal -- a total of about 4,000 tons -- from Poland have arrived in Italy.

There is little change in the POL situation; stocks remain at about a 60-day level.

The retail price of POL products was raised effective 1 September as follows:

Gasoline (motor)	from 23.00	to 27.00	lire per	liter
Kerosene	" 20.45	" 28.50	" "	Kg.
Diesel Oil	" 21.00	" 24.00	" "	liter

6. Forged US Naval Bills

Colonel Hannaford stated that an issue of $450,000 in alleged forged US Naval bills was in circulation. Upon receipt through the Finance Office of an inquiry from the Banca d'Italia, the Banca was advised that this was a matter to be dealt with by the Italian Government, as soon as it could be officially stated by AC (Navy S/C) that the bills in question had never been issued by a department of the US Navy.

7. Internal Italian Civil Airlines

Air Vice Marshal Brodie announced that on Monday, 16 September, contracts had been signed between the Italian Government (I.R.I.) on the one side and TWA and BEA respectively for the establishment of internal airlines. These two companies are known as LAI (Linee Aeree Italiane) and AII (Aerolinee Italiane Internazionali) respectively and should have services in operation within two or three months.

8. Appointment of Acting Executive Commissioner

The Chief Commissioner announced that in addition to his other duties, Brigadier Carr had also been appointed Acting Executive Commissioner during the

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4. [illegible]

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8. Appointment of Acting Executive Commissioner

The Chief Commissioner announced that in addition to his other duties, Brigadier Carr had also been appointed Acting Executive Commissioner during the temporary absence in London of Brigadier Lush.

Next Vice Presidents' Meeting: Wednesday, 25 September 1946, 1000 hours

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Edward D. Sullivan

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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Soviet Representative, AC
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Public Relations Branch
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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

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CC-551

17 Sept 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 18 September 1946, at 1000 hours at the Chief Commissioner's Conference Room.

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Soviet Representative, AC
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, UNRRA

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

32A

Air Force S/C

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/78 11 September 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 11 September 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Brigadier Carr, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Brigadier Hope, Rear Admiral Warren, Colonel Savko, Commander Ybert, Captain Judkins, Colonel Weber.

1. Political Resume

Mr. Hankey gave a brief resume of the general political situation. During the week the Italian press reflected the general depression caused by the unexpectedly large reparations claims put forward at Paris and by the approval almost without change of the military and naval terms of the peace treaty, and also by the fears that a government crisis would follow the resignation of Corbino.

At Paris on the 3rd the Yugoslav delegate delivered a strong speech claiming that Trieste should be incorporated into Yugoslavia and criticizing in harsh terms the Italian Government. The White Russian delegate proposed the extension of Yugoslav territory in such a manner that it would cut off Trieste from Italy. The Soviet delegate tacitly supported this proposal when he said that he hoped the minimum of justice as represented in the draft treaty proposal could be extended, reiterating, however, that the Soviets would abide by the decision of the Council of Foreign Ministers. On the same day the Polish delegate directed attention to the danger of Trieste becoming a second Danzig. The British delegate immediately pointed out that if any lesson was learned from Danzig it was that Trieste must be under the control of the UNO, stating that this is not altogether provided for in the Russian and Yugoslav drafts for the statute. He added that if the draft statute is so changed as to modify the whole concept of a free territory, the British Government would refuse to accept the change. On the 6th the Yugoslav delegate said that Yugoslavia could accept an international status for Trieste only if the free territory were limited to the town and port, adding that Yugoslavia could never renounce Gorizia and rejecting the proposal for internationalization of Istria. A Brazilian proposal to postpone discussion of the Venezia Giulia question for a year was rejected by a vote of 18 to 1. A separate subcommission has been set up to examine the statute and report to the territorial commission when a decision has been reached.

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OC 551/7

11 September 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 11 September 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Brigadier Carr, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Brigadier Hope, Rear Admiral Warren, Colonel Savko, Commander Ybert, Captain Judkins, Colonel Weber.

1. Political Resume

Mr. Hankey gave a brief resume of the general political situation. During the week the Italian press reflected the general depression caused by the unexpectedly large reparations claims put forward at Paris and by the approval almost without change of the military and naval terms of the peace treaty, and also by the fears that a government crisis would follow the resignation of Corbino.

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Reparations claims now put forward total 4,032,500,000 pounds sterling, of which 2,880,000,000 pounds sterling represent the British claim. The large British claim came as somewhat of a bombshell to the Italians who had expected Britain to renounce her rights to reparations. It was explained, however, that the big British claim was made only to put in proportion the claims by smaller powers, and to emphasize the size of British losses. Britain renounced all reparations but reserved the right under Article 69 of the draft treaty to seize certain classes of Italian property situated in her territory. On 5 September

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De Gasperi was moved to appeal to the 21 nations to reduce the claims so as not to force Italy into insolvency. He pointed out that emigration of Italian workers might stop if the workers believe their wages would be subject to seizure. He pointed out the vital importance to Italy of obtaining the U.S. loan which would not be granted if the proceeds would go to pay reparations. He repeated his request for postponement of the Italian peace until after the German peace had been settled. He concluded by saying that the Constituent Assembly must ratify the treaty and there was no guarantee that this would be done if the terms were too harsh.

The military and naval clauses of the treaty were adopted virtually in the same form as proposed. In the course of the discussions it was established that if an old ship is lost it cannot be replaced by a new one.

Perhaps the most important development of the week was the announcement by the Austrian Legation at Paris of the agreement with the Italian Government for the safeguarding of the rights of the inhabitants of the Alto Adige. The agreement provides for the safeguarding of the ethnical character and cultural and economic development of the German-speaking population. An autonomous government is to be set up after consultation with the German-speaking population, and persons forced to leave the area as a result of the Hitler-Mussolini agreement of 1939 would be allowed to return. Italian press comment at first was somewhat unfavorable but subsequently the agreement was hailed as a remarkable step forward.

On 4 September Corbino declared that there was urgent need to float a state loan but that it was impossible in an atmosphere of Communist attacks and that he had resigned at this time because a longer wait might have been fatal. The Communist case as exposed in "Unita" is that the government policy is condemned by the bad condition of the workers, the paralysis in production, and the unchecked increase in speculation.

On 6 September the Council of Ministers met under Nenni, who read a message from De Gasperi stating that Corbino had agreed to stay until de Gasperi's return from Paris. The Minister of War reported that the partisan difficulties had ended, and the Council passed several measures granting some of their demands. The Council discussed the food situation and the press reported that two measures were passed, one establishing subsidized popular restaurants, and the other establishing an organization to bring about speedier and more economical distribution of food at minimum prices. The Constituent Assembly will meet on 11 September to discuss foreign policy and internal affairs. Meanwhile, the subcommission of the Constituent Assembly has continued its study of the new constitution and has agreed on the principle of a second chamber.

Internal affairs in the country are characterized by a strike of civil servants throughout northern Italy for a 30% increase in salaries. Nenni has met with a group of economic experts to discuss the situation with regard to rising prices, a preliminary to the holding of a national economic conference.

Press comment indicates that the crisis originally expected may not develop. Togliatti has stated that the Communists are ready to maintain the government's program if urgent questions are dealt with immediately. Only in

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

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Press comment indicates that the crisis originally expected may not develop. Togliatti has stated that the Communists are ready to maintain the government's program if urgent questions are dealt with immediately. Only in the Christian Democrat party does the press see a tendency of the anti-communist elements to use this opportunity to bring matters to a head with the exclusion of the Communist party from the government. This stand, the press suggests, may be encouraged by the return to Italy of De Sturzo, the founder of the party.

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Captain Judkins added that there are press reports indicating that Nenni will take over the Foreign Ministry without waiting for the signature of the peace treaty.

2. Food Situation

With reference to para 3 of Minutes of 4 September, Brigadier Carr stated that there has been a slight decline in the food position. Wheat stocks on hand are sufficient to maintain the present ration for 128 days. Provisional target figures have been set for cereals other than wheat.

3. Fuel Situation

With reference to para 4 of Minutes of 4 September, Brigadier Carr stated that 911,000 tons of coal arrived in August, which is a post-war high record. September arrivals are estimated at 800,000 tons, of which 600,000 tons have already been allotted, the remaining 200,000 tons to be held in reserve. It has been stated that the first trainload of coal from Poland is now en route to Italy. There is no change in the POL situation. There has been a rise in POL prices with effect from 1 September but exact information on the rise is not yet available.

4. Labor Situation

With reference to para 5 of minutes of 4 September, Brigadier Carr stated that approval has not yet been received for the payment of the Republic Bonus for Allied employees.

5. Italian Army Demonstration

Brigadier Hope stated that an interesting demonstration at the Army recruit training center at Orvieto was held on 4 September, to which military representatives of the foreign powers in Rome were invited. The Italian press was also invited but unfortunately the transport for the press broke down, delaying the reporters and causing them to miss lunch. Press reports were not favorable, complaints being made at the attendance of the foreign observers and the use by the Army of British-type uniforms and British rifles, although -- Brigadier Hope added -- the Italian rifle is a 57-year old model and the uniforms were actually of Italian design and material.

Next Vice Presidents' Meeting: Wednesday, 18 September 46, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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Diplomatic Representative, AC

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Next Vice Presidents' Meeting: Wednesday, 18 September 46, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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Air Forces S/C
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Public Relations Branch
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British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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Air forces G/S
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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/77

4 September 1946

MINUTES

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

Present: Brigadier Lush, Brigadier Carr, Lieutenant Colonel Bocchino, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Harkey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Lieutenant Commander Golubev, Lieutenant Colonel Cros, Captain Judkins, Colonel Weber.

1. Safe Driving

With reference to para 10 of Minutes of 28 August, the Executive Commissioner stated that the "Rome Daily American" had published figures released by the RAAC authorities showing the large number of Allied vehicles driven by Italian civilians, although accepting responsibility for all Allied vehicles regardless of nationality of driver.

2. Political Resume

Mr. Greene gave a brief resume of the general political situation. On 28 August the Costituente commission on treaties heard a report by De Gasperi on his negotiations and contacts at Paris and after full discussion reportedly approved a motion put forward by Togliatti expressing confidence in the Prime Minister's work in Paris and in the work of the delegation and hoping that it would continue. On the same day Saragat appeared before the political-territorial commission examining the Italian treaty in Paris and discussed the problems with regard to the French frontier. The following day Saragat met with the Yugoslav delegate and reportedly exchanged friendly expressions. Other commissions examining the Italian treaty continued to meet. The economic committee set a deadline for submission of reparations claims, the total now being quite large. Agreement has been reached only on the Russian claim for $100,000,000. The political-territorial commission is now turning to the Venezia Giulia problem. Bonomi appeared before this commission, restating Italian claims, and on 3 September the Yugoslav delegate rebutted Bonomi's speech. Italian official and unofficial delegations in Paris have continued to seek support for Italy. The CGIL delegation, which attracted some attention, called on Molotov who reportedly expressed great interest in Italy's economic problems. In the matter of reparations Molotov explained that Russia intended to send raw materials to Italy and indicated that after satisfactory economic arrangements had been completed between the two countries, Russia would be prepared to send even more raw or semi-processed materials to Italy. Mr. Byrnes stated that the U.S. was not prepared to grant a loan to Italy until the reparations questions had been settled.

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

Present: Brigadier Lush, Brigadier Carr, Lieutenant Colonel Bocchino, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Harkev, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Lieutenant Commander Golubev, Lieutenant Colonel Cros, Captain Judkins, Colonel Weber.

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The Partisan troubles seem to have pretty well died down with the passage by the government of measures designed to meet some of their demands.

On 29 August Minister Corbino submitted, with the reported agreement of the Ministers of Finance and Foreign Trade, two measures designed to prevent speculation in exchange which might weaken the position of the lira. At the meeting of the Council on 29 August the Council reportedly adopted the measures, one a proposed 25% tax on capital revaluation, and the second to revise the procedure by which exporters were granted 50% of the foreign exchange proceeds

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of the exports. On 3 September the press carried extensive reports that Corbino had sought to resign, saying he could no longer tolerate Communist public attacks on him personally and the government, when, he said, the Communists agree to decisions reached in cabinet sessions. He charged that the Communist Party seems to desire to precipitate a government crisis and after events of ten days ago, now prefers to use economic policy rather than foreign policy as the basis. The Minister of Finance did reply that he felt the government's economic policy had been a failure so far, pointing out the attempts the Communist Party had made to alter it. De Gasperi apparently has prevailed on Corbino to wait until he can return from Paris to take the matter in hand. A further indication of the general disquiet on economic grounds is reflected in an address by De Vittorio of the Communist Party to a workers' meeting in Milan, saying that unless the government takes a firm stand in reducing the cost of living or increasing wages, the workers might demand the formation of a new government.

3. Food Situation

With reference to para 5 of Minutes of 28 August, Brigadier Carr reported a drop in amassing to 42,000 tons during the week. The Italian Government has however raised the provisional target figure from 2,300,000 to 2,500,000 tons. On the basis of the new target, 77.7% of the target figure has been amassed.

4. Fuel Situation

Brigadier Carr reported that it is estimated that 800,000 tons of coal arrived in August. With regard to POL, it is anticipated that refineries in Naples and Bari will start production during September and 150,000 tons of crude oil covering a three-month programme have been ordered forward. It is expected that this will save $500,000 in credits. All prices of POL are expected to be raised in the very near future.

5. Labor Situation

Brigadier Carr reported that the Italian decree authorizing the payment of the Premium of the Republic bonus by private employers has been promulgated. No decision has yet been taken with regard to Allied employees. AFHQ have approved the increase in the cost of living bonus for Allied employees effective 1 August.

6. Italian Press

Captain Judkins reported that the "Rome Daily American" had carried an item to the effect that an Italian weekly had alleged the use of German POW's as guinea pigs during the atom bomb test.

7. Repatriation of Italian POW's

Admiral Warren reported that the repatriation program was proceeding satisfactorily. Brigadier Lush reported receipt of a letter from the British Ambassador outlining the program for the return of Italian POW's from Australia.

8. Admiral de Courten

Admiral Warren reported that Admiral de Courten and his wife were very

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

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6. Italian Press

Captain Judkins reported that the "Rome Daily American" had carried an item to the effect that an Italian weekly had alleged the use of German POW's as guinea pigs during the atom bomb test.

7. Repatriation of Italian POW's

Admiral Warren reported that the repatriation program was proceeding satisfactorily. Brigadier Lush reported receipt of a letter from the British Ambassador outlining the program for the return of Italian POW's from Australia.

8. Admiral de Courten

Admiral Warren reported that Admiral de Courten and his wi[illegible] were very seriously injured in an auto accident that had taken the life of his chauffeur.

Next Vice Presidents' Meeting: Wednesday, 11 September 46, 1000 hours

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J. C. Rively
J. C. RIVELY
Major, Inf.
Staff Officer to CC

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Executive Officer (A)
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British Ambassador
G-5, AFHQ (5)
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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC-551 10 Sept 1946.

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice-Presidents' Meeting will be held, Wednesday morning, 11 Sept 1946 at 1000 hours at the Chief Commissioner's Conference Room.

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Soviet Representative, A/C._____
Public Relations Branch_____
Chief Legal Advisor_____
Mr. Cleveland, UNRRA_____

4688

JOSEPH C. RIVELY,
Major, Inf.
SO to CC.

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

29 A

3 Sept 1946.

CC-551

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 4 September 1946 at 1000 hours at the Chief Commissioner's Conference Room.

DISTRIBUTION:
Chief Commissioner
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V.P. Economic Section
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Navy Subcommission
Land Forces S/C
Air Forces S/C
French Representative, AC.
Soviet Representative, AC.
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, UNRRA.

JOSEPH C. RIVELY,
Major, Inf.
Staff Officer to CC.

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/76 28 August 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 28 August 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Group Captain Jarman, Major General Goulburn, Commodore Ziroli, Colonel Savkov, Lieutenant Colonel Cros, Captain Judkins, Colonel Weber.

1. Wages and Hours Committee

With reference to para 1 of Minutes of 21 August, the Chief Commissioner stated that the question of paying the premium of the republic bonus to Italian civilians employed respectively by the United States and British Armies is under consideration in the War Office and War Department. However, it is expected that a decision with regard to paying the bonus to those Italian civilians employed by Allied organizations (AC, AMG, AFA, etc.) will be received shortly.

2. Move of AFHQ

With reference to para 2 of Minutes of 21 August, the Chief Commissioner stated that there is no change in the situation with respect to the move of AFHQ to the North and that the matter is expected to be settled between Field Marshal Montgomery and General of the Army Eisenhower during the Field Marshal's visit to the U.S. Brigadier Lush stated that he had been advised by the Chief of Staff, AFHQ, that the proposed move would involve no additional requisitioning of property as sufficient accommodations are already under requisition in the areas under consideration.

3. Chief Commissioner's Visit to Venezia Giulia

The Chief Commissioner gave a brief report on his recent inspection trip to Udine, Gorizia, and Trieste, expressing himself as being generally satisfied with conditions there. He stated that in his opinion an excellent job has been done in the organization of the Venezia Giulia police force. The situation with respect to the Morgan Line shows a high state of efficiency in the American Zone but the Chief Commissioner did not have an opportunity to observe any control posts in the zone occupied by British troops. Great work has been done in the rehabilitation of the harbor facilities. The roads have been well repaired in the area, a thoroughly creditable job having been done by both the military and AMG. At the same time, the Chief Commissioner reported that AMG had uncovered in Udine before the Chief Commissioner's visit cases of illegal [illegible] and had made very thorough investigations. Some arrests had

Declassified E.O. 12356 Section 3.3/NND No. 783017

Vice Presidents' Meeting, 1000 hours, 28 August 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Group Captain Jarman, Major General Coulburn, Commodore Ziroli, Colonel Savkov, Lieutenant Colonel Cros, Captain Judkins, Colonel Weber.

1. Wages and Hours Committee

With reference to para 1 of Minutes of 21 August, the Chief Commissioner stated that the question of paying the premium of the republic bonus to Italian civilians employed respectively by the United States and British Armies is under consideration in the War Office and War Department. However, it is expected that a decision with regard to paying the bonus to those Italian civilians employed by Allied organizations (AC, AMG, AFA, etc.) will be received shortly.

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4. Political Resume

Mr. Greene gave a brief resume of the general political situation. With regard to the peace treaty discussions in Paris, about 250 proposed amendments to the Italian treaty were received before the deadline on the submission of amendments, many of the proposed amendments dealing with the economic clauses. Many of the countries in addition to Italy showed preoccupation with the Trieste issue. Some doubt was reflected, particularly by the Australians, as to whether the UN is so constituted as to be able to run the international zone in the manner proposed in the draft treaty.

The Italian memorandum suggesting modification of the preamble to the peace treaty received a rather frigid reception, although careful reading of the memorandum indicates that its objective was to make clear that responsibility for the war should be placed on the Fascist regime rather than on the Italian people. Both De Gasperi and Nenni denied that the memorandum was intended to offend any of the smaller nations. Nenni took occasion during the week again to back De Gasperi's handling of the work at Paris. De Gasperi returned as planned on 23 August and reported to the Council of Ministers on 24 August. According to the press, De Gasperi reported little that was not already known. He reiterated that his proposal was to postpone only the settlement of the Trieste problem and not the peace treaty. He told of his attempts to negotiate directly with the Yugoslav Government, which have failed because of the Yugoslav stand that there can be no direct negotiations with Italy until the Trieste problem is settled.

The American ultimatum to Yugoslavia regarding the two planes shot down in Yugoslav territory was given considerable coverage in the Italian papers. The talk of war which appeared in the press initially disappeared after a day or so when it was realized that the American intention was to place the matter before the UN Security Council if a satisfactory reply were not received from the Yugoslav Government.

During the week there was considerable talk of dissension and possible splits between the right- and left-wing elements in both the Socialist and Christian Democrats. As a result of the reports of the dissension, the leaders of both parties have publicly asserted their intention to maintain their respective coalitions, but the right-wing Socialists have been holding meetings and the new Christian National Party has been formed, ostensibly around a nucleus of right-wing Christian Democrats.

The situation with regard to the treatment of ex-Partisans has been highlighted by the brusque seizure of arms in Asti by a group of Partisans. The issue is whether these men are to be included in the regular police force and accorded the rights of veterans. Captain Judkins stated that the press has generally indicated sympathy with the Partisan cause, but in the main has regretted that the Partisans did not first attempt to solve their problems by more democratic procedures.

5. Food Situation

With reference to para 5 of Minutes of 21 August, Brigadier Carr stated that during the week approximately 100,000 tons of wheat have been amassed

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5. Food Situation

With reference to para 5 of Minutes of 21 August, Brigadier Carr stated that during the week approximately 100,000 tons of wheat have been amassed, bringing the total close to 2,000,000 tons. The premium of 300 lire originally intended to be paid to those delivering wheat before 15 August, has been extended so that it is now payable if the wheat is delivered within eight days of threshing. Stocks of wheat on hand are sufficient to maintain the present ration for 4½ months.

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6. Labor Situation

Brigadier Carr reported that the republic bonus decree applicable to government and parastatal employees has been promulgated but that the other decree applicable to private industry has not yet been agreed upon.

The commission established by the government to consider the ban on dismissals of surplus workers has met. It is understood that comprehensive proposals for the relief of unemployment and public works are to be considered and linked with the question of the unblocking of dismissal of surplus workers.

7. Italian Workers in Austria

Brigadier Carr reported that some 600 workers had been transferred to Austria for brickmaking work and the Italian Government had undertaken to pay their dependents remaining in Italy 200 lire per day. This bonus has not yet been paid to the dependents, which has caused a great deal of discontent.

8. Italian Workers in Belgium

Brigadier Carr reported that arrangements have been completed for the transfer of 50,000 Italians to Belgium to work in the mines there. The Chief Commissioner stated that there have been reports of dissatisfaction with the conditions there and some of the miners already in Belgium have returned to Italy.

9. Public Order and Labor Unrest

Brigadier Carr reported a strike of transport workers in Milan which started on 26 August and also strikes at Parma and Bologna. The general situation appears to be that if the Italian Government finds a solution to the ban on dismissals and introduces further schemes to relieve unemployment labor unrest and agitation may remain dormant for the time being. The Chief Commissioner added that this also would depend on the government's success in its program to combat inflation. There have been disturbances at Mestre and Leghorn involving Allied troops and Italian civilians.

10. Safe Driving

The Chief Commissioner reported that he had requested the Executive Commissioner to issue instructions cautioning drivers to exercise extreme caution in driving in Italy. Allied drivers are used to more rigid control of traffic in their own countries and feel the pedestrians and motorists should be more careful. However, the pedestrians and motorists in Italy observe few rules and Allied drivers must be more careful if accidents are to be avoided. There have been severe attacks in the Italian press on Allied driving. In this connection, the Chief Commissioner regretted that the object of the MTOUSA safety campaign as stated was to protect Allies and employees of the Allies with no reference to the protection of Italian civilians. Brigadier Lush stated that he had discussed this matter with RAAC who say that the increase of accidents is due to the lack of MP's. Also, a large percentage of Allied vehicles involved in accidents are driven by Italian civilian employees

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11. Repatriation of IPOW's

Commodore Ziroli reported that the lift of Italian POW's from the Middle East was continuing satisfactorily. Italian men-of-war and naval auxiliaries had returned 4200 POW's during the past week.

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12. **Minesweeping**

Commodore Ziroli reported that minesweeping operations are proceeding satisfactorily. The Mediterranean Zone Board of the International Mine Clearance Committee is now in session in Rome.

Next Vice Presidents' Meeting: Wednesday, 4 September 46, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

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Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador

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Next Vice Presidents' Meeting: Wednesday, 4 September 46, 1000 hours

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American Ambassador
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Mr. Harlan Cleveland, UNRRA

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

27 August 1946.

CC-551

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 28 August 1946 at 1000 hours at the Chief Commissioner's Conference Room.

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Land Forces S/C ✓
Air Forces S/C
French Representative, AC.
Soviet Representative, AC.
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, UNRRA.

JOSEPH C. RIVELY,
Major, Inf.
Staff Office to CC.

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/75

21 August 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 21 August 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Lieutenant Colonel Bocchino, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Air Vice Marshal Brodie, Colonel Fiske, Rear Admiral Warren, Colonel Savkov, Lieutenant Colonel Cros, Captain Judkins, Colonel Weber, Mr. Cleveland.

1. Wages and Hours Committee

With reference to para 3 of Minutes of 14 August 1946, the Chief Commissioner stated that he had been informed that with effect from August 1st AFHQ has approved an increase of about 40% in the cost of living bonus payable to Italian civilians working for the Allies, but no announcement has yet been made. The premium of the republic bonus has run into a snag because it must be approved by the War Office and the War Department before it can be paid to the Italians working for the Allies. The British alone employ about 80,000 workers, and the bonus for them involves a sum of approximately 200,000 pounds sterling, and although this may be only a bookkeeping transaction, that amount is included in War Office appropriations even though the Treasury receives credit for the expenditure being made in A.M. lire. On the U.S. side, it involves an actual expenditure of appropriated funds under the revised armistice.

2. Move of AFHQ

With reference to para 4 of Minutes of 14 August, the Chief Commissioner stated that the views of the Italian Government have been received and forwarded to AFHQ with regard to the possibility of AFHQ moving to Udine or Padua, concurring in principle, requesting that requisitioning be held to a minimum, and expressing preference for Padua rather than Udine. The Chief Commissioner again emphasized that no decision has been taken and the matter is in only the discussion stage.

3. Political Resume

Mr. Greene gave a brief resume of the general political situation. The developments in Paris continued to hold the national interest. The press in Paris, incidentally, has been given every opportunity to know what is going on. The recent developments have not increased the optimism of the Italians; in fact, the nervous tension seemed to erupt about a week ago in talk of a government crisis as a result of disputes over De Gasperi's speech to the peace conference. The Communists and the Christian Democrats were the principal antagonists in the dispute, the Communists claiming that De Gasperi had violated instructions received from the treaty commission of the Costituente, in particular objecting

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Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Lieutenant Colonel Bocchino, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Air Vice Marshal Brodie, Colonel Fiske, Rear Admiral Warren, Colonel Savkov, Lieutenant Colonel Cros, Captain Judkins, Colonel Weber, Mr. Cleveland.

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should include southwest Istria. The Prime Minister emphasized that his proposal to postpone settlement of the Trieste problem did not mean that he proposed postponement of the peace treaty. He further maintained that his entire address had been approved by the Italian delegation and it had been approved in principle by the commission on treaties. Talk of a crisis seemed to die out within a day or two and when Togliatti returned from Paris on the 19th he observed that having a crisis at this time would be the least intelligent thing that could be done, but that he did, however, reserve the right to criticize actions of the government. In this dispute the Socialists were generally in between. Nenni publicly stated that while De Gasperi is in Paris all parties should support him.

Rumors circulated at one time that the Italian delegation would withdraw from Paris, but this rumor was promptly denied. The Prime Minister will probably return to Rome soon for a week or so but plans to return to Paris.

In Paris the Italian delegation has submitted a memorandum asking that the preamble to the Italian peace treaty be revised to more precisely attach the blame for Italy's participation in the war on the Fascist regime and to emphasize that the people played a considerable part in the overthrow of that regime. With regard to the effective date of the treaty, De Gasperi has stated publicly his opinion that the treaty would come into effect when Italy, in addition to the Big Four, will have ratified it.

On the 14th the Italian Government again circularized the prefects urging them to insure that employees and functionaries of the state keep faith with the republican regime and work together to defend its prestige. The circular also warned the prefects that the recent amnesty decree has not changed the law, warned them not to change the ration scale, and requested them to support the public works and reconstruction programs.

Rumors started about a week ago about the possible formation of a new political party to be called the Christian National Party whose objective, it is reported, is to set up an organization to the right of the Christian Democrats for those more clearly actively opposed to the left and more clearly aligned with the Church. Nothing further has, however, been heard of this report.

4. UNRRA Meeting

Mr. Cleveland gave a brief report on the UNRRA meeting at Geneva. It was decided to turn over various functions of UNRRA in the first half of 1947 to various parts of the United Nations. The two most important discussions were on supply and displaced persons. With regard to the latter, it was decided to continue UNRRA in existence until the middle of 1947 out of existing funds to give time for the IRO to take over. There was also talk of putting UNRRA displaced persons operations more in line with the IRO charter. On the supply side, the receiving nations requested continuation of UNRRA but the US and UK effectively opposed that suggestion. Final decision was to refer question of continuance of supply program to September meeting of UN General Assembly.

There were more discussions about the use of indigenous products by occupying forces, with particular reference to the Russian zone in Austria. La Guardia also stated that he would not institute any program in Korea until this problem has been met there.

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A resolution was passed to turn over to the UN the United Nations' interest in the local currency funds received from the sale of UNRRA goods in receiving countries.

It was decided that procurement as well as shipments can continue in 1947 where the money has not been expended. Mr. Cleveland stated that consequently

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

UNRRA in Italy would be fully in the supply business through February or March, tapering off in April and thereafter.

5. Food Situation

With reference to para 6 of Minutes of 14 August, Brigadier Carr stated that 52,000 tons of wheat were amassed the second week in August as compared to 178,000 tons in the first week. 1,863,000 tons have now been amassed, or 78.3% of the provisional target figure of 2,300,000 tons. There have been rumors that the provisional target is to be raised to 2,500,000.

6. Fuel Situation

With reference to para 7 of Minutes of 14 August, Brigadier Carr stated that the possible POL cutbacks for two months might be 200,000 barrels and not 200,000 tons as reported in the minutes of 14 August.

7. Typhoid Outbreaks in Rome

The Chief Commissioner expressed his concern over the reports of outbreak of typhoid in certain suburbs of Rome and requested that it be called to the attention of UNRRA and suggested that the Executive Officers (A) and (B) check on whether Allied Commission personnel have been adequately inoculated.

8. Appointment as PRO

The Chief Commissioner expressed his regret at the detachment of Lieutenant Colonel Montague as Public Relations Officer and welcomed Captain Judkins as new PRO.

9. Decorations

The Chief Commissioner, on behalf of his staff, congratulated Rear Admiral Warren on his award by the President of the United States of the Legion of Merit, Degree of Commander, and expressed his regret that notification of this did not appear in the last AC Weekly Bulletin.

Next Vice Presidents' Meeting: Wednesday, 28 August 46, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)

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

78.3% of the provisional target figure of 2,300,000 tons. There have been rumors that the provisional target is to be raised to 2,500,000.

6. Fuel Situation

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Next Vice Presidents' Meeting: Wednesday, 28 August 46, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
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Executive Commissioner
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VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

4883

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25A

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC-551

20 August 1946.

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 21 August 1946 at 1000 hours at the Chief Commissioner's Conference Room:

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
V.P. Civil Affairs
V.P. Economic Section
Executive officer (A)
Executive officer (B)
Political Advisor (A)
Political Advisor (B)
Navy Subcommission (MMIA)
Air Force Subcommission
French Representative, AC
Soviet Representative AC
Public Relat$ons
Chief Legal Advisor
Mr. Cleveland UNRRA

4682

JOSEPH C. RIVELY
Major, Inf
Staff Officer to CC.

SECRET

24

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/74

14 August 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 14 August 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Bocchino, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Lieutenant Colonel Marek, Colonel Fiske, Rear Admiral Warren, Lieutenant Commander Golubev, Lieutenant Colonel Cros, Lieutenant Colonel Montague, Colonel Weber.

1. Revised Armistice

With reference to para 1 of Minutes of 31 July, the Chief Commissioner reported that there was no change in the situation regarding the proposed armistice revision except that he had been informed that a financial supplement to the American agreement to accompany the proposed revised armistice was en route to him from MTOUSA for presentation to the Italian Government.

2. Peace Treaty

With reference to para 2 of Minutes of 31 July, the Chief Commissioner stated that he had nothing further to add to what has already appeared in the press with regard to the peace treaty.

3. Wages and Hours Committee

With reference to para 4 of Minutes of 31 July, the Chief Commissioner stated that the first sentence should be amended to read that the Wages and Hours committee had recommended that the "Premium of the Republic" bonus be paid to Italian civilians working for the Allies. AFHQ have not yet approved this recommendation and the Chief Commissioner has recommended on 13 August to AFHQ that this bonus be paid.

4. Move of AFHQ

The Chief Commissioner stated that consideration has been given to the move of AFHQ to the North, two points under consideration being Udine and Padua. The question is only in the discussion stage and no decision has been taken on even the advisability of making a move. The views of the Italian Government, however, have been solicited.

5. Political Resume

Mr. Greene gave a brief resume of the general political situation. The

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

Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Bocchino, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Lieutenant Colonel Marek, Colonel Fiske, Rear Admiral Warren, Lieutenant Commander Golubev, Lieutenant Colonel Cros, Lieutenant Colonel Montague, Colonel Weber.

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5. Political Resume

Mr. Greene gave a brief resume of the general political situation. The press has been reporting very fully from Paris. The press reflected a certain pessimism at the delay of the peace conference in getting down to work, particularly on the Italian peace treaty. The delay was necessitated by the debates on procedural matters. The press has not entirely heeded the Prime Minister's request that the tone of the press and people should be dignified and restrained.

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During the first days of August the Government reacted to the draft terms as published with particular emphasis on the economic terms, which caused grave concern to the Government. The press reacted accordingly. The Government issued a communique denying a United Press story that the Italian Government had warned the American Government to expect drastic changes in Italian foreign policy.

Nenni's visit to the capitals of Northern Europe ended with his return to Rome on 5 August, reporting immediately to the Council of Ministers. He also made certain statements to the press, saying that his trip had the double objective of informing the governments of the Italian views and of ascertaining for the Italian Government what reactions could be expected from the other countries. He said that the proposed solution of the Venezia Giulia problem should include Pola and the west coast of Istria in the international zone. He said that while the colonial settlement is postponed Italian sovereignty should not be denounced. Finally, he observed that of the terms in the peace treaty, the economic terms were the most likely to be altered favorably for Italy.

Invitations for Italy to attend the peace conference were received on 3 August and on the 7th the Prime Minister and his party took off for Paris. On his departure De Gasperi said he felt himself considered as four-fifths defeated enemy and one-fifth cobelligerent, adding that the preamble of the proposed peace treaty did not even recognize Italy's cobelligerency. On Saturday afternoon De Gasperi spoke before the plenary session of the peace conference. By and large the press praised his speech for dignity and moderation, singling out for particular emphasis De Gasperi's allusions to first, the general tenor of the proposed treaty, and second, the tragic implications of the disarmament and territorial clauses. His lengthy remarks on the Venezia Giulia settlement as adopted by the Council of Foreign Ministers were likewise emphasized, as well as his criticism of the abandonment of the solution according to ethnic principles. The following day the press gave considerable publicity to the rebuttal by the Yugoslav delegate in which he attempted to refute De Gasperi's remarks point by point along familiar lines.

On 9 August Togliatti left from Milan for Paris where he said he would see old friends in the French Communist party. There is no indication as to when he will return.

There have been several demonstrations in northern cities against the peace treaty and the Undersecretary for Home Affairs has circularized the prefects, asserting that a sense of responsibility and discipline must be impressed on the people.

There have been disturbances in Sicily in connection with the wheat amassing program, with the Carabinieri being called out to enforce the amassing. On 8 August Nenni reported to the Council that public order had been restored.

In the northern part of the country the demonstrations and discontent are in terms of labor problems. The industrialists have declined to pay the "premium of the republic" until they are allowed to dismiss surplus workers, but the Government has issued a decree that the premium must be paid. The

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

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In the northern part of the country the demonstrations and discontent are in terms of labor problems. The industrialists have declined to pay the "premium of the republic" until they are allowed to dismiss surplus workers, but the Government has issued a decree that the premium must be paid. The Government has appointed a commission to investigate labor problems in specific areas. The Commission is to report to the Government by the end of September but the Government told labor and management that it hopes industry and labor will come to agreement before that time.

6. Food Situation

With reference to para 7 of Minutes of 31 July, Colonel Walton stated that the amassing is going along very well, except in Sicily and the South of Italy.

Declassified E.O. 12356 Section 3.3/NND No. 743017

1,800,000 tons have been amassed of what is expected to be a target figure of 2,300,000 tons, which means that 76% of that goal has been amassed, comparing favorably with the years 1941, 1942, and 1943. It is anticipated that there will be a 50% improvement in cereal production over last year's production. There has been a noticeable drop in bread and pasta prices, the prices in Rome decreasing approximately 35%.

7. Fuel Situation

With reference to para 6 of Minutes of 31 July, Colonel Walton stated that 522,000 tons of coal was received in July, including 96,000 tons from the Ruhr. August receipts are estimated at 700,000 tons, including 100,000 tons from the Ruhr. The POL cutbacks are not expected to be as severe as formerly estimated, it now appearing that the cutback for two months will be 200,000 tons rather than a previously estimated cutback of 600,000 tons. The electricity supply in the South is suffering as a result of the drought, but the supply in the North is very good.

8. Inspection of Italian Battleships

Admiral Warren reported that the Senior British Naval Officer MidEast had inspected the Italian battleships at Bitter Lakes and reported that seldom had he seen ships so cleanly kept, which commendatory report has been transmitted to the Italian Government.

9. Liaison Groups

With reference to para 13 of Minutes of 31 July, Brigadier Lush reported that all liaison groups in the North have officially closed and several CLO's had actually left.

Next Vice Presidents' Meeting: Wednesday, 21 August, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)

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

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Major, Inf.
Staff Officer to CC

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Executive Commissioner
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VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

AIR FORCES
S/C.

13 August 1946.

CC-251

23A

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, ~~July~~ 14 Aug. 1946 at 1000 hours at the Chief Commissioner's Conference Room:

DISTRIBUTION:
Chief Commissioner_____
Executive Commissioner_____
V.P. Civil Affairs Section_____
V.P. Economic Section_____
Executive Officer (A)_____
Executive Officer (B)_____
Political Advisor (A)_____
Political Advisor (B)_____
Navy Subcommission_____
Land Forces Subcommission (AUSTRIA)_____
Air Forces Subcommission_____
French Representative, AC_____
Soviet Representative, AC_____
Public Relations Branch_____
Chief Legal Advisor_____
Mr. Cleveland, UNRRA_____

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358/2/Org.
4879

JOSEPH C. RIVELY,
Major, Inf,
Staff Officer to CC

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358/5/073

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

31 July 1946

CC 551/73

MINUTES

Vice Presidents' Meeting, 1000 hours, 31 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Pavitt, Air Vice Marshal Brodie, Major General Goulburn, Captain Mentz, Colonel Savko, Capitaine de Villefosse, Lieutenant Colonel Montague, Colonel Weber.

1. Revised Armistice

With reference to para 1 of Minutes of 24 July, the Chief Commissioner stated that it now appears that it is probable that there will be no communication from the Italian Government on that subject prior to the departure of the Prime Minister for the peace conference at Paris.

2. Peace Treaty

With reference to para 2 of Minutes of 24 July, the Chief Commissioner stated that the Big Four powers finally agreed to release the text of the draft peace treaties and appendices on 30 July at midnight, and the Italian papers have subsequently printed the documents more or less in full. The Chief Commissioner observed that from the wording of the treaty with Italy, it appears that the treaty will become operative when ratified by the four big powers, it apparently not being necessary for Italy to ratify, although other sections of the treaty do refer to acceptance by the Italian Government of certain conditions. Having regard to the delay in ratification, particularly in the U.S. Senate, it may be some time before the treaty is ratified by the U.S.

3. Political Resume

Mr. Pavitt gave a brief resume of the general political situation. Togliatti spoke to the Costituente arguing in favor of party politics. He denied that the Communists had provoked disorders. He agreed with the Government's foreign policy to avoid entering any one bloc of powers. De Gasperi replied to Togliatti asking the parties to make sacrifices toward the common aim. He said that with regard to Trieste he had endeavored to deal directly with the Yugoslav Government but to no avail.

After the publication of the text of the draft treaty, the Council of Ministers met and issued a communique underlining the unanimous painful im-

Declassified E.O. 12356 Section 3.3/NND No. 783017

Vice Presidents' Meeting, 1000 hours, 31 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Pavitt, Air Vice Marshal Brodie, Major General Goulburn, Captain Mentz, Colonel Savko, Capitaine de Villefosse, Lieutenant Colonel Montague, Colonel Weber.

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After the publication of the text of the draft treaty, the Council of Ministers met and issued a communique underlining the unanimous painful impression which the treaty had created, the mutilation of the national territory and the state of defensive impotence to which it reduced Italy. The names of the delegation to Paris were included in the communique.

There has been outspoken criticism of the treaty in the press and the word "diktat" is constantly cropping up. The tone of the press in general has reached an unprecedented pitch of bitterness.

The initial reports from Paris on the Conference are mainly on the voting system. The Four Powers have proposed that a majority should apply in matters of simple procedure but that there should be a two-thirds majority on all fundamental questions, with the small powers upholding the principle of the simple majority on all questions. At the 30 July meeting the Yugoslavs went a step further, proposing that on ethnical decisions the interested parties

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have the right of veto. The press reported that on 31 July Mr. Byrnes would propose the two-thirds majority with the proviso that questions not obtaining the two-thirds majority should be referred back tothe Council of Foreign Ministers for further consideration.

In Italy a start has been made on drafting the constitution. The Committee charged with the work has split up the task under three subcommittees; civic rights, political structure, and economic questions. The questions of regional autonomies for Trentino, Val d'Aosta, Sicily and Sardinia are already under discussion.

On 26 July the Council of Ministers approved the decree on the "premium of the Republic" which will be granted to all employees and salaried workers, whether public or private, and all unemployed both in industry and agriculture. 3000 lire is to be paid to heads of families and 1500 lire to others. Wives of POW's are to receive 3000. The premium is to be paid in two installments, one on 10-15 August and the other on 10-15 September.

The Provisional President of the Republic on 30 July paid an official visit to the Pope with the Prime Minister, the occasion marking the mutual recognition of the Republic and the Vatican, the Pope inviting the President to continue to honor the Lateran Treaty of 1929.

4. Wages and Hours Committee

Colonel Walton reported that the "premium of the Republic" bonus will be paid to Allied workers. Agreement has been reached on an increased cost of living bonus and the chairman and secretariat have been authorized to set up figures of 85-95 lire per day. The Chief Commissioner pointed out that the Executive Memorandum 14 effective 1 July was based on statistics for the 3rd and 4th quarters of 1945 authorizing the bonus that the Italians were paying last year. As a result of the meeting of the Wages and Hours Committee, it has been decided to recommend the increase of the bonus and bring it in line with the bonus paid by Italian employers.

5. CIP Strike

With reference to para 5 of Minutes of 24 July, Colonel Walton reported that the CIP strike was settled by increasing wages to employees. The increase has been passed on to the consumer by increasing the price of gasoline 2 lire per litre and kerosene 2 lire per kilo.

6. Fuel Situation

With reference to para 6 of Minutes of 24 July, Colonel Walton stated that coal has been coming in from the Ruhr. In July about 100,000 tons were received and 120,000 tons are set up for delivery in August.

7. Food Situation

With reference to para 7 of Minutes of 24 July, Colonel Walton stated that the Agriculture Ministry is still unwilling to set a target figure due

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

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With reference to para 7 of Minutes of 24 July, Colonel Walton stated that the Agriculture Ministry is still unwilling to set a target figure due to uncertainties about the crop and retentions. The amassing is going very well.

SECRET

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

SECRET

8. UNRRA Program

The Chief Commissioner stated that UNRRA has put out an interesting paper on what they consider Italy's economic position will be for next year. Summarized, the paper stated that $286,000,000 will be required as a loan for Italy over and above anything in the way of receipts by Italy currently in sight, although the Chief Commissioner thought the estimate was too optimistic. On the face of it, it makes a good showing by the same estimators who had figured this year's needs at $940,000,000. No loan has been made to Italy with the exception of the $25,000,000 cotton loan and authorization to pay for U.S. surpluses over a long period. Advances have been made on the troop pay account. The Chief Commissioner directed that the document be made available to the foreign representatives on the AC if they desire to see it.

9. Strength of Italian Army

The Chief Commissioner stated that under the new peace treaty the strength of the Italian Army would be set at 250,000, including 65,000 Carabinieri, although the latter figure is subject to a fluctuation of 10,000.

10. Move of 5th Territorial Region HQ

General Goulburn reported that AFHQ has ordered HQ of 5th Territorial Region, Udine, to find a new location on the grounds that XIII Corps require their accommodations.

11. Repatriation of POW's

With reference to para 8 of Minutes of 24 July, General Goulburn reported that 7,923 Italian POW's, or half of those held there, would be returned to Italy from India by 14 August. It is estimated that all POW's from the U.K. will be returned by 21 August. The Chief Commissioner expressed his pleasure at the progress being made on repatriation. Captain Mentz reported that the ATTILIO REGOLO arrived at Taranto 28 July with 400 IPOW's from Egypt; the SESTRIERE arrived Naples 27 July with 1600 IPOW's from Port Said. The TOSCANA bound for Massawa to repatriate 1500 civilians to Italy is held up in Port Said while arrangements are being made to obtain sterling to pay the Canal dues.

12. Minesweeping

Captain Mentz reported that the minesweeping program is proceeding satisfactorily. Further instances of ships from the U.S. proceeding through mined waters in Italy have been reported, because of the failure of authorities to furnish mine warnings. The matter has been taken up with W.S.A. The Chief Commissioner stated that it was very important that arrangements be made for all ships to be furnished with mine warnings, either prior to departure for Italy, or else by the establishment of control points.

Declassified E.O. 12356 Section 3.3/NND No. 745017

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13. Liaison Groups

Brigadier Lush reported that all liaison groups in the North have closed down except for two officers at Tenda. Two officers are still at Venice but they have been taken over by the area command.

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

SECRET

Next Vice Presidents' Meeting: Wednesday, 7 August, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
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J. C. RIVELY
Major, Inf.
Staff Officer to CC

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

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CC-551

30 July 1946.

The regularly scheduled weekly Vice-Presidents' Meeting to be held Wednesday, 31 July 1946, has now been postponed for Thursday, 1 August 1946 at 1000 hours at the Chief Commissioner's Conference Room

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Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, USDA

JOSEPH C. RIVELY,
Major, Inf.
Staff Officer to CC

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/72

24 July 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 24 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Lieutenant Colonel Ross, Colonel Walton, Major Savill, Mr. Jones, Mr. Pavitt, Group Captain Jarman, Brigadier Hope, Rear Admiral Warren, Colonel Savko, Commandant Ybert, Lieutenant Colonel Montague, Lieutenant Colonel Hannaford.

1. Revised Armistice

With reference to para 2 of Minutes of 17 July, the Chief Commissioner stated that last week the Prime Minister had advised him that it was expected that the Italian Government's initial reactions to the revised armistice and the supplementary agreements which accompany it would be presented to the Chief Commissioner on the American side and the British Ambassador on the British side late last week or early this week. However, no letter has yet been received from the Prime Minister. The Prime Minister is very much occupied with the setting up of the new Government and the debate in the Constituente, although the Chief Commissioner has pressed him to see if it will be possible for him to give the Italian Government's response before the Prime Minister's expected departure for Paris at the end of this week.

2. Peace Treaty

The Chief Commissioner reported that as a result of a leak, excerpts of the draft peace treaty have been published, first in Washington. As a result, U.S. Secretary of State had endeavored to have all agreements released for publication but the Deputies of the Foreign Ministers did not agree to this proposal. The AC has not been supplied with a copy of the draft peace treaty although there is some evidence that a copy, or a resume of the treaty, has been brought to Rome by one of the representatives of the Italian Foreign Office.

3. Political Resume

Mr. Jones gave a brief resume of the general political situation. One of the few political developments during the week but the most important has been Italian reaction to the decisions taken by the Council of Foreign Ministers. On 15 July the Italian Government was invited to send a delegation to Paris to present immediately the Italian views on the proposed Trieste statute to the special Commission left in Paris to work on the Trieste decisions. The Italian delegation left Rome July 17 and on 19 July the principal Italian delegate spoke before the Commission, protesting at the short time given to prepare the Italian views on what was described as a complex and grave problem. He emphasized that Italian participation before the Commission did not in any way signify Italy's acceptance of the Trieste decision on the lines taken by the Council of Foreign Ministers nor was it to be considered as a renunciation of Italian rights over the whole of Venezia Giulia. He rejected the idea of internationalization of Trieste but concluded by saying that in any event the

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Present: Rear Admiral Stone, Brigadier Carr, Lieutenant Colonel Ross, Colonel Walton, Major Savill, Mr. Jones, Mr. Pavitt, Group Captain Jarman, Brigadier Hope, Rear Admiral Warren, Colonel Savko, Commandant Ybert, Lieutenant Colonel Montague, Lieutenant Colonel Hannaford.

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Mr. Jones stated that Sig. Soragna, Italian Ambassador in Paris, stated at a press interview that it was incorrect to speak of an Italian delegation to the

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Council of Foreign Ministers, that there were only the few officials at the Italian Embassy who had tried to make Italy's views known to the members of the various delegations. The Italians were admitted to Luxembourg Palace only three times on three clearly defined issues and after presentation of the Italian views they were politely ushered out of the room. He stated that the commission studying Italy's northwest frontier had recognized the Italian character of Briga and Tenda as far as language was concerned and that the Commission held that the electric power produced there was indispensable to continuation of Italian services. He pointed out that regardless of the Commission's findings and the Italian views, the Council had ignored them and had made their decision on political grounds. He stated that there was not much hope that any substantial change in the CFM decisions would be made by the 21 nations at the peace conference. He concluded by saying that the heads of the delegations to the Council of Foreign Ministers had been informed of the disastrous impression which their decisions had caused and of the hostility to these decisions in Italy. He pointed out that the final decisions on Italian acceptance of the peace treaty must rest with the Constituent Assembly.

Nenni left recently for visits with the Foreign Minister of Norway, Netherlands, Belgium, Czechoslovakia and Poland. The Chief Commissioner added that Count Sforza had left for South America in an apparent effort to obtain support of Italy's position by the South American countries who will be represented at the peace conference.

On the new government, the Christian Democrat paper "Popolo" said that the Christian Democrats had insisted on the Interior portfolio because the strongest and largest party in Italy should be responsible for law and order. The retention of Corbino as Minister of the Treasury was considered a victory for the Christian Democrats and a guarantee to wealthy Italians that the new Government would not embark on adventurous economic schemes. Likewise the assignment to the Christian Democrats of the Education and Agriculture portfolios was considered a victory. The Liberal Party paper said that the Industry and Commerce portfolio and Finance portfolio, which were assigned to a Socialist and Communist respectively, were the only two important posts won by the Socialists and Communists, adding that the portfolio of Foreign Affairs which will go to Nenni, after the peace treaty, will be about as important as the post of "Minister of the Navy in Switzerland". The Socialist "AVANTI", however, said that the peace conference would close a chapter in Italian foreign policy and that De Gasperi should logically continue in Foreign Affairs until the peace treaty. Togliatti, writing in "UNITA" about the new Government, emphasized its republican character and the need for unity. He said the Government program would satisfy the aspirations of the working classes. He indicated that concessions had been made by the left-wing parties for the sake of unity in getting on with the new Government.

Mr. Jones reported that the President of the United States has sent to the Senate the nomination of James Clement Dunn as United States Ambassador to Italy to succeed Alexander Kirk, who is retiring. Mr. Dunn is Assistant Secretary of State and has recently been in London and Paris acting as Deputy to Mr. Byrnes on the peace treaties.

Fiorello La Guardia, Director General of UNRRA, arrived in Rome for a visit and was received by the Mayor of Rome. He was later introduced to members of the Constituent Assembly by the President and after a brief statement, De Gasperi replied thanking La Guardia for the assistance given by UNRRA to Italy.

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4. Labor Situation

With reference to para 8 of Minutes of 17 July, Colonel Montague stated that a five-day meeting of the CGIL was held last week, eventually passing a resolution demanding a reduction in the cost of living and upgrading of salaries of the most depressed classes. At the same time a conference of employers met on instructions from the Government to meet with CGIL but expressed opposition to paying the Premio della Repubblica unless certain conditions were met, such as unblocking of dismissals. As no agreement was arrived at, the matter was referred to the Government.

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Meanwhile, there is labor unrest throughout the country with numerous disturbances.

5. CIP Strike

With reference to para 7 of Minutes of 17 July, Colonel Walton stated that workers of CIP had not agreed to ensure deliveries to the Allied and Italian armed forces. The CIP strike, however, ended after an agreement on 20 July.

6. Fuel Situation

Colonel Walton reported that there will be cutbacks in the petroleum imports in the future. In reply to the Chief Commissioner's question, Colonel Walton stated that he had no information as to whether or not the tonnage reduction would be compensated by UNRRA through an increased tonnage of other items. With regard to coal, it is now not certain what quantity of coal will actually be received from the Ruhr. Representatives from Poland are said to be on route to Italy at the present time to discuss the import of coal from Poland.

7. Food Situation

With reference to para 6 of Minutes of 17 July, Colonel Walton stated that the amassing is going on very well and has already exceeded 1,000,000 tons for the year. It is the hope of the Italian Government to complete half of the amassing by the end of July and to end the amassing in September. No definite target figure has yet been set by the Italian Government for the amassing. At the present moment there is enough wheat on hand to carry through October on the new bread and pasta ration.

8. Repatriation of POW's

With reference to para 9 of Minutes of 17 July, Brigadier Hope stated that advice has been received from Australia that the first shipment of POW's from Australia is scheduled for August with two ships bringing 1100 POW's to Italy. The Chief Commissioner directed Colonel Montague to consult with Brigadier Hope on issuing this information to the press.

9. New Italian Government

The Chief Commissioner announced that although Admiral De Courten did not stay on as Minister of the Navy, he has agreed to remain for an indefinite period as Chief of Staff, a decision which was greatly welcome by the Allied Governments.

Next Vice-Presidents' Meeting: Wednesday, 31 July 1946, 1000 hours.

Joseph C. Finley

JOSEPH C. FINLEY

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Next Vice-Presidents' Meeting: Wednesday, 31 July 1946, 1000 hours.

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Joseph C. Rively

JOSEPH C. RIVELY
Major, Inf
Staff Officer to CC

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

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CC-593

23 July 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 24 July 1946 at 1000 hours at the Chief Commissioner's Conference room.

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Air Force Subcommission
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Soviet Representative, AC
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, UNRRA

4837

J.C. RIVELY
Major, Inf.
Staff Officer to CC

17A

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/71

17 July 1946

MINUTES

Vice Presidents' Meeting,1000 hours, 17 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Major Savill, Mr. Pavitt, Colonel Fiske, Air Vice Marshal Brodie, Rear Admiral Warren, Lieutenant Commander Goluber, Capitaine de Villefosse, Lieutenant Colonel Montague, Lieutenant Colonel Hannaford.

1. Future of the AC

With reference to para 2 of Minutes of 10 July, the Chief Commissioner reported that there has been no change with respect to the future of the AC.

2. Revised Armistice

With reference to para 2 of Minutes of 10 July, the Chief Commissioner stated that there has been no change in the situation with respect to the revised armistice, although it is expected that now the new Government has been formed the Italian Government's comments and reactions on the proposed revised armistice and accompanying documents will be received in writing this week.

3. Amnesty

With reference to para 3 of Minutes of 10 July, the Chief Commissioner reported that confirmation of the early release of espionage suspects that have been held without trial has been received.

4. New Italian Government

The Chief Commissioner reported that the new Italian Government has been set up and the Ministers sworn in on 14 July. In compliance with the Macmillan Memorandum implementing FAN 487 the names of the three service ministers, namely the Ministers for Air, Navy and War, were submitted to the AC and were approved by SACMED and the approval was communicated to the Prime Minister. The names of the three Ministers approved were the only names submitted by the Italian Government. The Chief Commissioner denied the stories that other names had been submitted.

In the evening of 15 July the Prime Minister delivered to the Chief Commissioner the Government's commitment to be bound by the armistice of 1943 in exactly the form in which it was submitted on previous occasions. The letter was requested in accordance with instructions from SACMED, who in turn had received instructions from the CCS.

5. Political Resume

Mr. Pavitt gave a brief resume of the general political situation. The main event of the week had been the formation of the new Government. The questions to be decided after acceptance of the program reported in para 4 of Minutes of 10 July were [illegible] Government and the appointment of the Ministers. When [illegible] position of

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5. Political Resume

Mr. Pavitt gave a brief resume of the general political situation. The main event of the week had been the formation of the new Government. The questions to be decided after acceptance of the program reported in para 4 of Minutes of 10 July were the actual structure of the Government and the appointment of the Ministers. When De Gasperi finally announced the Government it was seen that despite the abolition of the Ministries for the Consulta, for the Costituente and for Reconstruction there remained the same number of Ministers as in the previous Government, owing to the appointment of two Ministers without portfolio and the addition of the Ministry of Merchant Marine. Now that the Ministry of Reconstruction has been abolished, its work is to be carried on by an inter-ministerial committee. The notable change in the new Governme

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is the absence of Togliati who prefers to devote his time to looking after the interests of the Communist Party. Nenni is now Minister without Portfolio and takes over the Ministry of Foreign Affairs after the peace treaty, until which time De Gasperi will be Minister of Foreign Affairs. For the rest, the new Government is comprised of 8 Christian Democrats, 4 Socialists, 4 Communists, 2 Republicans, and 1 Independent, Corbino retaining the Ministry of the Treasury as an Independent. The 24 Undersecretaries were announced on 17 July, 10 Christian Democrats, 5 Socialists, 5 Communists, 3 Republicans, and 1 Independent.

There was only one notable stumbling block in the events leading up to the formation of the new Government, namely the assignment to the Ministry of Education, which has gone to a Christian Democrat. The Socialists at first demanded that this post should be held by a "layman", but finding themselves without Communist support, gave way after being promised the Ministry of Industry and Commerce.

Throughout the negotiations, the news from Paris continued to provoke manifestations of protests at what the Italians consider a harsh and unjust peace. De Gasperi informed the Constituent Assembly that the hopes for international peace were gravely diminished by the decisions, which render the journey of the new Italian Republic difficult, but the "journey will be made". In his speech it was clear that the blow that hurt Italy most was the decision on Trieste.

On the subject of the Navy, De Gasperi claimed that Italy had a "moral right" to retain her fleet. He stated that Italy could reduce her requirements for defensive purposes to 100,000 tons of naval shipping including 2 battleships for training purposes, and that the balance should be turned over to UNO or scrapped.

Two interesting points in De Gasperi's speech were his statement that the Government intended to encourage private industry and private enterprise, and his mention, in the labour field, that Works Management Committees as already experimented in by Fiat were to be created for the collaboration of the working classes with the employers. This last phrase is interpreted to mean collaboration in a consultative form rather than actual participation in the management. The Chief Commissioner observed that the labor-management setup put into FIAT, for example, was very progressive and was a forward step.

In the Costituente on 16 July Nitti criticized the Government in general and De Gasperi in particular for taking three posts. Bencivenga then spoke and said the new Government represented the overthrow of the CLN and a defeat of the immigrant who returned to Italy in the train of "foreign bayonets". These remarks caused the meeting to break up in confusion.

6. Food situation

With reference to para 5 of Minutes of 10 July, Colonel Walton stated that the goal for amassing has not yet been announced because of the uncertainty of the crop estimate. It is thought that the target figure might be set at approximately 2,300,000 tons.

The bread ration has been increased to 250 grams per day and the [illegible] to 2 kilos per month. UNRRA had advised

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of Education, which has gone to a Christian Democrat. The Socialists at first demanded that this post should be held by a "layman", but finding themselves without Communist support, gave way after being promised the Ministry of Industry and Commerce.

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The bread ration has been increased to 250 grams per day and the pasta ration has been restored to 2 kilos per month, UNRRA had advised against the increase to 3 kilos which was proposed in the Government's political program.

7. CIP Strike

With reference to para 6 of Minutes of 17 July, Colonel Walton stated the CIP strike was now on after having started in Genoa on 15 July. The

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strike is causing a dislocation in the tanker schedule for petroleum imports. A meeting is being held with all interested agencies attending in an effort to see what action can be taken to minimize the effects of the strike. In reply to the Chief Commissioner's question, Colonel Walton stated that the strike should not affect the shipment of POL to Udine and Venezia Giulia since work in Venice is going on and Trieste workers are not on strike. The Italian Government has committed itself to ensure essential deliveries and the unions have agreed to maintain the utilities. The Chief Commissioner directed Colonel Walton to find out whether the unions have agreed to ensure deliveries to the armed forces, including the Allies.

8. Labor Situation

Colonel Montague reported that there are more and more strikes throughout the country, mainly for higher wages. The CGIL was to consider the new Government's financial and economic program, although it is not certain whether they will accept the Government's proposal to reduce the cost of living or whether they will go after higher wages right now. The unions have agreed to maintain the public utilities. Certain trades, such as the printing trade, appear about to strike in any case.

9. Repatriation of POW's

Colonel Fiske reported that progress has been rather good from the United Kingdom and the Middle East in repatriating the Italian POW's but that there has been no progress in repatriation of the POW's in other places. There remain about 140,000 POW's to be returned to Italy, with the Far East the most difficult problem.

10. Withdrawal of Liaison Groups

The Executive Commissioner reported that the liaison groups in the field would be withdrawn between 22 and 31 July and stated that after 20 July the Headquarters should refrain from communicating with the liaison groups.

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Next Vice Presidents' Meeting: Wednesday, 24 July 1946, 1000 hours.

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J. C. RIVELY
Major, Inf
Staff Officer to CC.

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10. Withdrawal of Liaison Groups

The Executive Commissioner reported that the liaison groups in the field would be withdrawn between 22 and 31 July and stated that after 20 July the Headquarters should refrain from communicating with the liaison groups.

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Next Vice Presidents' Meeting: Wednesday, 24 July 1946, 1000 hours.

- -

J. C. RIVELY
Major, Inf
Staff Officer to CC.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC.
Soviet Representative, AC.
Chief Legal Advisor, AC.
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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4671

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC-253

16 JULY 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 17 July 1946 at 1000 hours at the Chief Commissioner's Conference room

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
V.P. Civil Affairs Section
V.P. Economic Section
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy Subcommission
Land Force Subcommission (USA)
Air Force Subcommission
French Representative, AC
Soviet Representative, AC
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, USGCA

J.C. REVELL
Major, Inf.
Staff officer to CC

4874

Air Force — S/C 15A

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/70

10 July 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 10 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Pavitt, Lieutenant Colonel Marek, Major General Browning, Major General Goulburn, Commodore Ziroli, Colonel Savko, Captain de Villefosse, Lieutenant Colonel Montague, Lieutenant Colonel Hannaford.

1. Director, Land Forces Subcommission

The Chief Commissioner introduced Major General E. H. Goulburn, DSO, the new Director of the Land Forces Subcommission, who has relieved General Browning. General Goulburn has recently been in Palestine and has just arrived to assume his new duties. At the same time the Chief Commissioner expressed his personal regrets and the regrets of AC at the loss of General Browning who has done monumental work in handling the affairs of the Italian Army, which he took over in 1944. His chief accomplishment was, of course, the raising and training of the six Italian Gruppi, five of which were in action before the war ended. The Chief Commissioner stated that the AC will miss General Browning and on behalf of the AC wished him the best of good fortune in his future life. General Browning thanked the Chief Commissioner, the Executive Commissioner, and the other members of AC for the support that was always given him and wished the members of AC the best of luck.

2. Future of the AC

No change - 17/7.

With reference to para 1 of Minutes of 3 July, the Chief Commissioner stated that as a result of the meeting at AFHQ on 5 July, recommendation has been made by SACMED to the CCS that there be two organizations in Rome, one to coordinate the service subcommissions which will presumably be known as subsections, and the other organization to handle other military relations of AFHQ with the Italian Government. It remains to be seen whether the CCS will favor a dual set-up in Rome or a single set-up, which was proposed by the MJPS.

There is no change with respect to the signing of the revised armistice and the accompanying civil affairs agreements. It is expected that this week the Italian Government will transmit in writing separate communications to the British and American authorities giving their views and reactions to the main agreement and, more particularly, the accompanying documents. Until these two

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

Vice Presidents' Meeting, 1000 hours, 10 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Pavitt, Lieutenant Colonel Marek, Major General Browning, Major General Goulburn, Commodore Ziroli, Colonel Savko, Captain de Villefosse, Lieutenant Colonel Montague, Lieutenant Colonel Hannaford.

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3. Amnesty

With reference to para 10 of Minutes of 3 July, the Chief Commissioner stated that the question of granting amnesty to prisoners held by or for the Allies had been taken up at SACMED's conference of 5 July. The Italian Government had suggested in connection with their own amnesty decree that the Allies examine the question of granting amnesty to certain cases tried by AMG court and other cases tried by Italian courts for offenses against the Allies. This question was dealt with in a communication to AFHQ referred to in para 10 of Minutes of 3 July, which letter has been signed and forwarded. The other amnesty cases under

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consideration were those internees held by the Allies but never brought to trial for lack of evidence, although they were definitely suspects. It developed at the meeting at Caserta that 85% of these people were espionage suspects and the remaining 15% were sabotage suspects. The Chief Commissioner recommended and SACMED approved the early release of the 85% espionage cases. The 15% sabotage suspects, however, will be reviewed with a view to seeing how many can be released without threat to Allied security.

Colonel Hannaford said that after conferences with Colonel Bowman's office and with Brigadier Drew it was recommended that the Italian amnesty law be not applied in Venezia Giulia because of the delicate situation in that territory. The Chief Commissioner directed that this matter be referred to him through the Executive Commissioner.

4. Political Report

Mr. Jones gave a brief resume of the general political situation. During the week the Italian press reacted with varying degrees of violence against the reported decisions of the Council of Foreign Ministers with respect to the draft peace treaty for Italy. The reports are that Trieste and a certain section of territory west of the so-called French Line will be internationalized and all of the territory east of the French Line will be ceded to Yugoslavia. The Trieste decision has held the spotlight but the papers also reacted against the reported decisions on the colonies and reparations. The right-wing papers are the most bitter, using the Paris reports as basis for attacking the present Government for failing to protect Italy's interests, while the Communist papers used the Paris decisions as a basis of attack against De Gasperi's foreign policy.

Last week the Prime Minister made a declaration to the residents of Venezia Giulia on the reported Paris decisions, saying they will be subject to review at the peace conference which is to be convened on 29 July, with the 21 powers in attendance. (At the Chief Commissioner's request, Mr. Jones is to check on the basis for deciding which powers will attend the peace conference). De Gasperi said it was imperative that Italy have a government in view of the imminent convocation of the peace conference and hoped that it would be formed soon. He said that telegrams were pouring in from all sections of Italy protesting against decisions and inciting the Italian Government to resistance on the frontier questions. De Gasperi appealed to the Italians in Venezia Giulia not to lose hope and not to abandon their positions in that territory, reminding the people that the situation was not definitely lost at this stage of negotiations. He said that at the peace conference the Italian Government would make another appeal, and that it would be a great mistake for Italy to desert her position in disorder before the peace treaty was definitely made.

There have been demonstrations throughout Italy against the Paris decisions. On Saturday all shops in Rome were invited to close 15 minutes in protest. Also on Saturday the National Association of War Veterans called a public protest meeting in Piazza del Popolo at 1900 hours. A crowd of 6,000-10,000 gathered and the meeting soon assumed a definitely anti-Allied character, with several hundred of the demonstrators ending up at Piazza Venezia damaging several Allied vehicles there by stone throwing. There was a more serious incident in Padua where a British officers' club was invaded and an unconfirmed report that Allied flags were torn down. There were also demonstrations in Trieste, Florence, Naples, and Milan

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

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With regard to the cabinet crisis, De Gasperi has not yet been able to form a new government. The principal difficulty is over the economic program, particularly the question of wages, with the Communists desiring an upward revision to meet the cost of living while other parties desire a reduction in the cost of living to the present wage scale. A second point of difficulty is the Communist insistence on the division of large estates among the peasants in the South. This morning's papers, however, all report that the parties have finally agreed on a government program, and that De Gasperi will begin today to draw up a

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slate of the new cabinet. It was reaffirmed that defense of Italy's interests in foreign field required unified action and that henceforth all Ministers would be held responsible for the government's foreign policy. The economic program is aimed at the recovery of public finance and the protection of the lira against further devaluation. The budget will be divided into two parts, a regular budget and an extraordinary budget to cover expenditures on public works, etc. The extraordinary budget is to be financed by public loan in September, increased property taxes, and funds derived from Fascist profits. The government's plan is to reduce the cost of living, and in the meantime bonuses will be granted to all workers, 3,000 lire for heads of families, 1,500 lire for each worker without dependents, and 1,500 for unemployed and veterans. Also, assistance to the unemployed will be increased. The industrial program will leave the degree of control over each class of industry to the government in the light of its importance to the national economy, although it appears that the electric power industry will be nationalized. The government intends to tackle the agrarian problem as soon as possible.

Colonel Montague reported that there have been press attacks during the week on the French military administration and also on the British military administration in Eritrea. Also during the week a report that the Chief Commissioner of AC had resigned in protest against the Paris decisions was printed and the following day all papers printed the denial.

5. Food Situation

With reference to para 3 of Minutes of 3 July (Ammassi), Colonel Walton reported that the ammassi target has not yet been determined. Reasons include uncertainty in Italian Government regarding the exact crop and retentions. The government does not want to set a figure too high, which would be unattainable, nor a figure too low because it would allow for excessive retentions. It is believed the Government is working sincerely and intensively on this problem and within two weeks may set their objective. UNRRA tends to influence the government toward a high goal. Outlook for crop estimate varies between 5,700,000 tons and 6,200,000 tons.

The new government program provides for an increase in the bread ration to 250 grams per day and 3 kilos of pasta per month, which would require nearly 2,000,000 tons of imports annually.

6. CIP Strike — Strike on 17/7

Colonel Walton reported with reference to para 6 of Minutes of 3 July that discussions in connection with the possible CIP strike are continuing. It was reported that at a union meeting on 9 July, decision was taken that there would be no strike at least until the formation of a new government.

7. Coal

With reference to para 5 of Minutes of 3 July, Colonel Walton stated that 50,000 tons of coal less than originally expected would arrive from the U.S. Arrivals are estimated at 400,000 tons.

8. Requisitioning

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

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8. Requisitioning

Brigadier Lush reported that because of the difficulties with regard to requisitioning, a plan had been proposed to AFHQ to set up some form of central committee including Italian representation to handle requisitioning. A reply has been received from AFHQ rejecting this proposal. Brigadier Lush said that reports are coming in from the liaison groups on the difficulties arising out of requisitioning and recommended that another approach be employed in order to get some kind of policy established. The Chief Commissioner concurred.

Next Vice Presidents' Meeting: Wednesday, 17 July 1946, 1000 hours

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SECRET

J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
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VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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Political Advisor (B)
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Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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14B

Headquarters Allied Commission
Office of the Chief Commissioner

9 July 1946

CC-331

VICE PRESIDENTS' MEETING

The regularly weekly Vice Presidents' meeting will be held Wednesday morning, 10 July 1946 at 1030 hours at the Chief Commissioner's Conference Room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
U.S. Civil Affairs Section
U.K. Economic Section
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy Subcommission
Land Force Subcommission (Less 1)
Air Force Subcommission
French Representative, AC
Soviet Representative, AC
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, USFA

ALLIED FORCES SUB-COMMISSION ALLIED CONTROL COMMISSION
ORDERLY ROOM
0.231 9/7
358/2/Bonn
4667

J.O. RIEGLE
Major, Inf.
Staff officer to CC

Air Force 14B
S/C

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/69

3 July 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 3 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Pavitt, Air Vice Marshal Brodie, Colonel Fiske, Commander Bahlman, Colonel Savko, Lieutenant Colonel Cros, Lieutenant Colonel Montague, Colonel Weber.

1. Future of the Allied Commission

With reference to para 1 of Minutes of 26 June, the Chief Commissioner reported that there was no change in the situation with regard to the futre of th Allied Commission. However, a meeting is to be held on 5 July at Caserta to discuss this question.

2. Political Report

Mr. Pavitt gave a brief resume of the general political situation. On 26 June Saragat was officially installed as President of the Costituente. In his inaugural speech he spoke of the relationship between the Costituente and the Government and said that legislative powers have been delegated to the Government This, he said, was not intended as a limitation of the powers of the Costituente but as a division of work between the Costituente and the Government. Mr. Pavitt pointed out, furthermore, that the decree law specifically laid down that electoral laws and international treaties were of necessity to be brought before the Costituente. After the installation of Saragat, discussions began with regard to appointing the provisional President of the Republic. Finally, after he had been assured that both Croce and Orlando were out of the running, De Nicola accepted the nomination proffered by the three parties and was elected on 28 June. Generally speaking, the parties were very satisfied with this appointment. The Chief Commissioner stated that he had called on De Nicola and found him to be an extremely personable man. The AC did business with De Nicola in the spring of 1944 so he is no stranger to the Commission. Mr. Pavitt stated that De Nicola had been President of the Chamber of Deputies from 1920 to 1923 and had taken a firm stand against Fascism from the start, retiring from politics in 1924. It is hoped that his known anti-fascism and honesty will be unifying factors.

After the election of the President, De Gasperi handed in his resignation and the resignations of the members of the Government. On 2 July De Nicola charged De Gasperi with the formation of a new Council of Ministers.

The decision of the Council of Foreign Ministers regarding Tenda and Briga has been a shock for the Italians and press reactions have been bitter. In reply to the Chief Commissioner's question, Mr. Pavitt stated that the Italians have

Declassified E.O. 12356 Section 3.3/NND No. 745017

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The decision of the Council of Foreign Ministers regarding Tenda and Briga has been a shock for the Italians and press reactions have been bitter. In reply to the Chief Commissioner's question, Mr. Pavitt stated that the Italians have been given repeated assurances that they will be heard at the peace conference, and added that the Italians apparently wish to make their objections now, as they feel that in the meantime prejudices will have been created. De Gasperi has appealed therefore to be heard at once with regard to the proposal for the internationalization of Trieste and adjoining areas.

The interest in the new Government seems to be focused on the Ministry of the Interior and there appears to be little enthusiasm for the Ministry of Foreign Affairs on the part of any of the parties. The Socialists have proposed that the number of ministers be reduced from 21 to 10 by combining such posts as Post-War Assistance and Labor, merging the ministries of the Navy, Army, and Air

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

Force into one Ministry of Defense, combining Finance and Treasury and so forth. The Christian Democrats also agree in principle that some form of simplification is desirable.

A suggested program by Corbino for the new government was published in the morning papers on 3 July. The main features of this program are the protection of the lira from further devaluation, development of economic activities, measures to promote public works and combat unemployment, increase in state pensions and decrease in the number of state employees. The main difference between the parties on the new program is over the question of salaries. Corbino's plan to fix workers' salaries at present rates as a guard against inflation is strongly opposed by the Communists.

On 2 July a list of 622 OVRA agents was published in the Official Gazette.

3. Food Situation

With reference to para 8 of Minutes of 26 June, Colonel Walton reported that the wheat amassing is going extremely well. It is estimated by the Italians that 400,000 tons of wheat were amassed in June. Colonel Walton stated that the new target figure for the amassing program could be about 3,000,000 tons but has not yet been announced. The Chief Commissioner asked Colonel Walton to get the exact figures for the next meeting. Colonel Walton added that the biggest factors in the increase are the good crops and high prices, which, for early July, are three times last year's, and later will be about two and a half times last year's prices.

Sugar is very short and it will not be possible to raise the 100-gram ration.

It is estimated that the calorie value of the food available will shortly reach 1800 grams daily.

4. Distribution of Supplies

Colonel Walton reported that the Italians appear to be getting along well on the distribution of supplies. A good deal of clothing is being received by users. There is still an accumulation of blankets for which there is little demand at the present time. With regard to medical supplies, Brigadier Carr states that the Italians have received the returns from nearly all the provinces and hope to be able to make a distribution to hospitals in the very near future based on their needs.

5. Coal

With reference to para 6 of Minutes of 26 June, Colonel Walton stated that the allocation of coal for use in Italy for July has now been set at 475,000 tons.

6. CIP Strike

Colonel Walton reported that the discussions in connection with the possible CIP strike are continuing and there is reason to hope there will be no strike.

CIP ends in its present form on 31 August and the Italian Government will then continue something like CIP, if not CIP itself. UNRRA [illegible]

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Communists. ...inst

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CIP ends in its present form on 31 August and the Italian Government will then continue something like CIP, if not CIP itself. UNRRA is using CIP as its slating agency for distributing POL. The Italian Government asked several times for authority to change the structure of CIP in the past. UNRRA and the Embassies have been in touch with the Italian Government on this question. The Chief Commissioner pointed out that the only concern of AC is to see if the supply of POL to the Italian armed forces will be made.

7. Udine-Venezia Giulia Autostrada

Colonel Walton reported that AMG XIII Corps some time ago desired to build an autostrada in Udine and Venezia Giulia and the Italian Government had agreed

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to assume the cost of that portion of the autostrada constructed in Udine, which would amount to approximately 6 billion lire. This week a letter was received from the Italian Government asking to be relieved of the obligation to build the Udine portion of this project.

8. Railway Rolling Stock

With reference to para 7 of Minutes of 26 June, Colonel Walton reported that as a result of a meeting with Brigadier Fellows it developed that the delay in repairing railway rolling stock was attributable to lack of organization in the I.S.R.

9. Midshift Meal

Brigadier Lush reported that the Labor and Wages Subcommittee have considered the midshift meal and it has been recommended that this meal be discontinued for employees of contractors working for Allied military authorities and that the bread ration be withdrawn from direct employees of the Allies and be substituted by an alternative food. The Chief Commissioner directed that the matter be referred to him before any action is taken.

10. Amnesty Decree

With reference to para 9 of Minutes of 26 June, Colonel Weber reported that he had a long conference with Togliatti concerning the extent of the amnesty granted by the Italian Government. The new decree does not cover cases tried by AMG courts nor does it cover cases tried by Italian courts involving Allied interests. It does not affect security suspects who were held by the Allies and subsequently turned over to the Italian courts for epuration, as these suspects will now be returned to the Allies to hold for security reasons. In this connection, Colonel Weber reported that a draft of a letter to AFHQ has been prepared concerning these security cases.

11. Holiday

The Chief Commissioner reported receipt of a dispatch from AFHQ saying that the 4th of July will be observed by all personnel at AFHQ and directed that it therefore be observed as a holiday for all personnel of AC.

Next Vice Presidents' Meeting: Wednesday, 10 July 1946, 1000 hours

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E Dwight Beh
Trig US NA for
J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/c
Executive Officer (A)
Executive Officer (B)

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

9. Midshift Meal

Brigadier Lush reported that the Labor and Wages Subcommittee have considered the midshift meal and it has been recommended that this meal be discontinued for employees of contractors working for Allied military authorities and that the bread ration be withdrawn from direct employees of the Allies and be substituted by an alternative food. The Chief Commissioner directed that the matter be referred to him before any action is taken.

10. Amnesty Decree

With reference to para 9 of Minutes of 26 June, Colonel Weber reported that he had a long conference with Togliatti concerning the extent of the amnesty granted by the Italian Government. The new decree does not cover cases tried by AMG courts nor does it cover cases tried by Italian courts involving Allied interests. It does not affect security suspects who were held by the Allies and subsequently turned over to the Italian courts for epuration, as these suspects will now be returned to the Allies to hold for security reasons. In this connection, Colonel Weber reported that a draft of a letter to AFHQ has been prepared concerning these security cases.

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Next Vice Presidents' Meeting: Wednesday, 10 July 1946, 1000 hours

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Edmund Bohn
Lt Col USNA for
J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
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Executive Commissioner
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Land Forces S/C (MMIA) (2)
Air Forces S/c
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

4865

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

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

2 July 1946

CC-551

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 3 July 1946 at 1000 hours at the Chief Commissioner's Conference room:

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
V.P. Civil Affairs Section
V.P. Economic Section
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy Subcomission
Land Forces Subcommission (MMIA)
Air Forces Subcommission
Liaison Office (EC)
French Representative, AC
Soviet Representative, AC
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, UNRRA

AIR FORCES SUB-COMMISSION
0.96
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COMMISSION

4064

J. C. RIVELY
Major, Inf.
Staff Officer to CC

13B

Air Forces

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/68 26 June 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 26 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Wesely Jones, Mr. Pavitt, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Major Leonidov, Capitaine de Villefosse, Captain de Masi, Lieutenant Colonel Hannaford, Colonel Imrie (UNRRA).

1. Future of the Allied Commission

With reference to para 2 of Minutes of 19 June, the Chief Commissioner reported that nothing definitive has yet been decided as to the precise manner in which the special section of AFHQ will be finally set up in implementation of article 3 of the revised armistice. The situation with respect to the revised armistice is the same as reported in para 2 of Minutes of 19 June in that neither the main nor supplementary agreements have been signed, and so far there have been no negotiations on the British and U.S. agreements to accompany the main agreement.

2. Institutional Referendum

With reference to para 1 of Minutes of 19 June, the Chief Commissioner reported that there have been no developments since the last meeting with respect to the government crisis except for the convening of the Costituente on 25 June. Little happened except for the election of the President, Signor Saragat of the Socialist party. There was also a speech by the acting chairman of the Costituente, Orlando, in which he stressed the need for keeping Venezia Giulia and Trieste Italian.

3. Naval Patrol in Adriatic

With reference to para 11 of Minutes of 19 June, the Chief Commissioner reported that while not strictly a part of the piracy patrol in the Adriatic the press has reported that a new American cruiser, the USS FARGO, has arrived in the Mediterranean and is due to arrive at Trieste with Vice Admiral Bieri, USN, who has relieved Rear Admiral Jules James, USN, as COMNAVMED, aboard.

4. Political Report

Mr. Jones gave a brief resume of the general political situation. The most important event was the convening of the Costituente. In addition to the selection of Saragat as President, four vice presidents were appointed, one Republican, one Communist, and two Christian Democrats. After Orlando spoke, De Gasperi spoke

Declassified E.O. 12356 Section 3.3/NND No. 783017

Vice Presidents' Meeting, 1000 hours, 26 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Wesely Jones, Mr. Pavitt, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Major Leonidov, Capitaine de Villefosse, Captain de Masi, Lieutenant Colonel Hannaford, Colonel Imrie (UNRRA).

1. Future of the Allied Commission

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The election of the President of the Republic is scheduled for 27 June. Apparently it is the desire to have a nearly unanimous vote for the President and therefore negotiations are going on between the parties in advance of the elections.

The press has devoted much space to the developments at the Council of Foreign Ministers meeting in Paris. Various speeches were made and resolutions

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adopted requesting that the Italians, described as the victims and not the accomplices of Fascism, be given a just peace, asking in particular that Trieste remain Italian.

On 21 June the Chief Commissioner called on the Prime Minister and congratulated the Italian Government, on behalf of the United States and British Governments, for the orderly manner in which the elections were conducted and for the large number of voters who took part in the voting.

Last week the Government issued a decree dissolving the Senate on the day of the convening of the Costituente. The Costituente will give consideration to the personal status of the senators.

5. Guarding of Dumps

With reference to para 6 of Minutes of 19 June, Colonel Walton reported that a problem had arisen in connection with the guarding of 49,000 tons of U.S. ammunition. After meetings with interested parties, the Italian Government agreed to accept the ammunition. Colonel Walton reported that G-4, MTOUSA, representatives have stated that it will be necessary to hold US ITI's to guard dumps. In reply to the Chief Commissioner's question, Colonel Walton stated that he has received no information on the ammunition which exploded at Brindisi. The matter of disposing of airplane bombs is under discussion in the Italian Government as to whether to dispose of them or utilize them, as the Minister of Commerce desires, for the Italian economy. The Chief Commissioner pointed out that as this involves the question of use of war materials, the matter must be coordinated with the service subcommissions and the Executive Commissioner's office.

6. Coal

With reference to para 9 of Minutes of 19 June, Colonel Walton stated that shipments of coal from the U.S. have been resumed. The allocation of coal for import to Italy has been set at 390,000 tons for July. The July allocation of coal for consumption has been tentatively set at 475,000 tons which compares with a similar figure of 425,000 tons for June.

7. Railway Rolling Stock

Brigadier Lush reported that General Hewer has requested the additional monthly allocation of 10,000 tons of coal to the Italian railways so that the repair shops can start working on repairs to rolling stock. It is felt that the shortage of 40,000 wagons could be overcome in a short time if sufficient materials are allocated to the railways. The Economic Section is working on this plan.

In response to the Chief Commissioner's question, Brigadier Lush stated that it is hoped to return to Italy by the end of the year the bulk of the freight and passenger cars removed by the Allies from Italy.

8. Wheat

With reference to para 7 of Minutes of 19 June, Colonel Imrie of UNRRA reported that the bread crisis has definitely passed. The situation began to

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8. Wheat

With reference to para 7 of Minutes of 19 June, Colonel Imrie of UNRRA reported that the bread crisis has definitely passed. The situation began to improve with the amassing and now the imports are increasing to a reasonable level. As a result the Italian Government intends to increase the ration at the end of June to what it was in May and to make a further increase in July to what it was at the start of 1946. The amassing has thus far been remarkably successful. In reply to Brigadier Lush's question, Colonel Imrie stated that the price of bread will probably go up; a proposal has been tentatively put forward for 1/3 of the increase to be absorbed by the consumers, 1/3 by the Italian Government, and 1/3 to come from the Italian UNRRA fund (proceeds of sales by the Government). This has not yet reached the stage of official discussion.

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9. Amnesty

Colonel Hannaford reported that the Italian Government has issued a decree granting amnesty for certain common offenses, Italian military offenses, a general reduction of sentences, and for political crimes. The decree is dated 23 June, but on 24 June the Italian Government notified Colonel Hannaford that the decree was not yet in final form and that AC would be notified before it was published. However, prior notification was not made to AC. The general plan in connection with political crimes is to free all people who have collaborated with the Germans or Fascists provided they have not committed any common crimes and provided they were not high officials. The definition for "high officials" has been made in the preamble to the decree and in previous decrees. The Chief Commissioner stated that as AC may have a responsibility in this matter under the armistice, the amnesty decree must be examined to see if it is necessary to report on it to AFHQ.

Colonel Hannaford stated that a number of people have already received orders setting them free but the directors of the jails have refused to let them free because they were arrested by Allied police or kept at the disposal of Allied authorities or previously interned by the Allies, although sentenced by Italian courts. The Chief Commissioner directed that this be referred to AFHQ.

10. Repatriation of POW's

With reference to para 3 of Minutes of 19 June, Admiral Warren stated that the repatriation of POW's is being maintained at a satisfactory rate and programme is up to date.

11. Reorganization of RAF Headquarters

AVM Brodie reported that AVM Darvall has relieved AVM Fogarty. Headquarters Desert Air Force will be disbanded on 30 June and the DAF wings will then come under the direct operational control of Advanced Air HQ Italy at Udine and under the administrative control of Air HQ Caserta. AVM Darvall has also taken over direct command of the British Air Division of the ACC Austria from AVM Foster.

Next Vice Presidents' Meeting: Wednesday, 3 July 1946, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

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Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)

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Next Vice Presidents' Meeting: Wednesday, 3 July 1946, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

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Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

4862

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Air Force 5/C 12A

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC-551

25 June 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 26 June 1946 at 1000 hours at the Chief Commissioner's Conference room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
V.P. Civil Affairs Section
V.P. Economic Section
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy Subcommission
Land Force Subcommission (MMA)
Air Force Subcommission
French Representative, AC
Soviet Representative, AC
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, UNRRA

HEADQUARTERS - ALLIED COMMISSION - AIR FORCES
ROME
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J.C. RIVELY 4661
Major, Inf.
Staff officer to CC

12B

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/67

19 June 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 19 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Air Vice Marshal Brodie, Major General Browning, Commodore Ziroli, Colonel Savko, Captain de Villefosse, Lieutenant Colonel Hannaford, Captain de Masi.

1. Institutional Referendum

With reference to para 1 of Minutes of 12 June, the Chief Commissioner reported that on 13 June the King left Italy, without any previous announcement. There have been many rumors as to his departure, some to the effect that officers of AC played a part in advising him to leave. The Chief Commissioner denied categorically and unequivocally such rumors and stated that neither he nor Brigadier Lush took any part, directly or indirectly. No one in AC played any part in advising the King to leave, and if any Allied individuals did advise the King to leave as has been rumored, that fact is completely unknown to the Chief Commissioner, personally or unofficially.

Mr. Jones gave a brief review of the events leading up to the King's departure. On 12 June the King wrote a letter to the Prime Minister, which was simultaneously published in the newspapers, confirming his willingness to await the decision of the majority of the Italians which he said would be clarified by the decision of the Supreme Court, and adding that he felt he and the Government could continue to cooperate. The Government, after two or three meetings during the day, adopted quite a different attitude and issued a communique taking the position that the decision of the referendum had automatically established a temporary transitional regime and that as a result the functions of head of the state fell automatically to the President of the Council of Ministers. The communique ended by saying that the King's proclamation could not be considered as modifying this constitutional situation. Following the Government's communique, the King made a sudden and secret decision to leave Italy. He departed from Ciampino Airport 13 June and arrived in Lisbon on Friday, 14 June.

Several hours after the King's departure a proclamation was issued in the name of the King, although there has been much conjecture as to just how much of the document he actually did personally prepare. The proclamation recalled the King's oft-expressed decision to abide by the decision of the people, but stated that in view of the provisional and partial results made known by the Court of Cassation, the various protests, and the question raised as to the manner of calculating the majority, the King had decided to await the official and final decision of the Court of Cassation as indicated in his letter of June 12. The proclamation went on to say that in violation of the law, the Italian Government had accomplished

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

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Air Vice Marshal Brodie, Major General Browning, Commodore Ziroli, Colonel Savko, Captain de Villefosse, Lieutenant Colonel Hannaford, Captain de Masi.

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

The Chief Commissioner interposed at this point to state that as far as the AC is concerned, the first news of the King's departure from Rome was received by telephone call from Ciampino Airport, relayed through RAAC, one-half hour after the King's departure. About 1700 or 1715 on the 13th Lucifero, Minister of the Royal Household, called for an appointment and arrived at the Chief Commissioner's office at 1745, stating that he wished to inform the Chief Commissioner that the King had left Italy, which was the first news that the King had actually left the country as against the earlier information that he had merely left the city of Rome. Lucifero would not tell the Chief Commissioner what the King's destination was. He did state that a proclamation of the King would be issued that evening, but was very vague as to the actual time the proclamation would be issued. The Chief Commissioner asked Lucifero whether the proclamation would be released by the Royal Household or by the Government, and Lucifero replied "I do not recognize a revolutionary government." The Chief Commissioner stated that the above information is classified secret and cautioned all present not to disclose this information to unauthorized persons.

Mr. Jones continued that the King's departure was carefully concealed from the Government. When an aircraft was requested for the King, the Air Force was asked not to inform the President of the Council as they stated that the President would be informed directly, which was not done.

The Government issued a statement saying that the King's proclamation was a "pitiful" document constructed on a false basis. In spite of the Government's earliest recognition of the results of the referendum on June 10, the King continu to discuss a delegation of royal powers, and in spite of the difficulty of reconciling the two points of view, the Government continued the discussions with the King until they were broken off by Lucifero the night of June 12. It was stated that the King's letter of 12 June ignored the proclamation of the court and therefore the Council had to meet to reaffirm the results of the referendum. The President of the Council had given the King proof that a peaceful solution was sought and the King recognized more than once the loyalty of the Government, which the drafters of the proclamation ignored. The Government's statement ends by saying that the last two sentences of the proclamation are all that remain of the original proclamation prepared by the King and by deploring that a difficult situation which had been not without dignity had ended on an undignified note.

On the same day the Prime Minister spoke to the nation, recalling that the procedure for deciding the result of the referendum was laid down by law, and promulgated by the King. He stated that all parties in Italy, and the same conclusion was reached abroad, considered that the decision was arrived at freely and honestly. De Gasperi stated it was distasteful to reopen the discussions but that on repeated occasions he had found the King in a conciliatory mood, and that it was possible to consider from a human angle the tragedy of Umberto who had inherited a discredited dynasty. De Gasperi said that the nation could consider the last episode of the dynasty as a part of the national catastrophe. He closed by calling on all to show unity to those threatening Italy's frontiers. De Gasperi's speech was very well received in the press.

Mr. Jones stated that according to press reports the Court of Cassation has issued the final official report on the referendum which includes all precincts previously missing and includes adjustments made as a result of protests of illegality. The republic received a total of 12,717,923 votes and the monarchy 10,719,284. The phrase in the electoral law "majority of the electorate voting" was interpreted as meaning a majority of the electors who expressed themselves through valid votes. Approximately 1,500,000 votes were invalidated. The

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

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The Council decided that decrees would be issued by the President of the Council of Ministers by virtue of his authority as provisional head of the state. For the moment, the same flag was kept as the national colors, without the Savoy coat of arms.

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

2. Future of the Allied Commission

With reference to para 2 of Minutes of 12 June, the Chief Commissioner reported that on the direction of the Commanding General, MTOUSA, he had delivered to the Prime Minister on the evening of 14 June a copy of a draft American agreement to accompany the main revision of the armistice. The Italian Government was asked to give its comments and suggestions with respect to amendments or modifications. As yet no word has been received, nor has the Chief Commissioner been informed that any negotiations have been commenced with the British Embassy on the British civil affairs agreement.

A meeting was held yesterday at AFHQ in connection with the possible set-up in accordance with article 3 of the revised armistice which provides for the present functions of the three service subcommissions to pass under the direction of a special section of AFHQ when AC is abolished. However, no definitive plans have been made as to the precise manner in which article 3 will be implemented.

3. Repatriation of POW's

The Chief Commissioner reported that he had received a small delegation of Italians in connection with the return of POW's to Italy and had furnished them wit very good statistics supplied by General Browning. The Chief Commissioner stated that apparently the Italian Government has failed to keep the people adequately informed of what has been done and he therefore intends to send a note to the Italian Government to this effect. The Chief Commissioner observed that it might be appropriate to take up, possibly with the British Embassy as well as with AFHQ, the question of plans for return of POW's now in Australia and India. A total of 1,180,000 POW's have been returned to Italy, with 165,000 still remaining to be repatriated, which by and large is very encouraging.

Commodore Ziroli reported that the Italian Navy continued lifts of POW's regularly during the week.

4. National Elections

Mr. Jones reported that the final accounting shows that the Christian Democrats won 207 seats or 35% of the seats in the Costituente, the Socialists 115 seats or 20%, Communists 104 seats or 18.9%, National Democratic Union 41 seats or 6.8%, Uomo Qualunque 30 seats or slightly over 5%, and the Republicans 23 seats.

5. CIP Strike

With reference to para 3 of Minutes of 12 June, Colonel Walton stated that so far as can be learned no CIP strike is in immediate prospect.

6. Guarding of Dumps

With reference to para 4 of Minutes of 12 June, Colonel Walton stated that the question of guarding of dumps is coming to a head over the question of Allied ammunition which the Allies intend to turn over to the Italian Government, although the Italian Government has requested that no more ammunition be turned over to them, suggesting that ammunition near the sea be dumped into the sea. The Economic Section wants to use surplus military guards to guard this ammunition, although

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

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7. Wheat

With reference to para 5 of Minutes of 12 June, Colonel Walton reported that the food situation has considerably eased, due particularly to the harvest which is now under way. It had been expected for some time that there would be a deficit for wheat by the end of June, but it now appears that the July 1 stock will be at least 75,000 tons.

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8. Distribution of Supplies

Colonel Walton stated that the tractors purchased on FEA account had been put in the hands of the Federazione Consorzi Agrari for assembling, and now nearly all of them are out and at work. The Chief Commissioner asked if it was true that AC had held up the distribution of these tractors because of an insistence on high prices for them, and Colonel Walton replied that the Italian Government set the prices and not AC. AC had opposed overpricing.

9. Coal

With reference to para 6 of Minutes of 12 June, Colonel Walton reported that there was little change in the coal situation.

10. Public Order

With reference to para 8 of Minutes of 12 June, Brigadier Carr reported that since the disturbances in Naples 11 June and the demonstration in Rome 12 June things have been quiet throughout Italy and the state of public order has been very good. The Chief Commissioner stated that it is his understanding that since 12 June there have been no reports of disturbances anywhere in Italy and asked if anyone present had any other report. His question was translated for the benefit of the Soviet representative. No one reported any other disturbances.

11. Naval Patrol in Adriatic

The Chief Commissioner reported that due to the number of Italian vessels seized by reportedly Yugoslav vessels in the Adriatic, CINCMED has set up a patrol of Allied vessels in the Adriatic to guard against piracy. The patrol is not to enter Yugoslav waters.

12. Reduction of Personnel

Brigadier Lush reported that AC is losing a considerable number of clerks and is going to lose more, which means that efficiency on the clerical side will be impaired, which will mean more work will have to be done by the men and officers left.

Next Vice Presidents' Meeting: Wednesday, 26 June 1946, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C

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

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Next Vice Presidents' Meeting: Wednesday, 26 June 1946, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Adivsor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

SECRET

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

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

HEADQUARTERS ALLIED COMMISSION
Office office of the Chief Commissioner

Air Force S/C

18 June 1946

CC-551

11A

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 19 June 1946 at 1000 hours at the Chief Commissioner's Conference room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
V.P. Civil Affairs Section
V.P. Economic Section
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy Subcommission
Land Force Subcommission (USA)
Air Force Subcommission
Liaison Officer (BC)
French Representative, AC
Soviet Representative, AC
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, USA

ALLIED FORCES SUB-COMMISSION MEDAL
N892.79
18/6
358/2

J.C. KIELLY
Major, Inf.
Staff officer to CC

4652

Air Force S/C
11B

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/66

12 June 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 12 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau Heron de Villefosse, Major Leacacos, Colonel Weber, Mr. Cleveland.

1. Institutional Referendum

The Chief Commissioner gave a brief report on the political situation with respect to the referendum. The Court of Cassation made a preliminary finding on the result of the referendum which was incomplete in that not all of the returns had been received from all polling stations and the Court had not had an opportunity to review the various appeals and protests made, largely by monarchists. The Court stated that it was about to investigate these appeals. This has led to a most unfortunate situation to the extent that those members of the government favoring the republic want the republic proclaimed on the basis of the preliminary reports while the Crown does not know if it has the power to transfer the powers of government until the final report is received. It is very possible that the report to be rendered by the Court of Cassation on the 17th might not be complete should the Court not have completed its review of the appeals.

While the dispute started with a good deal of antipathy between the Crown and the proponents of the republic, there is a legal difficulty to be resolved that cannot be done overnight. According to the morning papers, Signor Nenni has suggested the early convocation of the Costituente if necessary, on Saturday, June 17th, to resolve some of the difficulties.

During the last few days the Council of Ministers have had many meetings lasting until the early hours of the morning, discussing how the transfer of powers of government can be made pending the final decision. The King has proposed appointing De Gasperi as Luogotenente so that the King could step out of the picture until the decision of the Court is final. It is understood that the present status of that proposal is that the Council has requested the King to set forth in detail the manner in which he would propose to appoint the Luogotenente and the powers to be transferred in that case by the Crown on the Luogotenente. The Crown yesterday had a number of experts working on this proposal, and the Council hopes to receive a definitive proposal today. The Chief Commissioner concluded that that was the situation as he understood it as of this date.

Mr. Halford gave a brief review of the events leading up to the present situation as reported by the Chief Commissioner. By the evening of June 5th it was pretty well known that the republic had won by a majority of approximately 2,000,000

Declassified E.O. 12356 Section 3.3/NND No. 743017

Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau Heron de Villefosse, Major Leacacos, Colonel Weber, Mr. Cleveland.

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Mr. Halford gave a brief review of the events leading up to the present situation as reported by the Chief Commissioner. By the evening of June 5th it was pretty well known that the republic had won by a majority of approximately 2,000,000 votes. It was thought that the Court of Cassation, which had begun scrutinizing the ballots and examining appeals, would finish its labors by June 8th and declare the results on that date and that the King would leave for Portugal. De Gasperi stated on the evening of the 5th that the Government had done its work and the whole question was now in the hands of the magistrates, who would work according to their consciences and the law. On 6 June the Queen and the children left on the DUCA DEGLI ABRUZZI for Portugal. On the same day Romita issued a series of communications regarding public order, insisting on Italians observing respect for

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Declassified E.O. 12356 Section 3.3/NND No. 735017

the Royal House, for members of the Royal Family and court officials and their properties. He added that the emblem of the state bearing the Savoy coat of arms was still the emblem of the country until the Costituente decided otherwise.

On June 8th it became known through the press that certain groups of monarchists had entered protests against the legality of the referendum. The most important move was made by the Secretary of the Liberal Party and Minister Cattani who drew De Gasperi's attention to article 2 of the referendum which stated that the majority should be calculated on the total votes cast rather than on the total valid votes counted, i.e., if 26,000,000 votes were cast even though 2,000,000 were found to be technically invalid, the majority would have to be 13,000,000 and not 12,000,000. On June 10th the Court of Cassation made an announcement recording partial results, giving a total of 12,672,767 votes for the republic and 10,684,905 for the monarchy. 118 electoral sections were missing from the tabulation. It was announced that the Court would pass final judgment on the protests and claims before the complete results of the referendum were proclaimed. The Council of Ministers immediately went into session and at the conclusion of a long meeting issued a communique stating that the Council had taken note of the Court's findings which indicated a majority favoring the republic, that all Italians were expected to preserve order, and that June 11th was declared a holiday in honor of the republic. The 11th was half-heartedly observed as a holiday although the King had not yet left the country. In Rome, demonstrations took place in Piazza del Popolo celebrating the republic. Romita spoke in a very reasonable way assuring those people who had voted in favor of the monarchy that they had nothing to fear and would be treated as all other Italians, provided they accepted the results of the referendum as the rest of the country was doing. The meeting moved peacefully to the Viminale to pay homage to the Government. There have been no reports of disturbances in Rome although the morning papers carried accounts of rather widespread disturbances in Naples.

The Chief Commissioner also reported that on June 8th he had received a letter from Signor Benedetti, head of the Italian Monarchist Union, requesting scrutiny by Allied authorities of the material then and now before the Court of Cassation. It was in effect a request to the Allied authorities to intervene and to check, if not to supervise, the work of the Court. The Chief Commissioner forwarded Signor Benedetti's letter to the Prime Minister for such action as the Prime Minister might deem appropriate and had so notified Signor Benedetti.

2. Future of the Allied Commission

With reference to para 1 of Minutes of 5 June, the Chief Commissioner stated that while one of the supplementary agreements to the main agreement is ready, the other agreement is not completed and has not yet been handed to the Italian Government so that the situation is not substantially different than reported at the last meeting; that is, the question of signature is not immediately before the Italian Government. If the Costituente should be convened before the 24th as it may be in connection with the institutional crisis, its attention would no doubt be concentrated on settling that crisis. The Chief Commissioner believes the main and supplementary agreements will not be signed within the next ten days.

Mr. Halford reported that Sir Noel Charles communicated a preliminary draft of the British civil affairs agreement to the Italian Government on the evening of June 6th. He did not enter into any discussion but merely handed a copy of the document for the Italian Government to study. In the meantime, "Italian Ser[illegible]

Declassified E.O. 12356 Section 3.3/NND No. 750017

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3. CIP Strike

With reference to para 4 of Minutes of 5 June, Colonel Walton stated that there is no indication that the CIP workers will go on strike again at the conclusion of their truce on 15 June.

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

5. Guarding of Dumps

With reference to para 5 of Minutes of 5 June, Colonel Walton reported that the Economic Section is checking with the various U.S. and British disposal agencies to find out the exact requirements for guards before taking up the matter of providing the guards with the ministries and the service subcommissions.

6. Wheat

With reference to para 7 of Minutes of 5 June, Mr. Cleveland reported that the Italian Government has decided not to cut the ration during the period until the harvest, which is imminent. Stocks on 1 June were a little better than anticipated, and in addition wheat previously promised but not shipped is expected to start arriving in the latter part of June. Arrivals in July will probably be considerable. June loadings are expected to reach 240,000 tons, mostly from Argentina.

Colonel Walton stated that the cereal production for this year is estimated to be in excess of 3,000,000 tons over last year's production, with the increase of wheat estimated to be 33%. This was thought to be one reason why there has been no great increase in the black market prices of bread and flour. In this connection Brigadier Lush read excerpts from a letter received from Colonel Pennycuick in Naples stating that the black market price for bread is dropping near to the free economic rate, which probably indicates that farmers and speculators are unloading stocks in anticipation of a good harvest.

6. Coal

With reference to para 8 of Minutes of 5 June, Mr. Cleveland reported that the maritime strike in the U.S. may affect the coal situation in Italy, although UNRRA has made tentative arrangements with the union so that UNRRA cargoes will sail.

7. UNRRA Program

With reference to para 6 of Minutes of 5 June, Mr. Cleveland stated that UNRRA now has a pretty well laid out program for the rest of the year with less attention being paid now to requirements and more emphasis being laid on distribution, prices, and allocation. UNRRA is planning a conference of regional directors next week to plan most effective methods of assisting local agricultural agencies in the amassing program.

8. Public Order

Brigadier Carr stated that generally speaking, public order throughout Italy remained very satisfactory. One trouble spot has been Naples where several pro-monarchy demonstrations have led to disturbances. The Chief Commissioner requested that Brigadier Carr check with Colonel Pennycuick immediately on the disturbances reported in the papers as taking place yesterday in Naples, with 7 deaths reported.

9. La Spezia Harbor

Rear Admiral Warren reported that the entrance to La Spezia harbor has been widened and CINCMED has authorized Liberty ships to enter this port.

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

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Next Vice Presidents' Meeting: Wednesday, 19 June 1946, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commr
VP Civil Affairs Sec
VP, Economic Sec (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C(MMIA) (2)
Air Forces S/C
Executive Officer (A)
Exec Officer (B)
French Rep, AC
Soviet Rep, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

10 A

CC-551

11 June 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held Wednesday morning, 12 June 1946 at 1000 hours at the Chief Commissioner's Conference Room:

Chief Commissioner _____
Executive Commissioner _____
VP. Civil Affairs Section _____
VP. Economic Section _____
Executive Officer (A) _____
Executive Officer (B) _____
Navy Subcommission _____
Land Force Subcommission _____
Air Force Subcommission _____
Liaison Office (SC) _____
French Representative, AC _____
Soviet Representative, AC _____
Public Relations Branch _____
Chief Legal Advisor _____
Mr. Cleveland, UNRRA _____
Political Advisor (A) _____
Political Advisor (B) _____

11/6
POLITICAL SUB-COMMITTEE
N 784
WP
SECRET
4855

J. C. HEVELE
Major, Inf.
Staff Officer to CC

10B

SECRET

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner

CC 551/65

5 June 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 5 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Brigadier Carr, Major Temple, Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Major Leonidov, Lieutenant Colonel Cros, Major Leacacos, Colonel Weber, Mr. Cleveland.

1. Future of the Allied Commission

With reference to para 1 of Minutes of 31 May, the Chief Commissioner stated that there has been progress and that the terms of the revised armistice have been presented in the name of SACMED to the Italian Government, although they have not yet been made public. So far as is known, the two other documents which are to be executed simultaneously with the main agreement providing for maintenance of the U.S. forces and British forces in Italy have not been taken up yet formally with the Italian Government. The Chief Commissioner added that statements have been made in the Italian papers that in view of the elections the chances of a signature on the revised armistice in the immediate future are remote.

2. Military Display

With reference to para 7 of Minutes of 31 May, the Chief Commissioner stated that he had read in the papers that the display supposedly scheduled for 4 June has been postponed for a short time. Brigadier Lush stated that he had checked with Chief of Staff, AFHQ, and it was flatly denied that a parade would be held in Rome on 4 June. No mention of any other date was made.

3. Political Resume

Mr. Jones gave a brief resume of the general political situation. On the eve of the elections the King issued a proclamation to the people reaffirming his intention of accepting the decision of the people and stating that if the monarchy should win he would not be happy if there were large portions of the population dissatisfied with the outcome of the referendum and he would therefore accept a second referendum on the institutional question after the Costituente had completed its work. The Chief Commissioner observed that this statement might have been made as an appeal to those voters who were undecided, since such a proposal would in effect postpone the final decision.

During the week the King visited principal cities in the North and received a mixed reception, with both pro-monarchy and anti-monarchy demonstrations being

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

Vice Presidents' Meeting, 1000 hours, 5 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Brigadier Carr, Major Temple, Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Major Leonidov, Lieutenant Colonel Cros, Major Leacacos, Colonel Weber, Mr. Cleveland.

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During the week the King visited principal cities in the North and received a mixed reception, with both pro-monarchy and anti-monarchy demonstrations being staged.

On 2 June the Pope speaking to the College of Cardinals referred to the French and Italian elections, saying that the fundamental question was whether the people would remain true to their thousand years of Christian civilization or whether they would throw in their lot with a material state having no God.

In reply to Brigadier Lush's question, Mr. Jones said that the positions of the parties were not clear with respect to a second referendum on the results of the Costituente.

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4. CIP Strike

Colonel Walton stated that the CIP workers have agreed not to strike again until 15 June. The Italian Government has stated that if there is another strike they will assure essential deliveries of fuel.

5. Guarding of Dumps

A short discussion took place on the guarding of dumps and the Chief Commissioner directed that the last para of para 5 of Minutes of 31 May be complied with and that the heads of the Services Subcommissions get into the question of pooling resources in consultation with Colonel Walton. [illegible]

6. UNRRA Program

The Chief Commissioner welcomed Mr. Cleveland back to Rome and Mr. Cleveland gave a brief report of his visit to the U.S. It was agreed in Washington to ship food to Italy after the harvest and also to re-allocate to Italy money unspent as of 30 June. An additional 8,000,000 dollars was allocated to Italy, making the total UNRRA allocation to Italy, including the supplementary 1945 program, 425,000,000 dollars. The Chief Commissioner observed that since UNRRA had been willing to spend 50,000,000 dollars in 1945, this represented, in effect, an allocation of 375,000,000 dollars for 1946. Mr. Cleveland said that in terms of arrivals, one-third of the tonnage will have arrived in the first half of 1946 and two-thirds will arrive in the second half. Mr. Cleveland added that the present understanding is that the UNRRA program will continue in full operation through December but that no definite termination date for UNRRA will be set in order to permit UNRRA to carry through on long-lead procurement items.

7. Wheat

With reference to para 6 of Minutes of 31 May, Mr. Cleveland reported that the wheat situation is very bad. Although May loadings were expected to reach 154,000 tons, up to 29 May but 79,000 tons were loaded. May arrivals were about 150,000, but without diversions June arrivals will be considerably less than 100,000. Everything now depends on the amassing and how early the harvest can become effective. It was decided that no official cut would be made in the bread ration until after the elections, although Mr. Cleveland stated that it was his opinion that there will be insufficient wheat to maintain an organized ration system during June. Brigadier Lush stated that the LO in Sicily has reported a complete lack of flour in many districts. Mr. Jones stated that the Consul in Palermo was more worried about food riots than about the elections. Colonel Walton stated that it should be mentioned that an excellent crop is expected to be harvested in the South.

In reply to Brigadier Lush's question, Colonel Walton stated that the military authorities have not returned all loans made from civil stocks. In this connection, Brigadier Lush stated that AFHQ refused the request of the Italian Government for a loan of flour and were insisting on the return of 1000 tons loaned to the Italian Government for mid-shift meals and that the Italian Government having unsuccessfully asked for a loan of 25,000 tons up to June 30 were

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8. Coal

With reference to para 4 of Minutes of 31 May, Mr. Cleveland stated that it appears that the Italian Government is going to be able to allow an increase in coal consumption by reason of a reasonably good stock position and good expectations for the next couple of months. The assumption was made that absolutely no coal would be received during the coal strike in the U.S. but some coal has been coming in. A June allocation of 130,000 tons for Italy from the Ruhr has been made.

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9. National Elections

The Chief Commissioner introduced Major Temple who, he stated, has done outstanding work in connection with the national elections. Major Temple reported that the latest results on the voting for the Costituente show the party standing as follows (93% of the polling stations, 21,500,000 votes): Christian Democrats 7,598,783; Socialists 4,512,333; Communists 4,129,000; Democratic National Union (the so-called Nitti Group) 1,392,227; Uomo Qualunque 1,106,726; the Italian Republican party 954,753; and the rest of the votes were scattered. The distribution of seats in the Constituent Assembly will generally follow the votes cast because of the system of proportional representation used. In the Rome constituency the Christian Democrats polled 400,000 votes out of 1,200,000; Italian Republican party 188,000; Communists 148,000; Socialists 127,000; Uomo Qualunque 85,000.

The final announcement of the results of the elections takes place by 17 June because by that date the Court of Cassation must have heard all appeals.

Brigadier Lush stated that it should be recorded that the elections passed off with complete tranquillity with no reports of disturbances.

Air Vice Marshal Brodie reported that the Air Ministry has issued an announcement to the members of the air force to abide by the result of the elections. Admiral Warren reported that Admiral De Courten also made an announcement along the same lines.

Next Vice Presidents' Meeting: Wednesday, 12 June 1946, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch

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

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Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

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CC-551

4 June 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday Morning, 5 June 1946 at 1000 hours at the Chief Commissioner's Conference room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
V.P. Civil Affairs Section
V.P. Economic Section
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy Subcommission
Land Force Subcommission (USFIA)
Air Force Subcommission
Liaison Office (BC)
French Representative, AC
Soviet Representative, AC
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, USFIA

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J.C. RIVELY
Major, Inf.
Staff Officer to CC

SECRET

Air Force S/C 8A

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/64

31 May 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 31 May 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Colonel Walton, Brigadier Carr, Colonel Ross, Mr. Wesley Jones, Mr. Halford, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Lieutenant Colonel du Cros, Major Leacacos, Colonel Weber, Mr. Legg.

Brigadier Lush said he was sorry to announce that the Chief Commissioner was at present in the hospital and all would join in wishing his speedy recovery.

---

1. Future of the Allied Commission

Brigadier Lush stated that neither SACMED nor the Allied Commission had received the documents of the revised Armistice terms. He understood that some of the civil affairs agreements were the subject of telegrams at the moment but had not yet been received in full by Allied Force Headquarters. On receipt there they would be coordinated by SACMED before being sent to Rome. It did not seem likely that the revised agreement would be placed before the Italian Government in the very near future and the civil affairs agreements still had to be negotiated.

2. Political Resume

Mr. Halford gave a brief resume of the general political situation. The main feature was the electoral campaign. All prominent politicians had been on tour making speeches on their well-known party lines. De Gasperi had visited Palermo and Naples and toured the North. He was taking the line that Italians must vote according to their consciences and appealed for calm and order.

Togliatti spoke at Turin and over the Rome radio. He attacked the monarchy and recommended that voters make the election a republican triumph.

The King had made a tour and seemed to have been well received. At Palermo he had a great success.

The Government has been mainly concerned with preparations for the election, especially the maintenance of public order. The Ministry of the Interior was taking strong measures to preserve calm and open air meetings were banned for the two days prior to the election day.

In connection with the electoral campaign Brigadier Lush saw De Gasperi on 29

Declassified E.O. 12356 Section 3.3/NND No. 745017

Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Colonel Walton, Brigadier Carr, Colonel Ross, Mr. Wesley Jones, Mr. Halford, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Lieutenant Colonel du Cros, Major Leacacos, Colonel Weber, Mr. Legg.

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In connection with the electoral campaign Brigadier Lush saw De Gasperi on 29 May and told him that the Allied Governments no longer considered the institutional truce to be binding on the Italian Government. De Gasperi considered this a timely gesture and a certain amount of play had been made in the Italian press.

There had been several press reports on the amnesty. One story said the delay in signing was due only to the absence of the King but rumours were current that the King was refusing to sign as he considered the amnesty was not wide enough in scope

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and a new decree was in preparation. This version had been denied by De Gasperi. At a meeting of the Council of Ministers it was decided that the decree should be approved in principle but not promulgated until after the election.

The Council of Ministers had discussed the seizure of Italian fishing vessels by Yugoslavs in the Adriatic. It had been suggested that the Italian Government should restrict Italian fishing vessels within territorial limits. Protests had been made to the Embassies and Allied Commission and it was understood to be the Chief Commissioner's intention to send the problem to AFHQ. There was a complication in that the particular vessels seized were under contract to obtain fish for the Allied Command in Ancona. (Brigadier Lush said he had mentioned this matter to General Morgan, who had directed that action should be taken and it was understood that CinC Med had given orders for the complete patrolling of Northern Adriatic waters).

There was little new to say on the armistice terms. De Gasperi had stated that in addition to the preliminary draft of the revision document the Allies had indicated to the Italian Government the general lines of the new Civil Affairs agreements. The full text of these agreements was still being considered on the American and British side and it was possible that the Italian Governmentwould receive a preliminary draft next week but it was unlikely that they wouldbe able to do anything with this during the present election period.

(Brigadier Lush denied the press reports that General Morgan had seen De Gasperi on May 29th).

May 24th, the anniversary of Italy's entry into the Great War in 1915, went off quietly. Leading representatives of all parties attended ceremonies at the tomb of the Unknown Warrior.

Generally speaking it had been very quiet throughout last week and there had been no serious disturbances. (Brigadier Lush said this impression was reflected in reports received from liaison officers).

3. National Elections

Brigadier Carr gave a brief report on the situation as regards undelivered electoral certificates. As of about the middle of May reports from about 70 provinces indicated that on an average about 10% of certificates were undelivered. The situation would improve before the end of May. In some provinces the percentage was above 10% and in such cases the Italian Government were taking special action. Local Government Subcommission considered the situation satisfactory.

Brigadier Carr said that June 17th was the date by which the Court of Cassation Rome must announce the official results of the elections and the referendum. Brigadier Lush said that the Prime Minister had stated that the result of the elections would be available on or before 12 June. Brigadier Carr considered this estimate optimistic if he referred to the official results. Local results would be available from the press from June 5th onwards.

Brigadier Lush said he had seen a report of a speech by De Gasperi expressing regret that some POW's would be unable to vote. The Prime Minister had made a recorded speech which was being sent to London. On Sunday evening that speech would be broadcast by the BBC to all Italian POWs in camps throughout the world.

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Orders were being issued to the armed forces by the Ministry of War. It was understood that the Air Minister had issued a declaration to the Italian air force and Rear Admiral Warren said he would be seeing the Minister for Marine with a view to a similar proclamation being made to Italian naval personnel.

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The Prime Minister was examining the possibility of the King making a declaration to the Italian armed forces at some suitable time after the elections.

Public order was good.

4. Coal

Colonel Walton said there was no change in the situation. The U.S. coal strike is over and it may be expected that U.S. coal will again commence moving to Italy.

5. Guarding of Dumps

Colonel Walton stated that an appeal had been received for personnel for guard duties. It had been suggested that civilians should be employed as guards as no carabinieri could be spared for this task.

Major General Browning said it was not the duty of the Army nor CCRR to provide guards for dumps, and it was undesirable to do so. New units were being formed and the provision of guards would mean the scattering of men into small groups to the detriment of the training, etc. It was true that the number of carabinieri had been increased, but the new intake was required for replacements and to make up small stations.

Brigadier Lush said the Italian Government were paying a large number of Italian air force personnel over and above the ceiling and suggested those men might be employed as guards.

Colonel Walton expressed concern about large stores of ammunition and Major General Browning agreed that the Army might help in such cases if the ammunition was required by them. Brigadier Lush stated in that connection that General Lee had seen the Chief Commissioner and asked him to make quite certain that all dumps taken over by ARAR in the Naples area were handed over to the Italian Government and guarded by Italian personnel by 15 June.

Rear Admiral Warren said no Italian naval personnel were available for guard duties.

Brigadier Lush said it seemed that civilians must be used as guards. He requested Heads of Service Subcommissions to go into the question of pooling resources in consultation with Colonel Walton.

6. Wheat

Mr. Legg said the situation showed little change. He had already given information of the stock position and the attempt of the Italian Government to obtain help from another source than UNRRA. (Brigadier Lush said this referred to a request from the Italian Government and UNRRA to AFHQ to lend 25,000 tons of grain. AFHQ had replied that this could not be supplied from U.S. or British military sources and the application was refused.).

Grain stocks in certain regions would be exhausted between 1 and 7 June and

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Grain stocks in certain regions would be exhausted between 1 and 7 June and the supply situation in those regions would become a day to day supply problem and to some extent they would be thrown back on their own reserves and supplementary amassing.

The supplementary amassing had not been successful, only 50% of the lower target figure of 75,000 tons having been obtained.

Urgent requests had been received from Sicily to increase deliveries. They had amassed only 17% of the target figure. UNRRA were planning to help and it was anticipated that supplies from the harvest would be available between 15 and 20 June. The Regional Director had received instructions that every effort must

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Declassified E.O. 12356 Section 3.3/NND No. 745017

be made to intensify harvesting and the distribution of indigenous grain. A similar situation arose in the Southern regions. There would be bad spots in Emilia and Toscana.

The plan was to put incoming shipments into the cities and throw the rural areas on to their own resources. The Italian Government was still hoping for two or three extra ships.

Arrivals during May were 154,000 tons. Washington had indicated that May allocations may be increased for arrivals in June.

Known arrivals for June were very bad. Only 43,000 tons were scheduled to arrive between 3 and 22 June. (Brigadier Lush said that Colonel Montague had sent in an optimistic report from Sicily which he would show to Mr. Legg).

Mr. Legg said that although no official cut in the ration had been made, it would be reduced automatically, region by region, owing to lack of grain.

The situation was good in regard to other foodstuffs, and there would be no widespread famine.

Harvest prospects for food and fodder were excellent.

The new amassing decree had been published in the Official Gazette but the decree on prices for cereals had not yet been issued.

7. Military Display

Brigadier Lush said there was no truth in the press reports of an Allied and Italian military display on 4 June.

Next Vice Presidents' Meeting: Wednesday, 5 May 46, 1000 hours

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J. C. PIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)

Declassified E.O. 12356 Section 3.3/NND No. 735017

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Executive Commissioner
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VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMLA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland - UNRRA

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HEADQUARTERS ALLIED COMMISSION
Off of the Chief Commissioner

29 May 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Friday Morning, 31 May 1946 at 1000 hours at the Chief Commissioner's Conference room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
V.P. Civil Affairs Section
V.P. Economic Section
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy Subcommission
Land Force Subcommission (MGIA)
Air Force Subcommission
Liaison Office (ZC)
French Representative, AC
Soviet Representative, AC
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, UNRRA

HEADQUARTERS SUB-COMMISSION ALLIED COMMISSION ROCKEY ROCK

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J.O. RIWELY
Major, Inf.
Staff Officer to CC

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Air forces

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/63

22 May 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 22 May 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Brigadier Carr, Lieutenant Colonel Neprud, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Colonel Kerr, Commander Bahlman, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber.

1. Future of the Allied Commission

With reference to para 2 of Minutes of 15 May, the Chief Commissioner stated that reports indicate that the AC will be abolished under the main armistice revision agreement approved by the Council of Foreign Ministers. Just how soon that will be is not known because presumably the date of execution of the main agreement will depend on the readiness to sign the additional agreements on behalf of the U.S. and U.K. on the maintenance and pay of the American and British forces respectively still remaining in Italy. Copies of the agreements have not been received.

2. Foreign Purchasing Missions in U.S.

With reference to para 8 of Minutes of 15 May, Colonel Walton stated that the Ministry of Foreign Trade has received informal advice from the Italian Embassy that they did not believe the State Department's proposal would affect the Sacerdoti Mission. In any case, it is not expected that the State Department plan will be implemented quickly.

3. CIP Strike

With reference to para 9 of Minutes of 15 May, Colonel Walton reported that the CIP workers have returned to work under a truce, but it is not believed that they will strike again on the termination of the truce. AVM Brodie reported that Italian courier flights have been resumed.

4. Political Resume

Mr. Jones gave a brief resume of the general political situation. Most papers have treated the news of the armistice revision factually and without comment. Some papers were consoled by the revision in the face of the failure to agree on the peace treaty, while others were not impressed by the revision as a substitute for the peace treaty. The Prime Minister reported to the press a rough outline of the revision, carefully pointing out that it is not a modus vivendi. He did express pleasure that Italy's cobelligerency has been officially recognized. He pointed out that the revision would be presented to Italy already signed and Italy would therefore not be able to negotiate but would have to either accept or reject the

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

Conference Room, Headquarters, Allied Commission, Rome.

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With reference to para 2 of Minutes of 15 May, the Chief Commissioner stated that reports indicate that the AC will be abolished under the main armistice revision agreement approved by the Council of Foreign Ministers. Just how soon that will be is not known because presumably the date of execution of the main agreement will depend on the readiness to sign the additional agreements on behalf of the U.S. and U.K. on the maintenance and pay of the American and British forces respectively still remaining in Italy. Copies of the agreements have not been received.

2. Foreign Purchasing Missions in U.S.

With reference to para 8 of Minutes of 15 May, Colonel Walton stated that the Ministry of Foreign Trade has received informal advice from the Italian Embassy that they did not believe the State Department's proposal would affect the Sacerdoti Mission. In any case, it is not expected that the State Department plan will be implemented quickly.

3. CIP Strike

With reference to para 9 of Minutes of 15 May, Colonel Walton reported that the CIP workers have returned to work under a truce, but it is not believed that they will strike again on the termination of the truce. AVM Brodie reported that Italian courier flights have been resumed.

4. Political Resume

Mr. Jones gave a brief resume of the general political situation. Most papers have treated the news of the armistice revision factually and without comment. Some papers were consoled by the revision in the face of the failure to agree on the peace treaty, while others were not impressed by the revision as a substitute for the peace treaty. The Prime Minister reported to the press a rough outline of the revision, carefully pointing out that it is not a modus vivendi. He did express pleasure that Italy's cobelligerency has been officially recognized. He pointed out that the revision would be presented to Italy already signed and Italy would therefore not be able to negotiate but would have to either accept or reject the revision.

In regard to the amnesty law that the King had proposed and whichthe left wing had attacked, the Government announced that the King's proposal coincided with an amnesty law which was being prepared and which would be announced after the elections. It was agreed to issue immediately a limited amnesty to prisoners serving sentences up to six months.

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The Council of Ministers decided to prohibit open-air meetings for the two days preceding elections. The Government is so pleased with the way things are going that no other restrictions are planned for the moment. General Cadorna issued an order of the day urging each soldier to do his duty as a citizen and vote as he thinks best and stating that whatever the results of the election, each soldier must remain at his post and defend the people's decision. A similar order of the day was put out to all carabinieri. In this connection the Chief Commissioner suggested to AVM Brodie and Commander Bahlman that theAir Forces S/C and the Navy S/C urge the Italian Air Force and Navy to issue similar proclamations to their forces.

Rome 11

De Gasperi spoke at Verona and in reference to the French referendum on the constitution he suggested a similar referendum in Italy. He said this was more important than the referendum on the institutional question, which was "virtually settled." (Major Loacacos stated that he believed De Gasperi meant that the process for determining the institutional question was settled and not the result of the referendum). De Gasperi said that the Italians in the Costituente must be careful to avoid the road leading to a single party and must insure full protection of individual liberties, a bicameral legislative system, and an independent judiciary and executive.

The Council passed a motion with reference to the various celebrations and ceremonies to be held by war veterans on the 24th providing that the participants must remain in their own provinces on that day and prohibiting movements between provinces for meeting purposes.

5. National Elections

With reference to para 3 of Minutes of 15 May, the Chief Commissioner stated that following publication in certain papers of statements that signatures were being secured for petitions urging postponement of the referendum on representations that the Chief Commissioner was interested in having petitions prepared, it was found necessary to make a general release of the same statement with regard to postponement of the election date as appears in para 3 of Minutes of 15 May. This statement was given rather wide publicity in the press. Mr. Jones said that the statement was well received, better by the center and left papers than by the right. The Chief Commissioner stated that BUONSENSO said postponement of the elections was the concern of AC and took the precise line of the petitions, thereby identifying the Uomo Qualunque movement to a certain extent with the postponement movement.

The Chief Commissioner reported that the LO's in the field have reported no solicitations for postponement. They have also reported that generally speaking the issuance of certificates has been quite successful. The Chief Commissioner asked Brigadier Carr to keep posted on the issuance of certificates in the Rome area, adding that if the situation is not corrected the matter would be taken up with the Prime Minister.

6. Coal

With reference to para 6 of Minutes of 15 May, Colonel Walton reported that there have been important developments. The European Coal Organization has allocated

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6. Coal

With reference to para 6 of Minutes of 15 May, Colonel Walton reported that there have been important developments. The European Coal Organization has allocated to Italy for delivery between now and the end of June roundly 200,000 tons of coal, including 133,000 tons from the Ruhr. The total of coal promised from all sources for arrival before end of June is 336,000 tons.

7. Wheat

With reference to para 5 of Minutes of 15 May, Colonel Walton reported that there is no remarkable change in the wheat situation. UNRRA still believes a cut in the ration is necessary but no arrangements have yet been made to effect a

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reduction in the ration. Wheat arrivals in June are expected to be 150,000 tons, including 100,000 from Argentina, although from past experience there is a reasonable doubt the Argentine wheat will actually arrive in June. 273,000 tons of wheat are required monthly to maintain the present ration. On the special amassing program, up to 13 May 6,000 tons of cereals have been amassed, or about 8% of the target figure. UNRRA now estimates that the amassing might reach 24,000 tons, although this figure seems somewhat optimistic.

8. Repatriation

Colonel Kerr reported that 12,407 POW's have been returned to Italy during the week, bringing the total for the month to 23,235. Commander Behlmer reported that practically all POW's have been returned from Phillippeville and that after one more round trip to Casablanca, French North Africa will be cleared of Italian POW's.

9. Public Order in the North

Colonel Kerr reported briefly on his trip through the North. He stated that the carabinieri are very much improved, with new arms and equipment, high morale, and confidence in their ability to maintain public order. The Italian combat outfits are at a high peak of efficiency and capable of performing any job they are called on to do. The prefects in the North are calling for small detachments of two or three carabinieri for each polling booth but the carabinieri commanders are resisting that plan. It is probable that men from the territorial regiments will be assigned to these polling places. In the Bolzano area the new prefect seems to have materially improved the situation. He is a career prefect and seems to have materially improved the situation. He is a career prefect and seems to have the confidence of both Austrians and Italians. The Italians put on a military ceremony to receive U.S. decorations at Bolzano and the show of strength to the Austrian population had a very desirable effect. The situation in the North generally is much improved and quiet.

10. Distribution of Medical Supplies

With reference to para 11 of Minutes of 15 May, Brigadier Carr stated that the success of the Italian Government scheme for the distribution of medical supplies depends on the speed with which returns which have now been called for are received from the hospitals. Colonel Walton stated that UNRRA recommended that a meeting be held on this subject but that he had replied that a meeting was not necessary at this time because arrangements had been laid on. UNRRA was not particularly satisfied, feeling that too much reliance was being placed on a scheme. The Chief Commissioner directed Colonel Walton to keep checking the success of the scheme and stated that so long as AC is in operation this matter must be pressed to see that the supplies get to the people.

11. Displaced Persons

Brigadier Lush reported that it is necessary for AC to take over up to eight camps for displaced persons due to the inability of UNRRA to accept under their charter responsibility for some 5,000 refugees who are either dissident displaced persons or who have not definitely given aid to the Allies during the war. The IGCR is having a meeting in June on this question and have said that they may possibly be able to help. At present IGCR is planning for caring for refugees after UNRRA and military responsibility ceases.

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12. Derequisitioning

Colonel Walton reported that a letter has been received from the Italian hotel union making a strong appeal for further consideration on the matter of requisitioning. It appears that there is still a good deal of requisitioning going on, with some derequisitioned hotels being re-requisitioned. In general the Economic Section has not taken any action on derequisitioning except with regard to industrial plants. Brigadier Lush suggested that the letter be used as a lever to make

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representations to AFHQ on the situation in Rome and in Milan, where a number of Medloc hotels are not used. The Chief Commissioner added that this would have to be considered with respect to the arrival of Allied military dependents, stating that the wholesale requisitioning at the Lido in Venice has been a sore point.

13. CINCMED Visit to Rome

The Chief Commissioner reported that he had been very happy to welcome the new CinCMed, Admiral Sir Algernon Willis, who is in Rome for a short visit.

Next Vice Presidents' Meeting: Friday, 31 May 1946, 1000 hours

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DISTRIBUTION:
Chief Commissioner
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VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMLA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland - UNRRA

J. C. RIVELY
Major, Inf.
Staff Officer to CC

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Next Vice Presidents' Meeting: Friday, 31 May 1946, 1000 hours

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6A

HEADQUARTERS ALLIED COMMISSION
Duties of the Chief Commissioner

CC-551

21 May 1946

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 22 April 1946 at 1000 hours at the Chief Commissioner's Conference room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
V.P. Civil Affairs Section
V.P. Economic Section
Executive Officer (A)
Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy Subcommission
Land Force Subcommission (MMIA)
Air Force Subcommission
Liaison Offine (AC)
French Representative, AC
Soviet Representative, AC
Public Relations French
Chief Legal Advisor
Mr. Cleveland, USFA

AIR FORCES SUB. COMM. MMIA 358/2/07

4044

J. C. RIVELY
Major, Inf.
Staff officer to CC

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/62

15 May 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 15 May 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Brigadier Carr, Colonel Neprud, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Colonel Imrie.

1. Abdication of the King

The Chief Commissioner reported that on May 9th the abdication of the former King of Italy took place. The Chief Commissioner stated that there has been some misunderstanding in one or two of the papers as to the role which he is supposed to have played, and in order to clear up any misunderstanding the Chief Commissioner desired to state that he had nothing to do with the abdication whatsoever. He was not present when the abdication took place but was asked by the former King if he would come to Naples to see the King before his departure. The conversation was personal and had no political significance, although the King did thank the Chief Commissioner on behalf of the Allies for what the Allies have done in their efforts to help Italy. However, before the abdication and after advice had been received of the imminence of the abdication, the Chief Commissioner did send a letter to the Prime Minister based on a directive from the CCS stating that should the abdication take place the AC saw no reason for action or comment because such abdication would not affect the constitutional powers already held by the Crown Prince. It is clear that the CCS felt that this was purely an internal Italian matter and since Umberto, as his proclamation stated, assumed no more powers by becoming King than he held as Luogotenente, the status quo has not been altered.

2. Future of the Allied Commission

With reference to para 2 of Minutes of 9 May, the Chief Commissioner stated there is still no definitive news of any change with respect to future activities of the AC. However, press dispatches have reported that from time to time during the Paris peace negotiations reference has been made to revision of the armistice regime in the event that an early agreement is not reached on the peace treaty. It is probable that such a revision would affect the future of the AC.

3. National Elections

The Chief Commissioner reported that as head of the AC he has been approached by a number of people, some of them bearing letters addressed to him, asking that the Allies intervene to postpone the national elections and the referendum. The Chief Commissioner has refused categorically to take any such action and has

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

Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Brigadier Carr, Colonel Neprud, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Colonel Imrie.

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Italians will be prevented from voting.

4. Political Resume

Mr. Halford gave a brief resume of the political situation. He reported that the big event during the week had been the abdication of the former King, which took place as officially stated at midday on May 9th. The abdication had been signed by the former King in favor of his son. The ex-King had left Naples on the same day with the Queen and a few aides and servants on board the Italian cruiser DUCA DEGLI ABRUZZI. De Gasperi had issued a statement to the press on the same evening in which he stated that the change in the Head of the State should not affect the pledge of the Crown to accept the result of the referendum. The abdication had caused an immediate protest by Togliatti who said that such a step was a violation of the institutional truce, and that even if the referendum was favorable to the monarchy the decision on the person of the King rested with the Costituente. De Gasperi had received a letter from the new King stating that his father's abdication had given him the succession but that it did not alter his powers in any way and he confirmed his pledge to be bound by the result of the referendum. The full council of ministers debated the situation on May 10th, with Togliatti opening the debate with a formal protest that the abdication had violated the institutional truce. Agreement was finally reached by deletion of the words "by the grace of God and the will of the nation" from the King's title. It was decided that official documents would be headed "Umberto II, King of Italy." The King's proclamation to the people was published the same day and pledged free elections and conformance to the will of the people. A number of demonstrations had been held by both monarchists and republicans.

During the week De Gasperi reported to the Council of Ministers that he had made it clear to the Council of Foreign Ministers in Paris that no Italian Government could accept the loss of Trieste and that he had refused to listen to offers of colonial compensation in exchange for Trieste. He had expressed the hope that Italy might be allowed to retain her Navy as part of the international force in the service of the United Nations. The Foreign Ministers had now in effect agreed that Italy's African colonies should remain as United Nations mandates administered by Italy. De Gasperi also reported that he had talked with Foreign Minister Molotov who had insisted that De Gasperi remain in Paris to meet the Yugoslav representatives.

Various electoral speeches were made over the week-end. De Gasperi spoke in Rome on Saturday and discussed the problem of monarchy versus republic, a speech that was interpreted by many monarchists as an indication of De Gasperi's preference for the monarchy. What he actually said, however, was that if the people desired a republic they should be sure that it was a really free and democratic republic and not a republic dominated by one party. On the same day Nenni in Milan affirmed that no reactionary force in the country could prevent the holding of elections on June 2nd. He said the alliance between the Socialists and Communists would be continued in order to guarantee a rebirth of democratic life in Italy. On the 12th, Sunday, De Gasperi spoke in Trento and referred to attempts being made to postpone the elections, declaring that the formal pledge on the part of the King and nation would hold good and the elections would be held June 2nd. Count Sforza at Milan declared that a republic stood for stability and the monarchy for adventure. At Palermo Togliatti said that the Communists recognized the right of Sicilians to autonomy within the framework of the Italian union.

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The new King had instructed the Government to prepare a list of persons to be granted amnesty, a normal procedure for a new King. However, the left wing was apparently attempting to deny the King this right. The Chief Commissioner observed that this might be interpreted as an exercise of power or privilege not held by Umberto as Luogotenente.

5. Wheat

With reference to para 7 of minutes of 9 May, Colonel Imrie stated that the wheat situation has deteriorated. The supplementary amassing campaign is not in

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UNRRA's opinion likely to come up to expectations as only 2000 tons of the Italian Government target figure of 69,000 tons of wheat has been amassed up to May 10. Further information on loadings in the U.S. and the Argentine indicates that May might be a poor month for loadings. The result is that if things do not improve it will be necessary to recommence discussions on a reduction in the bread ration.

6. Coal

With reference to para 5 of Minutes of 9 May, Colonel Walton stated that no information has been received of any increases in loadings. There has been a truce in the coal strike in the U.S. but most of the coal produced during the truce will probably be required for domestic use.

7. Foreign Trade Committee

Colonel Walton reported that he had attended a meeting with Italian Government officials, UNRRA and Embassy representatives on the formation of a foreign trade committee. The committee is limited to exchange of information and advice on the control and revival of Italian foreign trade in general. The Italians have invited AC representation on the committee and the Chief Commissioner authorized Colonel Walton to accept.

8. Foreign Purchasing Missions in U.S.

The Chief Commissioner stated that he has read news dispatches from the U.S. stating that the U.S. Government has sent word to the various foreign purchasing missions in the U.S., including Italy, asking that the purchasing missions withdraw and cease activity and that foreign trade negotiations revert to private channels. He asked if this would affect the Sacerdoti mission. Colonel Walton was asked to check on this.

9. CIP Strike

Group Captain Jarman stated that the CIP strike has caused cancellation of all Italian courier flights. Colonel Walton stated that the strike was for pay increases and that the company is attempting to withstand these demands. No immediate settlement is foreseen. The Chief Commissioner directed Colonel Walton to check with UNRRA to see if UNRRA is taking any interest in this question since the distribution of UNRRA supplies by the Italian Government must have UNRRA agreement. The Chief Commissioner observed that there was no point in UNRRA bringing in POL supplies if the Italian Government does not distribute the supplies due to strikes or any other reasons.

10. Civil Aviation

The Chief Commissioner reported that according to a State Department broadcast, the U.S. Government has advised both TWA and the British Government that the State Department does not support certain exclusive features in the TWA agreement with the Italian Government for the establishment of internal civil airlines and that the State Department has advised TWA that upon modification of the exclusive features of the contract the State Department would then support it. It was further stated that joint British participation in a company in which an American company is interested was not supported by the State Department.

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11. Distribution of Medical Supplies

With reference to para 6 of Minutes of 9 May, Brigadier Carr reported that a meeting was held last week with the head of ENDIMEA on the question of the distribution of medical supplies. The Treasury has agreed to establish a credit of 200,000,000 lire to enable supplies to go to most needy hospitals. On 14 May the High Commissioner for Public Health and Treasury representatives agreed that all medical supplies at present in warehouses of ENDIMEA are to be distributed under a coordinated plan by the end of December 1946, at which time the Italian Government expects to have production of medical supplies under way. When hospital demands have been filled, supplies will be furnished to various welfare organizations

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and when those demands have been filled, supplies will be made available for purchase by pharmacies. The Chief Commissioner asked Brigadier Carr to have the head of the Public Health S/C follow through.

12. Public Order during Elections

Brigadier Lush stated that he has asked all liaison officers in the field for their opinions on the state of public order during and after the elections and the consensus of opinion is that generally sporadic disturbances may be expected but nothing very much more. No general intimidation by any political party is expected. The liaison officer in Emilia Region does detect a certain amount of organization to stir up disturbances and is more concerned than other liaison officers.

13. Food Situation

Brigadier Lush reported that he received a long report from a liaison officer the other day stating that his personal opinion is that the food situation is far better than the Italian Government would allow us to believe. The CLO states that there is a great deal of hoarding but in actual fact there is no starvation or approach to starvation. He adds that in his opinion the continued import of food is an extravagance that the Italians do not deserve, because their distribution system is at fault. Brigadier Lush added that this memorandum did reflect opinions appearing in British service papers. The Chief Commissioner stated that if distribution is faulty, it involved the Italian Government and UNRRA and that AC is not involved.

Next Vice Presidents' Meeting - Wednesday, 22 May 1946, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

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Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (6)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Liaison Officer (EC)
Public Relations Branch
American Ambassador

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

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Executive Commissioner
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VP, Economic Section (6)
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Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMLA)
Air Forces S/C
Executive Officer (A)
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French Representative, AC
Soviet Representative, AC
Liaison Officer (EC)
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Chief Financial Advisor, AC
Chief Legal Advisor, AC
Mr. Harlan Cleveland - UNRRA

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC-551

14 May 1946

5A

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 15 May 1946 at 1000 hours at the Chief Commissioner's Conference room.

DISTRIBUTION:
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Executive Commissioner
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V.P. Economic Section
V.P. Establishment Section
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Land Force Subcommission (MFIA)
Air Force Subcommission
Liaison Office (NC)
French Representative, AC
Soviet Representative, AC
Public Relations Branch
Chief Financial Advisor
Chief Legal Advisor

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/61

9 May 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 9 May 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Colonel Walton, Brigadier Carr, Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Loacacos, Colonel Weber, Colonel Legg.

1. Chief Commissioner's Visit to Washington

With reference to para 1 of Minutes of 3 May, the Chief Commissioner stated that the remarks made with regard to the Italian Partisan movement reflected his own personal opinion and were not of course intended to commit his French colleagues in AC to the same point of view.

2. Future of Allied Commission

With reference to para 2 of Minutes of 9 May, the Chief Commissioner stated that there was nothing new to report on the future of the Allied Commission.

3. Political Resume

Mr. Jones gave a brief resume of the current political situation. The Council of Foreign Ministers meeting in Paris has continued to attract the most attention. After presenting Italy's position with regard to Venezia Giulia to the Council, the Prime Minister gave two press conferences and said that he had told the Foreign Ministers that of the four proposals submitted for the solution of the Yugoslav-Italian frontier, he preferred the American solution which was close to the Wilson Line and gave Italy the Arsa coal mines. He said that the Italian fleet had loyally fought alongside the Allies for two years, and that reports from Paris on the disposition of the Italian fleet had caused violent repercussions. De Gasperi stated that it was absolutely impossible for Italy to pay reparations. With regard to Mr. Byrnes' proposal to withdraw Allied troops and abolish the armistice terms, De Gasperi stated that he had learned some time ago of the American proposal to abolish the Allied Commission and to remove troops from Italy and that he had welcomed the proposals, not because Allied control has been paralyzing but in order to give the Italian people an impression of new freedom.

At the Liberal Party congress, a pro-monarchy motion was passed by a vote of 412 to 261, which makes the Liberal Party the first CLN political party to declare

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

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Present: Rear Admiral Stone, Colonel Walton, Brigadier Carr, Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Colonel Legg.

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At the Liberal Party congress, a pro-monarchy motion was passed by a vote of 412 to 261, which makes the Liberal Party the first CLN political party to declare itself in favor of the monarchy.

The Monarchists had a mass meeting on the Palatine with a crowd estimated by American observers at 50,000. The crowd proceeded to the Palace to cheer the Prince who appeared several times with his young son. On 8 May a crowd of several hundred monarchists demonstrated in front of the American Embassy and sent in a delegation asking that Trieste be retained by Italy and that the forthcoming elections be free from coercion.

Togliatti spoke to a Communist gathering at the Adriano Theatre Sunday May 5. He stated that with respect to Liberal criticism of Marxist economic theories,

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almost all European countries had nationalized industrial and banking institutions. He stated that the religious issue was no problem because everyone recognized the importance of religious traditions to Italians. He invited all neo-fascists, with the exception of Fascist criminals, to become converted to the democratic way of life. He said that the wages paid to labor do not cover half the expenses of normal living. He paid tribute to De Gasperi's efforts in Paris. With regard to French and Yugoslav claims on Italy, he stated that he would like to remind his French comrades that if fascism had flourished in Italy, it had received strong support from French reactionary sources. With regard to reparations, he said that the Communist Party has been severely criticized for pointing out the payments which the Allies have already exacted from Italy but that they should be considered in any general reparations discussions. He favored the retention of Trieste by Italy, and stated that he did not want Italian foreign policy inspired by Washington, London or Moscow, and still less by Vatican City.

The Socialists held a rally also on Sunday and Nenni spoke urging the retention of Trieste and favoring the Wilson Line as the appropriate Yugoslav-Italian frontier. He stated that he was willing to accept trusteeships of Italian colonies, but added that Italy should devote its attention more to its economic than its political problems.

4. Illegal Transportation of Rice

The Chief Commissioner reported that a delegation of men who had brought down rice from Genoa apparently to sell on the black market in the South had had the rice taken from them by the police, with no receipts given for it, had called at his office on the 9th and had been referred to the Economic Section. Colonel Walton stated that these men were illegally transporting foodstuffs and that the railroad police had confiscated the food. The men were complaining because they were afraid the police would keep it for themselves. In any case it is strictly an Italian Government matter.

5. Coal

With reference to para 5 of Minutes of 3 May, Colonel Walton reported that the situation with regard to coal is unchanged.

6. Italian Distribution of Supplies

With reference to para 6 of Minutes of 3 May, Colonel Walton stated that a meeting was held last week with representatives of the American Embassy, UNRRA and AC in attendance and a further meeting is to be held 9 May to discuss the question of undistributed goods in Italy. With regard to medical supplies, the Italian Government has made an appropriation to cover hospitals now unable to buy those medical supplies. Colonel Legg stated that UNRRA has investigated and has found a considerable measure of disagreement in the Italian Government itself. Brigadier Carr stated that he understands ENDIMEA claims their organization is able to distribute supplies on instructions from the High Commissioner for Public Health, which permission is expected in the near future. The Chief Commissioner requested that an Aide Memoire be prepared on the subject of the failure to distribute these medical supplies so that he could present it to the Prime Minister.

7. Wheat

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7. Wheat

With reference to para 4 of Minutes of 3 May, Colonel Legg stated that there had been imminent danger of a reduction in the bread ration but that after negotiations with the Italian Government it was decided to hold the present ration through May on condition that the Government's supplementary amassing program would form part of the maintenance of the ration. The success of the amassing program is to be reviewed on 15 May by UNRRA. UNRRA is working closely on the amassing plan at present. Other food supplies are coming in normally. A cable was received from Mr. La Guardia urging the Italian Government to crack down on the black market dealings in food and control of restaurants.

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S E C R E T

Next Vice Presidents' Meeting - Wednesday, 16 May 1946, 1000 hours

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J. C. RIVELY
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Staff Officer to CC

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VP, Civil Affairs Section
VP, Economic Section (6)
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Political Advisor (B)
Navy S/C (3)
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Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Liaison Officer (EC)
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Chief Financial Advisor, AC
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Mr. Harlan Cleveland - UNRRA

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Political Advisor (B)
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Liaison Officer (EC)
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Chief Financial Advisor, AC
Chief Legal Advisor, AC
Mr. Harlan Cleveland - UNRRA

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/60

3 May 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 3 May 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Colonel Ross, Brigadier Carr, Mr. Jones, Mr. Halford, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Lieutenant Colonel Wilbe-Jones, Colonel Weber.

1. Chief Commissioner's Visit to Washington

The Chief Commissioner expressed pleasure at being back and gave a brief report of his trip to Washington. He stated that there appears to be definite sympathy in Washington for the Italian problem, although this might not be evident from the recent news from Paris. In the latter connection, the Chief Commissioner stated that the difficulty may be that those most familiar with the problem are not doing the negotiating. From the President on down in Washington there was every desire manifested to assist Italy. The position taken by the Chief Commissioner with the President and others was that Italy had three immediate needs: (1) food, (2) fuel and raw materials, and (3) a just peace. These needs should be met as speedily as possible because early next month the elections and the referendum will take place which will decide the future course of Italy for many years to come. The Chief Commissioner stated that he had represented in Washington that the peace with Italy should give full recognition to Italy's contributions to the Allied war effort since her declaration of war against Germany. The Chief Commissioner found both in Washington and London that Italy's war contribution to the Allies is almost unknown. Consequently, the Chief Commissioner particularly stressed the work of the Italian Navy, Air Force, Army, and the Partisan movement. He stated that it was the opinion of Allied authorities that the Italian Partisan movement was not surpassed by any other partisan action, as evidenced by the excellent condition of the industries in the North after the German surrender.

2. Future of Allied Commission

With reference to para 1 of Minutes of 24 April, the Chief Commissioner stated that his telegram to SACMED stated that the CCS were prepared to consider revision of FAN 650. After some discussion, the U.S. State and War Departments were prepared to reverse their previous position and rather felt they had been wrong in imposing their views on the Theater Commander, and if in fact SACMED would prefer a different directive, they would try to conform to his views. The British delegation to the CCS, headed by Field Marshal Wilson, gave the Chief Commissioner just as good a reception. However, since that time there is some evidence that the British Foreign Office are not disposed to modify FAN 650. In essence, the position taken by the Chief Commissioner was that AC should continue for the time being obviously reduced in size and obviously shorn of certain functions which, because of earlier directives, have begun to pass to other agencies; namely, UNRRA, and the two Embassies. Just how the matter will work

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

...ission, Rome.

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3. Political Resume

Mr. Halford gave a brief resume of political events during the past week. The Christian Democrat party held its national congress from April 24th to 27th. De Gasperi estimated the present strength of his party to be 1,500,000. After

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heated debate, a motion was introduced to the effect that the Christian Democrat party favored a republic, and delegates representing 740,000 voted in favor of the resolution, while 254,000 votes were recorded against the resolution. This declaration by the Christian Democrats in favor of a republic is bound to have an effect on the political thinking of the country.

The news with regard to Italian frontiers, reparations and colonies that has been coming from the conference at Paris has provoked bitter opposition in the Italian press. At the Liberal Party congress, statements were made that Italy could not afford to sign a peace treaty that would so humiliate her. On Wednesday the Italians received an invitation to send representatives to present the Italian view with regard to Venezia Giulia, and on Thrusday Prime Minister De Gasperi, accompanied by Ambassador Carandini and a number of technicians and experts, took off for Paris.

The Liberal Party held its congress from April 29th onward and speeches were colored by the news from Paris. A vote was taken May 2nd on the party's stand on the institutional question, but the results have not yet been announced.

4. Wheat

With reference to para 6 of Minutes of 24 April, Colonel Walton stated that as a result of diversions, present indications are that the present ration of 200 grams can be maintained through May and that as of 1 June there will be stocks of 50,000 tons remaining. This estimate does not include estimates of receipts from the special amassing program instituted by the Italian Government, the target for which is 150,000 tons of wheat.

5. Coal

With reference to para 7 of Minutes of 24 April, Colonel Walton stated that it is estimated that during the emergency period, April, May, and June, 1,000,000 tons of coal will be available from all sources, and a set of allocations has been very carefully drawn up, using this amount of coal over the three months' period. There is not a favorable outlook for any increase in the coal available unless the ECO allocates more coal to Italy. It was proposed by the U.S. representative, Mr. Porter, that European coal production be reallocated for the second quarter. If the proposal were carried out, Italy would receive about 200,000 tons of coal. This proposal is opposed by a few of the nations concerned.

6. Italian Distribution of Supplies

Colonel Walton reported that in many instances the Italians have failed to distribute the supplies received and turned over to them, for a variety of reasons. This applies in a small degree to food, and also to fertilizers and tractors, as well as to medical supplies as reported in para 5 of Minutes of 24 April. A conference is being held the afternoon of 3 May between interested branches of the AC, including Public Health S/C, UNRRA and the embassies, to formulate plans for presentation to the Italian Government. The Chief Commissioner stated that he is still not satisfied with the situation as regards the distribution of medical supplies.

7. Electoral Law

Brigadier Carr reported that an advance copy of the decree setting out the

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7. Electoral Law

Brigadier Carr reported that an advance copy of the decree setting out the procedure for voting on the referendum and for the Costituente has been received. The voting will start on June 2nd and in larger districts will continue until mid-day, June 3rd. Each local polling station must count its votes and announce the results by mid-day June 4th. All papers are then to be sent to the central office of each of the 32 colleges which collates results and announces consolidated results. The final announcements must be made by the Court of Cassation, Rome, not later than the fifteenth day after the elections.

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8. Repatriation

Admiral Warren reported that the repatriation program is continuing satisfactorily. General Browning stated that repatriation is continuing at the rate of about 10,000 a week, with about 260,000 still to be repatriated as at 26 April 46.

9. Discontinuance of APO 394

Colonel Ross reported that APO 394 as a separate APO is being discontinued, and that APO 794 would now handle all U.S. mail. A mail room will be maintained in the AC building to receive and distribute mail as formerly. The elimination of APO 394 and combination with APO 794 is necessary because of the reduction of personnel.

10. Lt Col Timmons' departure

The Chief Commissioner expressed deep regret at the loss to AC of Lieutenant Colonel Timmons who has returned to the U.S. Colonel Timmons has been with AC since its inception and his loss will be keenly felt. It is hoped that Colonel Timmons might return as a civilian.

11. PRO-Major Leacacos to leave

The Chief Commissioner also stated that AC is about to lose Major Leacacos, another old-timer, who has carried a great deal of the load of the PRO office. The Chief Commissioner said that Major Leacacos has done a fine job and that he will be extremely sorry when the Major leaves.

In this connection, both the Chief Commissioner and Executive Commissioner expressed their belief that the "AC Weekly Bulletin" must be continued, to help counteract the impression of disintegration of AC. The Chief Commissioner said that while the duties of AC would be fewer in the future, they should nevertheless be carried out just as seriously as in the past, and that he wanted no let-down in morale or drive.

With that in mind, the Chief Commissioner directed the Executive Commissioner and Colonel Ross to check AC personnel to see if it is possible to find a man to continue as PRO and particularly to take care of the "Weekly Bulletin." The Chief Commissioner added that it was not practicable to bring in an outsider, as the man to fill the job must be one who has been with AC for some time and therefore knows its full history. It is not entirely necessary to have a journalist for this job, although it would be helpful. The Executive Commissioner stated that three people are under consideration for the post.

Next Vice Presidents' Meeting, Thursday, 9 May 46, 1000 hours

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Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA)
[illegible] S/C

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

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Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (6)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMLA)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Liaison Officer (EC)
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Chief Financial Advisor, AC
Chief Legal Advisor, AC
Mr. Harlan Cleveland - UNRRA

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

SECRET

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

3A

CC-551

7 May 1946.

VICE PRESIDENTS' MEETING

Due to the holiday tomorrow, Wednesday, 8 May, the weekly scheduled Vice Presidents' Meeting will be held on Thursday, 9 May 1946 at 1000 hours at the Chief Commissioner's Conference Room.

U.S. ORDERLY ROOM 358/1/09

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

DISTRIBUTION:
Chief Commissioner
ExecutiveCommissioner
VP. Civil Affairs Section
VP. Economic Section
VP. Establishment Section
Political Advisor (A)
Political Advisor (B)
Navy Subcommission
Land Forces Subcommission
Air Forces Subcommission
Liaison Office (AC)
French Representative, AC
Soviet Representative, AC

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

2A

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

30 April 1946.

CC-551

VICE PRESIDENTS' MEETING

The originally scheduled Vice Presidents' Meeting for Wednesday, 1 May 1946, has been postponed for Friday, 3 May 1946 at 1000 hours at the Chief Commissioner's Conference Room.

Chief Commissioner
Executive Commissioner
V.P. Civil Affairs Section
V.P. Economic Section
V.P. Establishment Section
Political Adviser (A)
Political Adviser (B)
Navy Sub Commission
Land Forces Subcommission
Air Forces Subcommission
French Representative, AC
Soviet Representative, AC
Public Relations Branch
Chief Financial Advisor
Chief Legal Advisor

L. W. STEARNS
Lt Col. AGD
Staff Officer to CC.

ALLIED AIR FORCES SUB-COMMISSION
ORDERLY ROOM
358/2/Org

WOff 30/4

4837

ALLIED AIR FORCES SUB-COMMISSION
29/4
N.86
ORDERLY ROOM
352/2/044
COMMISSION

Air forces 1A

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/59

24 April 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 24 April 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Brigadier Carr, Colonel Neprud, Mr. Jones, Mr. Halford, Mr. Cleveland, Air Vice-Marshal Brodie, Colonel Kerr, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons.

1. Future of Allied Commission.

The Acting Chief Commissioner announced that he had received two telegrams from Admiral Stone to the effect that the Combined Chiefs of Staff are disposed to modify the directive contained in FAN 650 on the lines of a draft directive which Admiral Stone took to Washington and discussed with the Combined Chiefs of Staff. This draft directive followed very closely document 'S' which was produced by Allied Commission in December 1945.

The Acting Chief Commissioner has asked SACMED to signal to Washington asking for modification of the directive and it is understood from G-5 that this will be done in the next day or two.

The Acting Chief Commissioner said that the effect of the modification would be to continue the reduction of the functions of Allied Commission in a progressive way as had been going on for the past eight months. He thought it eliminated the setting up of a G-5 Section in Rome but further information would be forthcoming from Admiral Stone who was due to arrive at noon on Friday, 26 April.

2. Political Resume.

Mr. Jones gave a brief resume of political events during the past week.

Principal interest was centered in the food crisis. (See paragraph 6).

Completing Mr. Halford's report on the Socialist congress last week, it was learned that the final direction of the Party turned out to be a compromise between the Nenni and Saragat factions. Nenni had been appointed President of

Declassified E.O. 12356 Section 3.3/NND No. 735017

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 24 April 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Brigadier Carr, Colonel Neprud, Mr. Jones, Mr. Halford, Mr. Cleveland, Air Vice-Marshal Brodie, Colonel Kerr, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons.

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2. Political Resume.

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Principal interest was centered in the food crisis. (See paragraph 6).

Completing Mr. Halford's report on the Socialist congress last week, it was learned that the final direction of the Party turned out to be a compromise between the Nenni and Saragat factions. Nenni had been appointed President of the Socialist Party, a newly created position, and the newly appointed Secretary, Lombardo, who was at present in Washington, sitting with the Combined Textile Committee, is considered a "neutral" within the Socialist Party. He is also Under-Secretary of Industry in the present Italian Government.

Press reports had appeared on the position of the French Communist Party regarding the Italian Peace settlement. The French Government's claims for rectification of the Franco-Italian frontier are supported, as are the demands for part of the Italian war fleet and reparations. Furthermore, they say that Trieste should be "restored" to Yugoslavia.

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The Italian Communist Party Secretariat issued a communique with reference to the press reports of the French Communist Party stand. They invited the French Communists to send a delegation to Italy to study the situation at first hand. They appealed to the French Communists for help to combat rebirth of Fascism in Italy, the success of which they said depended greatly on how the new Italy was treated by other countries. Treating her as an enemy could only reinforce reactionary pro-fascist tendencies in Italy. The Italian Communist Party Secretariat communique continued that there was a deliberate attempt on the part of pro-fascists to disturb public order and compromise electoral campaigns. Regarding Trieste, the Communists there should be careful not to be drawn into incidents which might have serious consequences. The Italian Communist Party proposed to open an office in Trieste to be able to follow the situation more closely.

Scoccimarro, the Communist Minister of Finance, gave a lengthy press interview to a French journalist. Scoccimarro reviewed Italy's contribution to the war on the side of the Allies, saying that 250,000 partisans participated, of whom 50,000 gave their lives. Scoccimarro said the present monetary circulation was 400 billion lire, of which 200 billion was issued by the Germans and more than 100 billion by the Allies. He documented the financial contribution made by Italy to the Allies, saying that the Allies had carried out requisitions to the amount of 400 billion lire, the Italian Government had spent 500 billion lire as its contribution to co-belligerency, and to this should be added the issue of 100 billion AM lire. According to Scoccimarro, Italy had given a total of 1,000 billion lire to the Allies. On the Trieste question, Scoccimarro said the city was unquestionably Italian and that the Italo-Yugoslav frontier must be settled along ethnical lines.

Regarding National elections. 18 April was the last day on which party lists of candidates for 2 June elections could be submitted to the Italian Government. While ballots for deputies will be counted first and then those on referendum, the results will be announced simultaneously.

De Gasperi made a speech to the Catholic Youth Movement on the food crisis. He said a tragic point in Italy's food situation had been reached, and Italy was on the eve of decisions which might lead to privations of such a nature that political consequences and the effect on public order could not be calculated. He asked what was the Costituente and the referendum when the Italian people were face to face with hunger. The Italian Government must take grave decisions in case a negative reply was given to appeals for grain. De Gasperi warned that the present bread ration of 200 grams, the lowest in Europe, would have to be further reduced, although only for a brief period. The Italian Government were making all possible last minute efforts to avoid this sacrifice.

Press reports have appeared on Argentine wheat shipments. The "Vittorio Veneto," the first of seven ships laden with Argentine grain, left Buenos Aires on 20 April. The remaining six ships were supposed to leave this week. All seven ships were originally Italian and are those which the Argentine has recently restored to Italy. All are carrying corn, wheat and wearing apparel.

3. Venezia Giulia and Udine

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3. Venezia Giulia and Udine.

The Acting Chief Commissioner announced that a meeting was taking place to-day. Colonel Walton and Colonel Ross were representing the Allied Commission. There would be a certain modification in their discussions in view of the telegram received from Admiral Stone.

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4. UNRRA Responsibility for Venezia Giulia.

Mr. Cleveland stated that UNRRA had received a telegram from Mr. La Guardia setting forth the contents of a letter written to the Combined Chiefs of Staff, and that a further recommendation against UNRRA responsibility had been cabled by UNRRA Rome to UNRRA Washington.

5. Distribution of Medical Supplies.

Brigadier Carr said there was a dispute between the Italian Treasury and the High Commissioner for Public Health. The latter had put forward certain proposals to the Treasury in March but had made no progress and on 16 April had written a letter to the Prime Minister referring specifically to the letter which had been received from the Chief Commissioner. Public Health Sub-Commission were watching the matter.

6. Wheat.

Mr. Cleveland stated that there had been a critical period for the last few days. UNRRA had presented the facts to the Italian Government and the latest calculations showed that without diversions of ships and without additional amassing, by continuing the present ration by 15 May only 10,000 tons of wheat would be left, one day's supply throughout the country. The British had proposed to the Combined Food Board a diversion from United Kingdom subject to later replacements from Canada and the United States of 200,000 tons of wheat now or about to be on the seas. They proposed a break-down of 140,000 tons to be reserved for other British commitments, leaving 60,000 tons for UNRRA. The American side of the Combined Food Board proposed 100,000 tons to be made available to UNRRA from the British diversion. Originally none of the 60,000 tons was to be made available for Italy. Now two ships containing 16,000 tons would go to Italy and possibly a third also. The new decree for supplementary amassing had been passed and was now law and the Italian Government hoped to obtain a minimum of 75,000 tons of grain. Meetings of the Council of Ministers had been held but the question of the cut in the bread ration was still undecided.

UNRRA had made a point of the over-issues of pasta in many provinces. The Prime Minister was very concerned about this, and would tighten up. An average of 20,000 tons a month had been over-issued.

Mr. Cleveland said he was leaving on Sunday, 28 April, for Washington, taking with him the second half of the 1946 program.

7. Coal.

Lieutenant Colonel Timmons reported that UNRRA estimates for April and May arrivals were 900,000 to 1,000,000 tons. There would be no loadings after 30 April as long as the present U.S. strike continued. The Italian Government had been in close consultation with UNRRA on measures for the strict conservation of coal supplies, and the April, May and June consumption would be somewhat over 300,000 tons a month. Everything hinged on the duration of the U.S. coal strike; if it continues beyond 15 May the situation will be extremely serious.

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8. Review of MG Cases.

In answer to the Acting Chief Commissioner, Colonel Weber stated that there were 725 cases to be reviewed, of which approximately 350 had been finished. About half of the sentences will expire in six months or a year, making allowance for reductions for good behaviour etc.

The Acting Chief Commissioner said it would be desirable to give some publicity to this matter and directed that a statement be prepared for the Weekly Bulletin.

Next Vice Presidents' Meeting, 1000 hours, Wednesday, 1 May 1946

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

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Political Advisor (B)
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Land Forces Subcommission (U.K.)
Air Forces Subcommission
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French Representative, ACC
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Next Vice Presidents' Meeting, 1000 hours, Wednesday, 1 May 1946

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