

785017

ACC

10000/135/666

AIR F
COMM
DEC.

10000/135/666

AIR FORCES SUB-COM, REORGANIZATION OF ALLIED
COMMISSION
DEC. 1945 - OCT. 1946

SECRET.

ALLIED COMMISSION COMMENTS ON MEMO PARAGRAPH P.328
dated 14th June 1946.

666

Spence

1. Paras 1 - 2. No comment.
2. Para 3. Navy Sub-Commission comes under Chief Commissioner for all purposes. (Navy Sub-Com pointed out that operationally the Italian Navy came under C-in-C MED through NUII).

Air Force S/C comes under ACC, RAF and C1, AAF in committee (NAAC). (Air Force S/C stated that the committee have probably never met but that the secretariat functioned and was of use to them).

3. Para 4. No comment.
4. Para 5. Land Forces S/C agreed with G-3 that SACMED could not chairman his own staff section. The other Service Sub-Coms remained open-minded. Navy S/C pointed out that control of the Italian Navy was exercised by C-in-C MED as SACMED's agent. They also raised the question of the DE COURTESY agreement.

ALCOM does not agree with G-3 arguments. The special Section is deliberately set up (as opposed to utilisation of one of the existing sections) by the PARIS conference and SACMED made its chairman presumably as a matter of high policy. Because we do not know of the reasons behind this move it appears vital to implement literally the wording of the article and to make a special case of this special section. I would hesitate to call it a staff section. It is to be remembered that SACMED is now the ex-officio President of the Allied Commission.

It might be better to omit the last paragraph of 5 as policy and command both originate from the COS through SACMED and are implemented

4. Para 5. Land Forces S/C agreed with G-3 that SACRED could not chairmen his own staff section. The other Service Sub-Coms remained open-minded. Navy S/C pointed out that control of the Italian Navy was exercised by C-in-C MED as SACRED's agent. They also raised the question of the DE COUNTER agreement.

AICOM does not agree with G-3 arguments. The special Section is deliberately set up (as opposed to utilisation of one of the existing sections) by the PARIS conference and SACRED made its chairman presumably as a matter of high policy. Because we do not know of the reasons behind this move it appears vital to implement literally the wording of the article and to make a special case of this special section. I would hesitate to call it a staff section. It is to be remembered that SACRED is now the ex-officio President of the Allied Commission.

It might be better to omit the last paragraph of 5 as policy and command both originate from the COS through SACRED and are implemented only by the three Service Sub-Coms.

5. Para 6. No comment.

6. Paras 7 - 10. We all agreed that 7(a) is impracticable. Service Sub-Coms agreed that 7(b) is the better solution from the point of view of procedure. Land Forces S/C sees advantages in 7(c) in that it provides a paternal section in G-5 to look after their interests. Navy and Air Forces S/Coms have no feelings on this last subject. Polads, while preferring 7(b), find the procedure in 10 (a) (b) and (c) acceptable if 7(c) is adopted. All Sub-Coms are agreed that it would be preferable to have 7(c) if 7(b) involved the presence in RMCE of French and Russian representations on a basis of equality with US and UK.

AC view is that 7(b) is the best solution and that we should arrange in practice for it to meet the terms of the directive. It appears essential that the Chief of the new section should be in ~~ROME~~ if he is properly to coordinate the activities of the three Service Sub-Coms with each other. Coordination with other sections of AFHQ and with other HQs of armed forces is now being done by existing organisations at AFHQ and could continue. The machinery under 10 (a), (b) and (c) will be ~~an~~ cumbersome, dilatory and requiring of redundant staff.

It should be noted that Sub-Coms are operationally answerable to the heads of their respective Services only to the extent that existing directives contemplate.

7. Paras 11 - 12. We agree. Navy S/C dislike the title "Sub-Section" and the other Service S/Cs would prefer to be called "divisions". This is not possible.
8. Para 13. The chief of IPAS located at AFHQ CASERTA would find little to do. He must be located at ~~ROME~~ which is an added argument to adopting 7(b).
9. Para 14. SACRED must remain chairman of the special section and to this extent the section will be slightly different from other general staff sections, though there would be no objection to its being subject to the control of the Chief of Staff.
10. Para 15. Under 7(c) I very much doubt if the Chief of the IPAS would be prepared to agree to the Heads of the Sub-Sections dealing directly with other staff sections of the Allied Forces. It must be remembered that he

the heads of their respective Services only to the extent that existing

directives contemplate.

7. Paras 11 - 12. We agree. Navy S/C dislike the title "Sub-Section" and the other Service S/Cs would prefer to be called "Divisions". This is not possible.

8. Para 12. The chief of IFAS located at ASH, CASERTA would find little to do. He must be located at ~~ROME~~ which is an added argument to adopting 7(b).

9. Para 14. SACRED must remain chairman of the special section and to this extent the section will be slightly different from other general staff sections, though there would be no objection to its being subject to the control of the Chief of Staff.

10. Para 15. Under 7(c) I very much doubt if the Chief of the IFAS would be prepared to agree to the Heads of the Sub-Sections dealing directly with other staff sections of the Allied Forces. It must be remembered that he would control both Land Forces S/C and ~~NAVIA~~ and Air Forces S/C in its dual capacity. 6367

11. Para 16. POLAD(A) felt strongly that with the exception of the OCRR extraneous functions could no longer be maintained by any Allied military organisation and must be the responsibility of the Italian Government with help or intervention from the Embassies, if and when necessary. He felt this particularly on ship-building and civil aviation. *Did not agree.*

Navy S/C felt strongly that control of salvage and particularly ship-building and ship-repairing must remain in Navy S/C otherwise a monopoly might be granted by the Italian Govt. to one power or the other and Allied interests as regards ship-repairing would not be safeguarded.

-3-

It was noted that Italian POW could be put back to the Italian Govt completely.

It was noted that recommendations on the continuance of these functions should be left to the Chief IFAAS.

(1) It is to be remembered that organization and training of OPR as part of the Italian Army has been assumed by Land Forces under direction from OCS.

(11) Control of aircraft factories is envisaged in OCS directive and subsequent interim policy.

(111) Control of civil aviation has been assumed by Air Forces R/C. under directions from OCS and should probably remain their (including the control of civil flying clubs) until the

Italian Govt sets up a Civil Aviation Ministry.

12. Para 17. A memo enclosing the French point of view has already been submitted to ANHQ.
13. Para 18. No comment.
14. Para 19. See comment on 9 and 10.
15. Para 20. We agree.
16. Para 21. See comment on 10.
17. Para 22. See comment on 14.
18. Paras 23-26. We agree

R E S T R I C T E D
HEADQUARTERS ALLIED COMMISSION
APO 794

14 October 1946

EXECUTIVE ORDERS)

NUMBER

36)

REORGANISATION OF THE ALLIED COMMISSION

1. With effect from 21 October 1946 the Civil Affairs Section together with the appointment of Vice President of the Civil Affairs Section will be abolished.

At the same time the following reorganisation will take place.

- (a) The Legal Sub-Commission, the Public Safety Sub-Commission and Displaced Persons and Repatriation Sub-Commission will cease to be designated as Sub-Commissions and will hereafter be known as Divisions. The Director of each of the former Sub-Commissions will now be named "Director of Division".
- (b) The Director of each of the three divisions designated in sub-para (a) above will be responsible to the Chief Commissioner through the Executive Commissioner.
- (c) The residual functions of the former office of the Vice President Civil Affairs Section will be absorbed into the office of the Executive Commissioner and will become, under the Executive Commissioner, the responsibility of his Chief Staff Officer by whom any necessary transfer of documents or personnel will be effected in conjunction with Executive Officer (B).

2. With effect from 21 October 1946 the Economic Section together with the appointment of Vice President will be abolished.

At the same time the following reorganisation will take place.

- (a) An Economic Division will be established, under an officer who will be known as the Director of the Economic Division. This officer will be responsible to the Chief Commissioner through the Executive Commissioner.
- (b) Within the Economic Division, the following Sub-Divisions will be established:

- (i) Food, Agriculture and AMG Supply
- (ii) Industry and Utilities
- (iii) Captured Enemy Material
- (iv) Commerce
- (v) Transportation

3. With effect from 21 October 1946 the Communications Sub-Commission will be re-named the Communications Division. The Division will be controlled by a Director who will be responsible to the Chief Commissioner through the Executive Commissioner

13/17

7945
1/10 4/10

357/1007

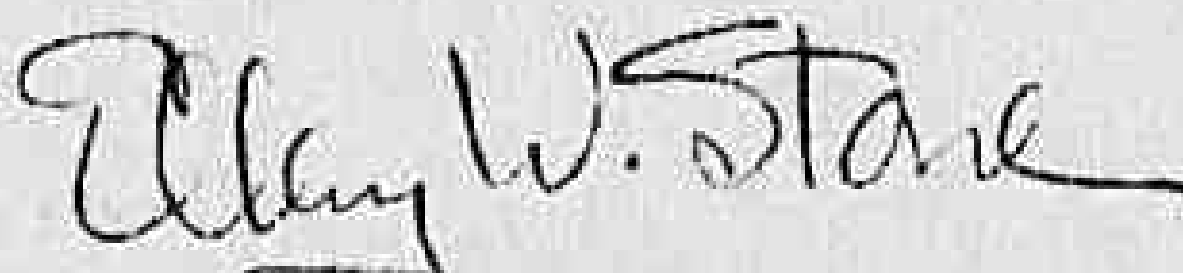
gkm
18/10

6364

-2-

4. With effect from 21 October 1946 the Archives Branch will be renamed the Archives Division. The Division will be controlled by a Director who will be responsible to the Chief Commissioner through the Executive Commissioner.

5. The new organisation is shown in Table A attached.



ELMER W. STONE
Rear Admiral, USNR
Chief Commissioner

DISTRIBUTION:

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CHIEF COMMISSIONER

9302

EXECUTIVE COMMISSIONER

SERVICE SUBCOMMISSIONS
Navy, Land and Air

DISPLACED PERSONS
DIVISION

LEGAL
DIVISION

PUBLIC SAFETY
DIVISION

ECONOMIC DIVISION

COMMUNICATIONS
DIVISION

AP
DI

FOOD AGRICULTURE
AND SUPPLY SUB-DIVISION

INDUSTRY & UTILITIES
SUB-DIVISION

CEM SUB-
DIVISION

COMMERCE
SUB-DIVISION

TABLE "A"

CHIEF COMMISSIONER

0302

EXECUTIVE COMMISSIONER

PUBLIC RELATIONS OFFICER

PUBLIC SAFETY
DIVISION

ECONOMIC DIVISION

COMMUNICATIONS
DIVISION

ARCHIVES
DIVISION

EX. OFFICER (A)
EX. OFFICER (B)

INDUSTRY & UTILITIES
SUB-DIVISION

CEM SUB-
DIVISION

COMMERCE
SUB-DIVISION

TRANSPORTATION
SUB-DIVISION

Approved by Authority Staff on 12/10

12/10

FROM: AIR VICE-MARSHAL I.R. THOMAS, CBE.

AIR FORCES SUB-COMMISSION,
ALLIED COMMISSION, MOBE.

AFSC/357/1/ONG.

SECRET.

19th July, 1946.

Dear

6A 10B
Thank you for your letter of the 5th July concerning the memo which I hurriedly prepared for the Executive Commissioner in answer to a C.5 request for a brief on the functions etc. of the A.F.S.C. - to be handed to Field Marshal Viscount Montgomery during his visit to A.F.H.Q. Normally, I would have submitted my memorandum to M.A.A.C. for approval, but there was not time and, therefore, you will note that I sent a copy to M.A.A.C. in case M.A.A.C. should disagree with anything I wrote. Presumably, therefore, any corrections to paragraph 13 of my memorandum have already been made at A.F.H.Q., and the only action it remains for me to take is to comply with your para 7, namely to inform the Executive Commissioner of your views, which action I have already taken.

2. It has occurred to me for some time that there has been some misunderstanding as to the intended interpretations of FAM.649 in reply to WAF.1103 as between the R.A.F. side of M.A.A.C. and the American side of M.A.A.C., together with Allied Commission in Rome. It was for this reason that I asked you to come and call on the Chief Commissioner as soon as you were able to do so, and at the same time I wished to discuss with you and the American Member of M.A.A.C. the policy which M.A.A.C. wished the A.F.S.C. to adopt. Your letter confirms that there is some misunderstanding in the interpretation of the above quoted signal.

3. We in Rome have interpreted FAM.649 to give general approval to ALL the points mentioned in WAF.1103, subject to the detailed plan for the reorganisation of the Italian Air Force being approved by COS. However, both in theory and practice it has been the A.F.S.C. policy to regard C.C.S.'s permissive authority as agreement in principle to everything else in WAF.1103, the details being at the discretion of SACMB.

4. I don't think it necessary to go into a detailed reply to your paragraphs 3, 4, 5 and 6, but I would like to say that paragraph 13 of my letter AFSC/357/1/ONG dated 13th June are extracts and so far as possible word for word as contained in SAC's signal to COS, WAF.1103.

0300

Normally, I would have submitted my memorandum to M.A.A.C. for approval, but there was not time and, therefore, you will note that I sent a copy to M.A.A.C. in case M.A.A.C. should disagree with anything I wrote. Presumably, therefore, any corrections to paragraph 13 of my memorandum have already been made at A.P.H.Q. and the only action it remains for me to take is to comply with your para 7, namely to inform the Executive Commissioner of your views, which action I have already taken.

2. It has seemed to me for some time that there has been some misunderstanding as to the intended interpretations of PAR.649 in reply to PAR.1103 as between the M.A.A.C. side of M.A.A.C. and the American side of M.A.A.C., together with Allied Command in Rome. It was for this reason that I asked you to come and call on the Chief Commissioner as soon as you were able to do so, and at the same time I wished to discuss with you and the American Member of M.A.A.C. the policy which M.A.A.C. wished the A.P.S.C. to adopt. Your letter confirms that there is some misunderstanding in the interpretation of the above quoted signal.

3. We in Rome have interpreted PAR.649 to give general approval to ALL the points mentioned in PAR.1103, subject to the detailed plan for the reorganization of the Italian Air Force being approved by CCS. However, both in theory and practice it has been the A.P.S.C. policy to regard C.C.S.'s permissive authority as agreement in principle to everything else in PAR.1103, the details being at the discretion of SACRED.

4. I don't think it necessary to go into a detailed reply to your paragraphs 3, 4, 5 and 6, but I would like to say that paragraph 13 of my letter AFSC/357/4/ONG dated 13th June are extracts and so far as possible word for word as contained in SAC's signal to CCS, PAR.1103. 0350

5. I think we pretty well covered Italian Civil Aviation, including private flying, raised in your letter, during the conference which I held on the 4th July (notes on which were forwarded to M.A.A.C. in my letter AFSC/39/AIR dated the 12th July on their return from the Chief Commissioner who had no comment except on the distribution. A draft letter to M.A.A.C. concerning Civil Aviation (other than air lines) is now with the Chief Commissioner for approval before transmission to M.A.A.C.; in it we propose to ask for approval to what we consider to be reasonable Italian requests in view of PAR.1103, the paragraph which starts - "If the Italian Air Force is to be reorganized.....". Incidentally you will note that the above-mentioned conference was held on the 4th July and your letter was dated the 5th July.

6. I will much appreciate a meeting with you, together with Lt/Col. Harck, the present Senior American Member of M.A.A.C, so as to settle any

K. S. M. : 2/7

Continued/2.....

outstanding points (such as aircraft construction), and at the same time to discuss, if you agree, the draft revised Directive for the Air Forces Sub-Commission, which the Chief Commissioner would like to see before it is submitted to SACRED.

Yours

[Signature]

*Agreed by C.P. before dispatch - see 8506/EC photo 207.
Copy to 8506/EC.*

Air Vice-Marshal L. Darvall, CB, MC,
Air Officer Commanding,
Air Headquarters,
R.A.F. Italy, C.M.F.

11A
DEACT:

TO: AIR VICE-MARSHAL L. DAVALL, CB, MC,
A.H.Q. R.A.F. ITALY.

SECRET:

69

10B

Thank you for your letter of the 5th July concerning the memo which I hurriedly prepared for the Executive Commissioner in answer to a G.5 request for a brief on the functions etc. of the A.F.S.C. - to be handed to Field Marshal Viscount Montgomery during his visit to A.F.H.Q. Normally, I would have submitted my memorandum to M.A.A.C. for approval, but there was not time and, therefore, you will note that I sent a copy to M.A.A.C. in case M.A.A.C. should disagree with anything I wrote. Presumably, therefore, any corrections to paragraph 15 of my memorandum have already been made at A.F.H.Q. and the only action I need now take is to comply with your para 7, namely to inform the Executive Commissioner, which action I have already taken. *69 F14E 367/2/100G*

2. It has seemed to me for some time that there has been some misunderstanding as to the intended interpretations of ENL.549 and MAR.1103 as between the R.A.F. side of M.A.A.C. and the American side of M.A.A.C. together with Allied Commission in Rome. It was for this reason that I asked you to come and call on the Chief Commissioner as soon as you were able to do so, and at the same time I wished to discuss with you and the American Member of M.A.A.C. the policy which M.A.A.C. wished the A.F.S.C. to adopt. Your letter confirms that there is some misunderstanding in the interpretation of the above quoted signals. *69 F14E 367/2/100G*

3. We in Rome have interpreted ENL.549 to give general approval to ALL the points mentioned in MAR.1103, subject to the detailed plan for the reorganisation of the Italian Air Force being approved by COS. However, both

to paragraph 13 of my memorandum have already been made at A.F.H.Q., and the only action I need now take is to comply with your para 7, namely to inform the Executive Commission, which action I have already taken. *64 11/17*

2. It has seemed to me for some time that there has been some misunderstanding as to the intended interpretations of FM. 649 and MAP. 1103 as between the R.A.F. side of M.A.A.C. and the American side of M.A.A.C., together with Allied Commission in Rome. It was for this reason that I asked you to come and call on the Chief Commissioner as soon as you were able to do so, and at the same time I wished to discuss with you and the American Member of M.A.A.C. the policy which M.A.A.C. wished the A.F.E.C. to adopt. Your letter confirms that there is some misunderstanding in the interpretation of the above quoted signals. *64 FILE 387/2/1066*

3. We in Rome have interpreted FM. 649 to give general approval to ALL the points mentioned in MAP. 1103, subject to the detailed plan for the reorganisation of the Italian Air Force being approved by CCS. However, both in theory and practice it has been the A.F.E.C. policy to regard C.O.S.'s permissive authority as agreement in principle to everything else in *MAP. 3103* the details being at the discretion of SACRED. *64*

4. I don't think it necessary to go into a detailed reply to your paragraphs 3, 4, 5 and 6, but I would like to say that paragraph 13 of my letter AFSC/357/1/1706G dated 13th June are extracts and so far as possible word for word as contained in SAC's signal to CCS, MAP. 1103.

Further action on 39/Air

Continued/2.....

*387/2/1066
24/7*

5. I think we pretty well covered Italian Civil Aviation, including private flying, raised in your letter, during the conference which I held on the 4th July (notes on which were forwarded to M.A.A.C. in my letter AFSC/39/AM dated the 12th July on their return from the Chief Commissioner who had no comment except on the distribution). A draft letter to M.A.A.C. concerning Civil Aviation (other than air lines) is now with the Chief Commissioner for approval before transmission to M.A.A.C.; in it we propose to ask for approval to what we consider to be reasonable Italian requests - in view of MAN.1403, the paragraph which starts - "If the Italian Air Force is to be reorganised". Incidentally you will note that the above-mentioned conference was held on the 4th July and your letter was dated the 5th July.

6. I will much appreciate a meeting with you, together with Lt/Col. Marek, the present Senior American Member of M.A.A.C., so as to settle any outstanding points (such as aircraft construction), and at the same time to discuss, if you agree, the draft revised Directive for the Air Forces Sub-Commission.

L.E. BROWN,
AIR VICE-MARSHAL,
DIRECTOR,
AIR FORCES SUB-COMMISSION.

10A

From: Air Commodore J. G. Elton, C.B.E., D.F.C., A.F.C.

Air Headquarters,
Royal Air Force,
Italy,
C.M.B.

8th July 1946.

Dear *Ian*

B
My A.O.C. has asked me to pass on to you
the attached letter which he had dictated but unfortunately
was not completed in time for his signature prior to his
journey North.

Yours

Sincere C

John Elton

Air Vice-Marshal I.E. Brodie, C.B.E.,
Director,
Air Forces Sub-Commission,
Allied Commission,
ROME.

Ref: -MAAF/4018/1/ALS

JGM
11/7

Seen by ExCom on 10/7

6352

From: Air Vice Marshal L. Darvall, C.B. M.C.

Air Headquarters,
Royal Air Force,
Italy,
C.M.F.

5th July, 1946.

Dear

I have been looking through your letter AFSC/357/1/Org. dated 13th June, 1946, to the Executive Commissioner. As you will remember this dealt with the functions and responsibilities of the Air Forces Sub-Commission.

2. There are several observations that I would like to make in regard to paragraph 13 of this letter and for easy reference I am quoting this paragraph below, in toto.

" 13. Aircraft Construction and Civil Aviation. Under the terms of NAP.1103 and FAN.649:-

- (i) The construction of non-combat type aircraft is permitted.
- (ii) Internal Civil Aviation, including limited private flying is permitted on the condition that it shall be regulated by the Italian Government under the supervision of the A.F.S.C.
- (iii) External Civil Airlines are not permitted until Italian aircraft Safety has reached International standards and can then be negotiated through Diplomatic channels."

3. With regard to (i) above this statement in its present form gives the impression that the Italian Government can build civil aircraft to any extent that they may desire, and without prior authority from the Mediterranean Allied Air Committee; this is not so. The construction of non-combat type aircraft is not permitted except within the competence of the Supreme Allied Commander, and individual requests have to be regarded on their merits and a sufficiently strong reason put forward by your Sub-Commission to the Mediterranean Allied Air Committee before we can make our recommendations to the Supreme Allied Commander for approval or otherwise. As you know, we have allowed a certain latitude on the construction of both civil and military aircraft in the past since we know that Internal civil aviation would sooner or later be permitted and that we wanted the Italians to be just ahead of the gun.

4. FAN.649 which you have quoted as your authority for the whole of paragraph 13 (i), (ii), and (iii) in your letter to the Executive Commissioner only gives approval for the reorganisation of the Italian Air Force to the extent recommended by the Supreme Allied Commander subject to the provision that a

/detailed.....

Air Vice Marshal, I.E. BRODIE, OBE,
Director,
Air Forces Sub-Commission,
Allied Commission,
ROME.

6350

- 2 -

detailed plan as to the recommended equipping of the units, including aircraft types being submitted to the Combined Chiefs of Staff for approval prior to any implementation. In PAN.649 the Combined Chiefs of Staff further approved the establishment of Internal civil airlines by the Italian Government. However, both these approvals were to be considered as permissive only. You will recall that the signal to the Combined Chiefs of Staff NAF.1169 dated 26th June, 1946, outlining our plan for the reorganisation of the Italian Air Force has now been despatched by the Supreme Allied Commander and did not include any overall plan for civil aviation as required.

5. Regarding (ii) above I do not understand how this statement came to be made, as, to the best of my knowledge there has been nothing either from the Combined Chiefs of Staff or the Supreme Allied Commander which could possibly include private flying under any conditions whatsoever. As I have said above, no plan for civil aviation has been submitted to the Combined Chiefs of Staff yet, and until such time as this is submitted and we have a concrete approval from them we have no alternative but to adhere to the interim policy for the Italian Air Force, with certain modifications, as laid down by the Combined Chiefs of Staff in September, 1945. I consider it most unlikely that the Combined Chiefs of Staff will authorise at the moment private flying, whether regulated by the Italian Government under the supervision of the Air Forces Sub-Commission, or not, due to the shortage of petrol and oil and lack of maintenance and servicing facilities in this country.

6. Finally (iii) above would appear to give the impression that the only obstacle preventing the start of external civil air lines is the fact that Italian aircraft safety has not yet reached International standards. This whole subject of Italian civil aviation including external civil airlines is now under active consideration on a very high level, and will finally emerge under certain clauses of the revised Armistice Terms and the Peace Treaty.

7. I would be grateful therefore if you would inform the Executive Commissioner that the statements in paragraph 13 of your letter to him might be misconstrued, and give a wrong impression on our present policy should he become involved in talks with the Italian Government.

Yours

Air Vice Marshal, F. D. BROWN, CBE
 Chief of Staff,
 Air Forces Sub-Commission,
 Allied Commission,
 Rome.

7-1-1947/1215/VAIS

6348

ALLIED FORCES HEADQUARTERS
G-5 Section
APO 512

Ref: 900-42

13 June 1946

MEMORANDUM:

SUBJECT : Organization of "Special Section AFHQ".

TO : Chairman, NJPS.

1. Because I do not agree the arguments or the conclusions expressed in P/328 (1st Draft) 16 June, I wish to make my views of record.

2. I do not agree with paragraph 5 or the subsequent reasoning based thereon. SAC is now the President of the Allied Commission. Admiral Stone is the Vice President. As the functions of the new body remain practically as is, the Organization should likewise remain the same. To say that such a scheme is impracticable is to say that the present system does not work. It is agreed that a coordinating head must continue. This can be done by placing the present deputy president AC as the new deputy president IAFS with a very small coordinating staff.

3. The section under discussion is not new. It is simply the residual legatee of the AC. It is not a STAFF Section but an executive and policy making body under SAC, which deals with all staff sections at AFHQ just as any other major command does, with the exception as at present, that the deputy president has direct access to SAC. In technical matters the branches will still get guidance from higher Land, Navy and Air Headquarters.

4. The machinery set up in P/328 (1st Draft) thru which the executive head (D.F.) deals with the Italian Government is considered cumbersome and unworkable in practice. The executive head (D.F.) should have full authority to deal with the head of the Italian Government on matters within the terms of reference of the section just as the Deputy President AC now has. The phrase, Chief of Civil Affairs Section in Rome, used several times in the draft, is not understood. As G-5, I do not visualize any such person in Rome. It is contemplated setting up a Civil Affairs and Liaison Section in Rome, which will be the normal channel of communication with the Italian Government on all matter except those pertaining to the Special Section. It will also furnish certain services for AFG, but it is not planned that it shall be Headquarters, AFG. It is contemplated that its chief

shall be a colonel or at most a brigadier. The D.P. of the IAFS must have the equivalent grade of major general.

5. Ref. para 16. The so called extraneous functions appear to be well within the terms of reference of the Section or to stem directly therefrom, except as to IPW. All IPW problems should be removed and handled thru Italian Liaison Officers as catered for in the New Agreement.

6. Ref. para 17. I submit that the problem is not for consideration by the MJPS at this time.

7. Ref. conclusions:

a. I agree with para 18.

b. I do not concur with para 19, so far as it sets up a Staff Section. Our present staffs are capable of meeting the problems in the future as they have in the past.

c. Para 20 agreed.

d. Para 21 not agreed.

e. Para 22 not agreed.

f. As the chief of the Army, Navy and Air Branches are now British, an American Deputy President under SAC as at present is indicated.

A. L. HAMBLETH
Brigadier General, GSC
Assistant Chief of Staff, G-6

89

SECRET

ALLIED COMMISSION DIRECTIVE ON WAR CRIMES P. 322
dated 4th June 1946.

1. Para 1 - 2. No comment.
2. Para 3. Navy Sub-Commission agrees under Chief Commissioner for all purposes.

Air Forces Sub-Commission agrees under AGC, RAF and CC, AGC in cordition (SAC).

3. Para 4. No comment.
4. Para 5. We do not agree. SACND is now President of the Allied Commission. The special section was deliberately set up (as explained to utilization of one of the existing sections) by the SACND Conference and SACND made its statement as a matter of high policy. Because we do not know all of the reasons behind this move, it appears vital to implement literally the wording of the article and to make a special case of this special section.

5. Para 6 and 7. No comment.
6. Para 8. We agree.
7. Para 9. We think that 5(b) is the best solution and that we should arrange in practice for it to meet with the terms of the directive.

As stated above it is to be noted that Sub-Commissions are operationally answerable to the heads of their respective services only to the extent of that existing directives contemplate.

8. Para 10. We prefer 5(b). It would appear that the chief of the Section would be in a less favourable position to coordinate activities

Yes.

6343

to utilization of one of the existing Sections) by the JAFF Conference and included make its decision as a matter of high policy. Because we do not know all of the reasons behind this move, it appears vital to implement literally the wording of the article and to make a special case of this special Section.

5. Para 6 and 7. No comment.

6. Para 8. No agree.

7. Para 9. We think that 5(b) is the best solution and that we should arrange in practice for it to meet with the terms of the directive.

As stated above it is to be noted that Sub-Commissions are operationally answerable to the heads of their respective services only to the extent that existing directives contemplate.

8. Para 10. We prefer 5(b). It would appear that the chief of the new Section would be in a less favorable position to coordinate activities of three Service Sub-Commissions with each other because of his proposed location (vide 13); coordination with other Sections of JAFF and with other Hqs of armed forces is now being done by existing organizations at AFHQ and could continue.

We repeat that the Sub-Commissions would continue to operate under direction of heads of their respective services only to extent that existing directives (from JAFF) contemplate.

The machinery under (a) (b) and (c) would appear adequate, allatory and regarding relevant staff.

9. Para 11 and 12. No agree.

-2-

10. Para 13. The above course may be adopted the Chief of Italian Armed Forces must be in Rome. The most important duties will be to act as the Chairman's (SACM) ^{definitely} ~~representatives~~ both as regards Italian Armed Forces and demilitarization and control of armaments with the Italian Government.

for the Chief of Staff
11. Para 14. In view of the pressure which will be brought on French and Russian participation which may have to be accepted, it would appear wisest to maintain the IAFS in Rome and not at ANM.

12. Para 15. We agree in part subject to the overriding principle that SACM and not the Chief of Staff is Chairman of the Section.

13. Para 16. Noted.

14. Para 17. (1) Organization and training of OMS as part of the Italian Army has been assumed by local forces under direction from OMS.
(ii) Control of aircraft factories is envisaged in OMS Directive and subsequent interim policy.

15. Para 18. (iii) Control of civil aviation has been assumed by Air Force S/C under directive from OMS.

16. Para 19. A memo enclosing the French point of view has already been submitted to ANM.

17. Para 20. No comment.

18. Para 21. See comment on 9 and 10.

19. Para 22. No agree.

20. Para 23. We do not agree - see comment on 10.

21. Para 24. We do not agree - see comment on 14.

13. Para 16.

- (1) Organisation and training of GUS as part of the Italian Army has been covered by Local Forces under direction from GUS.
- (11) Control of aircraft factories is envisaged in our directive and subsequent Interior Policy.
- (111) Control of civil aviation has been assumed by Air Forces 3/0 under direction from GUS.

14. Para 17. A memo enclosing the French point of view has already been submitted to AUTA.

15. Para 18. No comment.

16. Para 19. See comment on 9 and 10.

17. Para 20. We agree.

18. Para 21. We do not agree - see comment on 10.

19. Para 22. We do not agree - see comment on 14.

20. Paras 23-26. We agree.

Para 24?

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P/328 (1st Draft)

P.328

ALLIED FORCE HEADQUARTERS

Mediterranean Joint Planning Staff

A SPECIAL SECTION TO ASSUME THE
FUNCTIONS OF ALLIED COMMISSION AS
REGARDS THE SERVICE SUB-COMMISSIONS.

Subject: Terms of reference.

1. The following terms of reference have been received from the Chief of Staff:

"You are directed to examine the implications of paragraph IIIa of the 'Agreement modifying the Italian Armistice Regime' and to make appropriate recommendations as to the form the Special Section to be established should take, its chain of command, location and relationship to AFHQ, CMF, MTCUSA and to Allied Naval and Air Headquarters."

2. In accordance with this directive, the attached paper, P/328, has been prepared and is submitted for study.
3. A meeting of the Mediterranean Joint Planning Staff for the purpose of discussing this paper is scheduled at 1430 hours, Tuesday, 18 June 1946, and will be held in the G-3 War Room.
4. Will addressees please provide representation.

D. M. McNeill
PERRY MCNEILL SMITH,
Colonel, G.S.C.,
Acting Chairman.

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"You are directed to examine the implications of paragraph IIIa of the 'Agreement modifying the Italian Armistice Regime' and to make appropriate recommendations as to the form the Special Section to be established should take, its chain of command, location and relationship to AFHQ, CME, MCUSA and to Allied Naval and Air Headquarters."

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4. Will addressees please provide representation.

D. W. McLaughlin
 PERRY LEO SMITH,
 Colonel, G.S.C.,
 Acting Chairman. 0339

PH/gts

DISTRIBUTION :

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Plus:
 Chief Comm. A.C. - 2 Copies.
 Land Forces Sub-Commission, AC
 Naval Forces Sub-Commission, AC
 Air Forces Sub-Commission, AC

Spoke 5/16 Jan 18/6 x 19/6

I agree except that para 7b is the best of the 3 alternatives. The number of cases agrees now that 7b is the best & will probably be adopted. I in other words we go on as before under the Chief Commissioner. Who will be known as something else. 18/6 19/6.

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14/6 79/6

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F/328 (1st Draft)

SECRET

14 June 1946

ALLIED FORCE HEADQUARTERS

Mediterranean Joint Planning Staff

A SPECIAL SECTION TO ASSUME THE
FUNCTIONS OF ALLIED COMMISSION AS
REGARDS THE SERVICES SUB-COMMISSIONS.

AGREEMENT MODIFYING THE ITALIAN ARMISTICE REGIME :

1. Paragraph III of the subject document is quoted in full below:

"(a) A special Section of Allied Force Headquarters, under the orders of the Supreme Allied Commander, who will act as Chairman, shall be established to assume control of the functions of supervision and direction of the Italian Armed Forces heretofore exercised by the Land, Navy, and Air Force Sub-Commissions in the Allied Commission. This Section shall control the size and character of all the Italian Armed Forces and shall control the production of armaments.

"(b) The employment and disposition of the Italian Navy shall remain as at present under the Command and Control of the Supreme Allied Commander.

"(c) Pending the coming into force of a Treaty of Peace, Allied Military Government shall be continued under the Supreme Commander Mediterranean in VENEZIA GIULIA and in the province of UDINE."

OBJECT :

2. To examine the implications of paragraph III of "Agreement modifying the Italian Armistice Regime," hereinafter referred to as the "New Agreement," and to make appropriate recommendations as to the form the special section to be

"(a) A special Section of Allied Force Headquarters, under the orders of the Supreme Allied Commander, who will act as Chairman, shall be established to assume control of the functions of supervision and direction of the Italian Armed Forces heretofore exercised by the Land, Navy, and Air Force Sub-Commissions in the Allied Commission. This Section shall control the size and character of all the Italian Armed Forces and shall control the production of armaments.

"(b) The employment and disposition of the Italian Navy shall remain as at present under the Command and Control of the Supreme Allied Commander.

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OBJECT :

2. To examine the implications of paragraph III of "Agreement modifying the Italian Armistice Regime," hereinafter referred to as the "New Agreement," and to make appropriate recommendations as to the form the special section⁰³³ be established should take, its chain of command, location and relation to AFHQ, CEF, MTOUSA, and to Allied Naval and Air Headquarters.

PRESENT ORGANIZATION OF ALCOH.

CHIEF COMMISSIONER, A. C.

:	:	:
:	:	:
:	:	:
:	:	:
LAND FORCES	NAVAL FORCES	AIR FORCE
SUB-COMMISSION	SUB-COMMISSION	SUB-COMMISSION

On technical matters each sub-commission is under its own service commander.

4. The Chiefs of Sub-Commissions deal directly with the Italian government ministry appropriate to their service. If coordination with other ministries, or with the government as a whole is required, the case is presented to the Chief Commissioner who then takes the matter up with the head of the Italian government.

NEW ORGANISATION :

5. It is not considered practicable to comply with the exact wording of the directive in that all sections of AFHQ are obviously under the orders of SAC, and it is unnecessary and impractical for SAC to chairman a section of the headquarters of which he is the commander. Nor is it considered practicable to establish a section which would CONTROL the functions of supervision and direction of the Italian Armed Forces now exercised by the three Service Sub-commissions of the Allied Commission. This is due to the fact that the establishment of policy and the exercise of command must originate with the heads of each of the three services concerned.

6. It is believed that the organisational structure and the methods of

ministries, or with the government as a whole is required, the case is presented to the Chief Commissioner who then takes the matter up with the head of the Italian government.

NEW ORGANISATION :

5. It is not considered practicable to comply with the exact wording of the directive in that all sections of AFHQ are obviously under the orders of SAC, and it is unnecessary and impractical for SAC to chairman a section of the headquarters of which he is the commander. Nor is it considered practicable to establish a section which would CONTROL the functions of supervision and direction of the Italian Armed Forces now exercised by the three Service Sub-commissions of the Allied Commission. This is due to the fact that the establishment of policy and the exercise of command must originate with the heads of each of the three services concerned.

6. It is believed that the organisational structure and the method of operation of the existing Service Sub-commissions is in general satisfactory, and it is recommended that they not be changed at this time.

7. The problem, therefore, resolves itself into one of providing a ~~Staff Section HQ~~ ^{and all change do not involve any change} to coordinate the activities of the Service Sub-commissions and to control the production of Italian Armaments. There are the following possible ways in which this might be achieved:

2. Designate one of the existing Chiefs of a Sub-commission as the coordinating head, in addition to his Sub-commission duties.
- b. Place the Service Sub-commissions under the new civil affairs head who will coordinate

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their activities by means of a special section of a staff.

2. Create an entirely new Staff Section of AFHQ.

3. The alternative stated in paragraph 5-a above is not recommended.

The coordinating head should not be involved in the actual operation of a Sub-commission, but should be free to supervise and coordinate all activities of his organization. Yes

9. While the alternative stated in paragraph 5-b above has certain definite advantages, such as providing for only one channel between the military and the head of the Italian government, it is not considered to be the best solution. It is not considered to meet with the terms of the directive even though the Sub-commissions would continue to remain operationally answerable to the heads of their respective services. X

10. The alternative stated in 6-c above is considered to meet best with the terms of the directive. The Chief of this new Staff Section would be in a position to coordinate the activities of the three Service Sub-commissions with each other, with other sections of AFHQ and with other headquarters of the Allied Armed Forces. He would also be free to deal with the control of armament and the demilitarization program, should one be established.

Under this organization, the Sub-commissions would continue to operate under the direction of the heads of their respective services, and would continue to deal directly with the appropriate ministries in the Italian government. As it is considered desirable to maintain only one contact with the head of the Italian government, the following procedure could be set up:

a. A matter of interest to a Sub-commission requiring

coordination with an Italian government agency

the Sub-commissions would continue to remain operationally answerable to the *Ref.* heads of their respective services.

10. The alternative stated in *7* b-c above is considered to meet best with the terms of the directive. The Chief of this new Staff Section would be in a position to coordinate the activities of the three Service Sub-commissions with each other, with other sections of AFHQ and with other headquarters of the Allied Armed Forces. He would also be free to deal with the control of armament and the demilitarization program, should one be established.

Under this organization, the Sub-commissions would continue to operate under the direction of the heads of their respective services, and would continue to deal directly with the appropriate ministries in the Italian Government. As it is considered desirable to maintain only one contact with the head of the Italian government, the following procedure could be set up:

- a. A matter of interest to a Sub-commission requiring coordination with an Italian government agency with which that Sub-commission does not normally deal, or which requires action by the head of the Italian government, would be referred to the Chief of the new Section.

- b. The Chief of the new Section would then refer the matter, complete with all necessary information, to the Chief of the Civil Affairs Section in ROME.

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- c.
2. The Chief of the Civil Affairs Section would take the matter up with the head of the Italian government and report results back to the Chief of the new Section.
- d. Matters concerning control of armament or demilitarization would be referred by the Chief of the new Section to the Chief Civil Affairs Officer in the same manner.

NOMENCLATURE :

11. The new section should be given a title clearly indicative of its duties. "ITALIAN ARMED FORCES SECTION" (LAFS) has been suggested. The three Service Sub-commissions would then become Sub-sections of ^{LAFS} ~~INRS~~. *Long discussion with others*

LOCATION :

12. In view of the fact that the work of the Sub-sections of LAFS would be almost entirely with the various instrumentalities of the Italian government, all of which are located in ~~ROME~~, it is considered the logical location for ^{LAFS and its Sub-sections} the ~~Sub-sections~~ is in ~~ROME~~, as at present.

13. The Chief, LAFS, and his staff should be located with AFHQ in Caserta. He would thus have ready access to the command echelon of AFHQ and could more readily coordinate with other AFHQ staff sections and other headquarters, British and American. *Why not AFHQ? (planned) 20/5/42*

CHAIN OF COMMAND :

14. Paragraph III of the New Agreement implies that this special section is to be answerable directly to SAC. However, it is believed it should be *linked*

11. The new section should be given a title clearly indicative of its

duties. "ITALIAN ARRED FORCES SECTION" (IARFS) has been suggested. The three

Service Sub-commissions would then become Sub-sections of IARFS. *IMAR's long relationship with other Sub-sections which have with some scope?*

LOCATION :

12. In view of the fact that the work of the Sub-sections of IARFS would be almost entirely with the various instrumentalities of the Italian government, all of which are located in ROME, it is considered the logical location for the Sub-sections is in ROME, as at present. ✓

13. The Chief, IARFS, and his staff should be located with AFHQ in Caserta. He would thus have ready access to the command echelon of AFHQ and could more readily coordinate with other AFHQ staff sections and other headquarters, British and American. *Why not AFHQ? (planner) over the*

CHAIN OF COMMAND :

14. Paragraph III of the New Agreement implies that this special section

is to be answerable directly to SAC. However, it is believed it should be under the organisational structure on the same level as any general staff section of AFHQ and be subject to control by the Chief of Staff in the same manner as he now controls other staff sections of this headquarters. ✓

RELATIONSHIP WITH OTHER MILITARY ELEMENTS :

15. As a section of AFHQ, IARFS would bear the same relationship to other sections of AFHQ, to CAC, MTOUSA and other Allied naval and military headquarters as do the existing staff sections of AFHQ. However, its Sub-sections should have authority to deal directly with the appropriate elements of the Italian government and with other headquarters of the Allied Forces. ✓

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FUNCTION :

16. IAFS should deal solely with the functions established for it by the New Agreement; i.e. supervision and direction of the Italian Armed Forces heretofore exercised by the Land, Navy, and Air Forces Sub-commissions of the Allied Commission. It is also directed to control the size and character of all the Italian Armed Forces and to control the production of armaments. Certain functions now being carried out by the Service Sub-commissions do not lie within a literal interpretation of the terms of the New Agreement. These extraneous functions are listed below:

LAND FORCES SUB-COMMISSION :

Italian PW's.

Police (CCRR).

NAVAL FORCES SUB-COMMISSION :

Salvage of Allied shipping, particularly French.

Shipbuilding and ship-repairing.

Italian Coast Guard, provided one is established.

AIR FORCES SUB-COMMISSION :

Civil aviation, *including passenger service, etc.*

Aircraft construction.

Whether these extraneous matters should continue to be functions of the Sub-sections of IAFS is a matter for considerable study. It is considered that the Chief, IAFS, should be directed to initiate such a study and to make appropriate recommendations. This should be a part of the directive referred to in paragraph 25 below.

Why, we have been studying this all along

LAND FORCES SUB-COMMISSION :

Italian PW's.

Police (CCRR).

NAVAL FORCES SUB-COMMISSION :

Salvage of Allied shipping, particularly French.

Shipbuilding and ship-repairing.

Italian Coast Guard, provided one is established.

AIR FORCES SUB-COMMISSION :

Civil Aviation. *including some major projects.*

Aircraft construction.

Whether these extraneous matters should continue to be functions of the Sub-sections of LAFS is a matter for considerable study. It is considered that the Chief, LAFS, should be directed to initiate such a study and to make appropriate recommendations. This should be a part of the directive referred to in paragraph 25 below. *Why we have been doing this all along*

PARTICIPATION BY OTHER NATIONS NOW REPRESENTED IN ALCOM :

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17. The French representative on the Allied Commission has informed the Chief Commissioner that his government would insist on stronger French representation in the Allied Commission or any alternative organisation which might be set up. Specifically, he stated that his government would insist on functional participation by French officers in Service Sub-commissions or their successors. It is considered highly desirable that supervision and control of the Italian Armed Forces be retained in the hands of the U.S. and British military. Admission of other nations to equal participation in the Service Sub-commissions is believed to be a matter for determination by the four Foreign Ministers and not for MJPS.

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However, a policy recommendation on this matter ~~should~~ be included in the MJPS Report.

CONCLUSIONS :

18. The existing structure of the Service Sub-commissions of Allied Commission should remain unchanged, pending results of the study called for in paragraph 25 below.

19. A staff section of AFHQ to be called "ITALIAN ARMED FORCES SECTION" (IAFS) should be established to assume the functions prescribed by paragraph III of the New Agreement.

20. The Service Sub-commissions, to be known as Land Forces, Naval Forces, and Air Forces Sub-sections of IAFS, should remain as at present in Rome.

21. THE ITALIAN ARMED FORCES SECTION, AFHQ, should be located with AFHQ in Caserta.

22. THE ITALIAN ARMED FORCES SECTION, AFHQ, should in all respects be subject to the normal operating procedure of an orthodox staff section.

23. THE ITALIAN ARMED FORCES SECTION, AFHQ, should be an integrated section with a British Chief and an American Deputy, or vice versa, service immaterial. Its staff should include representatives of each of the three services.

24. Matters requiring coordination with the head of the Italian government will be referred to the Chief Civil Affairs Officer by the Chief, IAFS.

25. The Chief of IAFS, AFHQ, should be initially charged with a study of the present Services Sub-commissions with a view to making recommendations as to any change in their directive, organization, strength or method of operation.

20. The Service Sub-commissions, to be known as Land Forces, Naval Forces, and Air Forces Sub-sections of IAFS, should remain as at present in ROME.

21. THE ITALIAN ARMED FORCES SECTION, AFHQ, should be located with AFHQ in Caserta.

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23. THE ITALIAN ARMED FORCES SECTION, AFHQ, should be an integrated section with a British Chief and an American Deputy, or vice versa, service immaterial. Its staff should include representatives of each of the three services.

24. Matters requiring coordination with the head of the Italian government will be referred to the Chief Civil Affairs Officer by the Chief, IAFS.

25. The Chief of IAFS, AFHQ, should be initially charged with a study of the present Services Sub-commissions with a view to making recommendations as to any change in their directive, organisation, strength or method of operation that appears to be desirable.

26. Participation in IAFS and its Sub-sections should be limited to the U.S. - U.K.

ACTION RECOMMENDED :

27. It is proposed, after the meeting of MJPS for the purpose of discussing this draft, to prepare a draft directive on the organisation and operation of IAFS for submission to the Chief of Staff for approval and for publication at the proper time.

FROM: AIR FORCE SUB-COMMISSION,
ALLIED COMMISSION, 1946.

TO: EXECUTIVE COMMISSION, U.S. A.C. (2 COMES).
ONE COPY TO U.S.A.C. MEMORANDUM.

DATE: 13TH JAN, 1946.

REF: ARSO/357/4/306.

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TOPICS OF PREVIOUS AND REPRESENTATIVES OF THE
AIR FORCE SUB-COMMISSION, ALLIED COMMISSION,
1946.

With reference to the Executive Commission's letter 304/224/30 of the 11th June, 1946, and ARSO C.51210.402 of the 7th June.

2. The Commission of British and American personnel in the A.F.C. During the war General Moser is believed to have turned over to his Deputy Air Chief-C, Air Marshal Sir John Slessor, the responsibility of running and helping the Italian Air Force in such a manner as was considered best to further the defeat of the Germans. This policy was repeated by General Canun to his Deputy, Air Marshal Sir (my General). It is believed that this decision was taken because the Italian Combat Squadrons, comprising 6 Fighter and 2 Light Bomber Squadrons, and also the equivalent of 2 Coastal Squadrons were placed under the direct operational control of the British Force, known as Italian Air Force and Mediterranean Allied Coastal Air Force respectively. Hence the heavy proportion of British over American personnel in the Air Force Sub-Commission at that time. Then there were only 2 American officers in the A.F.C., one of whom was the Deputy Director.

3. In September 1945, on the initiative of the Chief Commissioner, Brigadier General Lee, U.S.A.C., was brought into the Air Force Sub-Commission as Deputy Director and at the same time the proportion of American was increased, partly because of the failure to replace outgoing British personnel, and partly because the 15th American Air Force, on folding up, was able to provide some officers and GPs. The number of American officers in the A.F.C. has since then been about 10; the new proposed establishment for the A.F.C. allows of 21 British officers and 7 American officers.

4. This proportion is estimated to be satisfactory because a large part of the Italian Air Force will shortly be re-equipped mostly with British type aircraft, surplus craft, armament and signals equipment, together with

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2. Interdependence of British and American Personnel in the A.F.S.C.
During the war General Baker is believed to have turned over to his Deputy Air C-in-C, Air Marshal Sir John Blaxland, the responsibility of running and leading the Italian Air Force in such a manner as was considered best to further the defeat of the Germans. This policy was repeated by General Canlon to his Deputy, Air Marshal Sir Guy Gurnell. It is believed that this decision was taken because the Italian Combat Squadrons, comprising 6 Fighter and 2 Light Bomber Squadrons, and also the equivalent of 2 Coastal Squadrons were placed under the direct operational control of the British Forces respectively. Hence the heavy dependence of British over American personnel in the Air Forces Sub-Commission at that time. When there were only 2 American officers in the A.F.S.C., one of whom was the Deputy Director.
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4. This proportion is estimated to be satisfactory because a large part of the Italian Air Force will shortly be re-equipped mostly with British two aircraft, warlike craft, armament and signals equipment, together with some American aircraft.
5. The functions of the Air Forces Sub-Commission are laid down in A.F.S.C. Directive for the A.F.S.C. - No. 134/44, dated 28th August, 1945, as amplified by AG. 094.711/231, dated 23rd September 1945, which was the interim policy for the Italian Air Force.
6. The Directive for the Air Forces Sub-Commission briefly lays down the following:-
- (i) The Director is responsible in technical and administrative Air Force matters to the C-in-C, A.F.S. and the Commanding General, Army Air Forces Mediterranean Theatre of Operations.
 - (ii) On matters of policy such as those which present political issues or which affect the other Services, the Director is responsible to the Chief Commissioner.
 - (iii) It is the function of the A.F.S.C. to ensure that the Italian Air Force complies with directives which are received from time to time from the Supreme Allied Commander, which include:-

- (a) The maximum ceiling of 31,000 officers and men not to be exceeded.
- (b) To ensure that no units in excess of those authorized are maintained.
- (c) All Italian Air Force units to remain unreservedly at the disposal of A.M.
- (d) To assist the Italian Air Ministry to run the Italian Air Force as efficiently as possible within the limits of its authorized resources and with such resources as the Allies may make available to them.
- (e) To transmit Allied policy instructions to the Italian Air Ministry.
- (f) To approve or reject on grounds of suitability the appointment of Commanding Officers and Senior Staff Officers in the Italian Air Force.
- (g) To report any surplus Italian Air Force manpower (within the approved ceiling) for direct control by British and American Air Forces in this theatre.
- (h) That the Intelligence Staff of the Italian Air Ministry makes available any information that may be of value to the Allied Intelligence Staffs.

7. Latest Policy. The directive for the A.P.S.C. (dated 28th August, 1945), is now in process of modification in view of the proposals made by SACM in Signal WAF. 1103 dated 23rd December 1945 which was approved by CMB in PAF. 619 of the 16th March, subject to final approval of detailed plans for aircraft re-equipment. PAF. 619 emphasizes that CMB's approval is 'permissive' only and not an Allied requirement from the Italian Government, and that the approval does not prejudice final decisions on the limitations to be imposed by the Treaty of Peace with Italy. The Italian Air Ministry has agreed to adopt the M.I.E.S. plan based on WAF. 1103.

8. Organisation of the Italian Air Force. At the termination of hostilities it was briefly as follows:-

- (i) 6 Fighter Squadrons of which 2 were armed with American P. 59 aircraft and 4 with Spitfire Va.
- (ii) 2 Squadrons of Baltimore Light Bombers (supplied from British sources).
- (iii) Equivalent of 2 C-47 Squadrons of Italian seaplanes.
- (iv) Equivalent of 4 Squadrons of Porter Transport Italian aircraft.

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(h) That the Intelligence Staff of the Italian Air Ministry makes available any information that may be of value to the Allied Intelligence Staffs.

7. Latest Policy. The directive for the A.P.S.I. (dated 23rd August, 1945), is now in process of modification in view of the proposals made by SACMSS in Signal WAF. 4103 dated 23rd December 1945 which was approved by COS in WAF. 649 of the 16th March, subject to final approval of detailed plans for aircraft re-equipment. WAF. 649 emphasises that COS's approval is 'permissive' only and not an Allied requirement from the Italian Government, and that the approval does not prejudice final decisions on the limitations to be imposed by the Treaty of Peace with Italy. The Italian Air Ministry has agreed to adopt the A.P.S.I. plan based on WAF. 4103.

8. Organisation of the Italian Air Force. At the termination of hostilities it was briefly as follows:-

- (i) 6 Fighter Squadrons of which 3 were armed with American P.39 aircrafts and 1 with Spitfire Vb.
- (ii) 2 Squadrons of Baltimore Light Bombers (supplied from British sources).
- (iii) Equivalent of 2 CR/ASR Squadrons of Italian seaplanes.
- (iv) Equivalent of 4 Squadrons of Bomber Transport Italian aircraft.
- (v) Flying Refresher School.
- (vi) Maintenance and Equipment Depots and the necessary Headquarters to run the above. All under the Italian Air Ministry.

9. As an outcome of WAF. 649 it is intended that the Italian Air Force shall be re-organised as follows:

- (i) 4 Interceptor Fighter Squadrons in 2 Static Wing Sections.
- (ii) 2 Fighter Bomber and 1 Tac. B Squadrons, in a Mobile Tactical Support Wing Sector.
- (iii) 2 CR/ASR Squadrons.
- (iv) 2 Transport Squadrons - not Bomber Squadrons.
- (v) 1 ACP Squadron.
- (vi) 1 Communication Squadron.

Continued/3.....

(v) Necessary maintenance and training units.

(viii) All the above to be administered by the Italian Air Ministry through essential Headquarters under the supervision of the A.F.S.C.

10. The maximum ceiling for the Italian Air Force will remain at 31,000 without prejudice to the terms of the Peace Treaty.

11. Re-equipment. If the Italian Government can afford to pay for them, it is proposed to re-equip all the Fighter Squadrons with Spitfire IX and P.38 (Lightning) aircraft, 1 GR/ASR Squadron with British Catalina's and certain training and target towing British aircraft. Likewise 14 British High Speed Launches are earmarked, together with British ground radar equipment for the Fighter Sector. It is also proposed to supply British bombs and aircraft S.A.A. It should be noted that, for ease of maintenance and supply, the Italian Air Ministry wishes to restrict the types of equipments so far as is practicable.

12. Training and Reorganisation. Although it has not been categorically stated, it seems that the A.F.S.C. will be required to advise the Italian Air Ministry on the maintenance of and the training in these equipments (if only to maintain the reputation of British and American equipment). It will also be required to advise in the reorganisation of the Air Ministry and Units, from the Air Council down to squadron level.

13. Aircraft Construction and Civil Aviation. Under the terms of MAP.1103 and PN.649:

(1) The construction of non-combat type aircraft is permitted.

(ii) Internal Civil Aviation, including limited private flying is permitted on the condition that it shall be regulated by the Italian Government under the supervision of the A.F.S.C.

(iii) External Civil Airlines are not permitted until Italian Aircraft Safety has reached International standards and can then be negotiated through Diplomatic channels.

14. During the period from the cessation of hostilities to the new Interim Policy (as stated in MAP.1103), the Italian Air Force was theoretically grounded, but that policy was considerably modified in favour of the Italian Air Force in order:

(1) that Fighter and Light Bomber aircrews could retain their flying skill (limited to 6 hours flying per crew per month),

the Italian Air Ministry on the maintenance of and the training in these equipments (if only to maintain the reputation of British and American equipment). It will also be required to advise in the reorganization of the Air Ministry and Units, from the Air Council down to Squadron level.

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- (ii) Internal Civil Aviation, including limited private flying is permitted on the condition that it shall be regulated by the Italian Government under the supervision of the A.F.S.C.
- (iii) External Civil Airlines are not permitted until Italian Aircraft Safety has reached international standards and can then be negotiated through Diplomatic channels.

14. During the period from the cessation of hostilities to the new Interim Policy (as stated in MAP. 1103), the Italian Air Force was theoretically grounded, but that policy was considerably modified in favour of the Italian Air Force in order:

- (i) that Fighter and Light Bomber squadrons could retain their flying skill (limited to 6 hours flying per crew per month),
- (ii) to inaugurate a Military Courier Service ⁶³²⁴ for the benefit of Allied personnel and also Italians in connection with the rehabilitation of Italy.
- (iii) that an Air Sea Rescue Service would be operated by the Italian Squadrons.

15. Both the Military Courier Service and the A.S.R. organisation are now effectively run by the Italians up to a standard that few considered would be possible.

16. In order to save American and British manpower the Italians have taken over more and more responsibility, e.g. the Net Services, Aircraft Safety and A.S.R. Services are now practically completely Italianized, and Italian personnel are being infiltrated both into American and British Air Transport posts.

17. Likewise Italian Air Force personnel known as RR-IMI and US IMI are still under the direct control of British and American Units, although this commitment is gradually falling off with the closing down of Allied Units; they were provided as guards, cooks and butchers etc.

Continued/4.....

18. Similarly the Italian Air Force has generally taken over a large number of airfields, many of which have been returned to agriculture; there are now only two dozen airfields controlled and manned by the Allies.

19. The immediate operational requirements for the Italian Air Force are, limited to air assistance to the Land Forces in the maintenance of internal security and guarding such frontiers as are not under Allied control, and Italian Air Force Fighter Squadrons, when adequately trained, might be used by the Allies to protect certain parts of Italy against air attack.

20. The long-term policy is that the post-war Italian Air Force shall be organised on a defensive basis and that it should be large enough to provide air defence to vital areas, and to give air support to the other Services. The capacity of Italian economy will limit its size.

21. The successor to the Air Forces Sub-Commission. There appear to be three functions to be considered, namely:-

(i) Accredited Air Force mission to the Italian Government to assist in the re-organisation of their Air Force and in helping them to become an effective force in the defence of Italy, and possibly in the United Nations organisation. (Preferably integrated Anglo American).

(ii) A Verification Commission to ensure that the details of the Peace Treaty will be complied with by the Italians. This Commission may have to be an integrated organisation comprising British, American, French and Russian members. Its duties should be:-

- (a) To ensure that maximum ceilings in personnel and aircraft strengths of the Italian Air Force are not exceeded.
- (b) Facilitation of air facilities - if any.
- (c) Supervision of civil aviation, within limitations which may be imposed.
- (d) Supervision of aircraft factories, and aircraft production peculiar to air forces, within limitations which may be imposed.

(iii) Air Attaches to the British and American Embassies.

22. The morale of the Italian Air Force. It has been found that generally speaking the I.A.F. is co-operative, amiable and anxious to ally American organisation and training and maintenance methods, so that their resources will benefit. However the I.A.F. units have a real job of work

(1) Accredited Air Force mission to the Italian Government to assist in the re-organization of their Air Force and in helping them to become an effective force in the defense of Italy, and possibly in the United Nations organization. (referred to as integrated Anglo American).

(11) A Verification Commission to ensure that the details of the Peace Treaty will be complied with by the Italians. This Commission may have to be an integrated organization comprising British, American, French and Russian members. Its duties should be:-

- (a) To ensure that maximum ceilings in personnel and aircraft strengths of the Italian Air Force are not exceeded.
- (b) Demilitarisation of air facilities - if any.
- (c) Supervision of civil aviation, within limitations which may be imposed.
- (d) Supervision of aircraft factories, and armament production peculiar to air forces, within limitations which may be imposed.

(111) Air Attache to the British and American Embassies.

22. The morale of the Italian Air Force. It has been found that generally speaking the I.A.F. is co-operative, amenable and anxious to accept Anglo-American organization and training and maintenance methods, so long as resources will permit. Whenever the I.A.F. units have a real job of work to do (e.g. Courier Services and A.S.F.) their moral standards are of a high order. Most of the aircrews are experienced and good leadership can be relied upon to conduct operations successfully. At the end of the war the British Commanders (S.A.F. and A.C.A.F.) were full of praise for the Italian Combat Units.

L. P. P. P.

I. E. MOORE,
AIR VICE-MARSHAL,
DIRECTOR,
AIR FORCE SUB-COMMISSION.

5A

HEADQUARTERS ALLIED COMMI. ON

APO 394

Office of the Executive Commissioner

IMMEDIATE.Ref: 801/224/EC.11 June 1946.SUBJECT: Civil Affairs Briefing of Field
Marshal Viscount Montgomery.

TO : Director, Navy Sub-Com.
 " Land Forces Sub-Com.
 " Air Forces Sub-Com.
 Vice President, CA Section.
 A/Vice President, Economic Section.
 Director, Displaced Persons Sub-Com.

1. I enclose copy of letter from Brig. General HAMBLEN.
 I should be grateful if you would before noon on 15th June send
 me notes on the present problems confronting the Allied Commission
 (including AMG responsibilities) and those responsibilities which
 will confront the successors of the Commission.

2. Will Service Sub-Commissions comment on preponderance
 of British personnel in their Sub-Commissions and will Director,
 Land Forces Sub-Commission please send copy of his proposed ex-
 position on the Italian Army. Will A/Vice President, Economic
 Section reply to para.2 and Displaced Persons to last sentence of
 para.1

M. S. Clark

Brigadier,
 Executive Commissioner.

MSL/JG.

6321 -



done
14/6

5B

COPY.

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

G-5: 210.482

7 June 1946

SUBJECT: Civil Affairs Briefing of Field Marshal
Viscount Montgomery.

TO : Chief Commissioner,
Allied Commission,
APO 794.

1. During his visit to AFHQ from 19-21 June 46, Field Marshal Viscount Montgomery will be briefed by the Chiefs of the General Staff Sections AFHQ. At 1545 hrs 20 June, the undersigned is scheduled to "Talk on functions of G-5 and Allied Commission." It is requested that you furnish either in outline form or in a form ready for discourse, matter which in your opinion should be made known to the Field Marshal. It is believed that it is not desirable to present a historical recitation, but to present the present problems confronting the Allied Commission (including AEC functions and responsibilities) and those residual problems which will confront the successors of the Commission. It is not unlikely that interest will be shown in the set-up and functions of the three service sub-commissions and the reasons for the preponderance of British personnel in these S/Cs. It would be advisable therefore to expand somewhat in these matters. In this connection it is noted that General Browning is to speak at 1500 hours on the Italian Army. Care should be taken to prevent duplication. The problem of the maintenance and dispersal of displaced persons, and the probable future commitments of the military in respect thereof should likewise be included.

2. Any statistical information which might be of value, including some facts about UNRRA food imports would be appreciated in case inquiries are made.

(Sgd) A. L. HAMPTON,
Brigadier General, G.S.C.,
Assistant Chief of Staff, G-5.

6319

14/6

SECRET & PERSONAL.

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

Ref: 600/EC.1 December 1945.

SUBJECT: Future of the Allied Commission.

TO : A/Vice President, Economic Section.
 A/Vice President, CA Section.
 A/Vice President, Establishment Section.
 Director, Navy Sub-Commission.
 Director, Land Forces S/C (DATA).
 Director, Air Forces S/C.
 Director, Communications Sub-Commission.

The Chief Commissioner has directed me to pass copies of the attached telegram for your personal information, not for publication at this stage. He would be glad if you would furnish your preliminary comments on the telegram to the Executive Commissioner by 0900 hours, Sunday, 2nd December. The Chief Commissioner proposes to hold a meeting to discuss the telegram and to prepare the Allied Commission's comments thereon at 1500 hours, Monday, 3 December 1945.

1600 72

MHL/JG.

T. H. Cleary Lt. Colonel
 Brigadier,
 Executive Commissioner.

W. H. 6/12

6317

W. H. 3/12

4A

FROM: AIR FORCES SUB-COMMISSION,
ALLIED COMMISSION, ROME.

TO: CHIEF COMMISSIONER THROUGH EXECUTIVE COMMISSIONER,
HEADQUARTERS, ALLIED COMMISSION, ROME.

DATE: 7TH JUNE, 1946.

REF: AFSC/357/1/ENG.

TOP SECRET.

FUTURE OF MILITARY SUB-COMMISSIONS.

Reference our conversation about the attached paper and concerning which we spoke, I have retrieved the copies which were to be sent to Air Commodore Woolley and to Air Vice-Marshal Fogarty with the result that there are now no copies outside the Allied Commission.

2. I again apologise for my rather hasty action in forwarding copies of this document outside Allied Commission.

S/O *[Signature]* 16/6/46

[Signature]

I.E. BROUKE,
AIR VICE-MARSHAL,
DIRECTOR,
AIR FORCES SUB-COMMISSION.

6315

FROM: HQ ALCON SIGNED STONE

TO : AFHQ GEORGE DASH FIVE

27 FEBRUARY 1946-1540

1472 360, I'm afraid I don't understand a word, can you?
 UNCLASSIFIED

REFERENCE COM THREE FIVE THREE CMA MAT NINE SIX FIVE CMA AND PAN FIVE
 EIGHT THREE PD
 PARA ONE PD AS A CONSEQUENCE OF THE RETURN TO ITALIAN GOVERNMENT CONTROL
 OF ALL ITALY EXCEPT VENEZIA, GIULIA AND UDINE CMA AND OF THE ASSUMPTION
 BY UNRAA OF THE RESPONSIBILITY FOR THE BASIC SUPPLY PROGRAM IN ITALIAN
 GOVERNMENT TERRITORY CMA I PROPOSE TO MAKE THE FOLLOWING INTERIM CHANGES
 IN ALCON EFFECTIVE ONE MARCH CMA WHILE WAITING REPLY TO YOUR MAT NINE
 SIX FIVE PD

PARA TWO PD REMAIN PAREN ABLE PAREN THE ECONOMIC SECTION CMA APPOINTING
 COLONEL CHARLES WILLIAM WALTON ACTING VICE PRESIDENT PAREN VICE EARL
 CLEVELAND TRANSFERRED TO UNRAA PAREN AND LT COLONEL BAKER EASY LOVE TIMMONS
 DEPUTY VICE PRESIDENT AND CHIEF FINANCIAL ADVISER PAREN VICE COLONEL
 DENSHORE TRANSFERRED TO US PAREN SEMICIN PAREN BAKER PAREN CAPTURED ENEMY
 MATERIALS BRANCH SEMICIN PAREN CHARLIE PAREN REQUISITION BRANCH PAREN TO
 ADMINISTER THE SUPPLY OPERATIONS FOR VENEZIA, GIULIA AND UDINE PAREN PD
 PARA THREE PD CONVERT THE FOLLOWING SUB DASH COMMISSIONS INTO BRANCHES OF
 THE ECONOMIC SECTION SEMICIN FOOD AND AGRICULTURE CMA INDUSTRY AND UTILITIES
 CMA TRANSPORTATION AND SHIPPING CMA COAST GUARD CMA FINANCE PD
 PARA FOUR PD ABOLISH THE LABOUR SUB DASH COMMISSION PD
 PARA FIVE PD THE PERSONNEL OF THE ECONOMIC SECTION WILL INCLUDE FIFTEEN
 EACH BRITISH AND AMERICAN OFFICERS AND TWELVE EACH BRITISH AND AMERICAN
 ONE ROGER SLANT EASY MIKE PD THESE FIGURES ARE WITHIN THE WILLIAM EASY
 AND TENTATIVE ARE ONE PD UNDER COM THREE FIVE THREE NO PEA PERSONNEL
 AVAILABLE AFTER MARCH ONE PD

PARA SIX PD BRIEFLY THE FUNCTIONS ARE CMA PAREN ABLE PAREN TO KEEP IN
 INFORMED OF THE ECONOMIC SITUATION SEMICIN PAREN BAKER PAREN MAINTAIN
 CONTACT ON ECONOMIC MATTERS WITH THE ITALIAN GOVERNMENT SEMICIN PAREN
 CHARLIE PAREN HANDLE SUB IN ARRANGEMENTS FOR AND TERRITORY SEMICIN PAREN
 DOG PAREN HANDLE MISCELLANEOUS CORRESPONDENCE SEMICIN PAREN EASY PAREN
 CMA ROL COMMODITIES SEMICIN PAREN FOX PAREN COOPERATE IN ELECTRIC POWER
 REHABILITATION AND DISTRIBUTION SEMICIN PAREN PAREN HOW PAREN DISCHARGE REMAINING
 CLOSE OUT FILES AND RECORDS SEMICIN PAREN FIVE EIGHT THREE PD
 RESPONSIBILITIES UNDER PAN FIVE EIGHT THREE PD
 PARA SEVEN PD .. MORE COMPLETE OUTLINE WITH ORGANIZATIONAL CHART FOLLOWS
 BY LETTER PD

6317

0387

PAR. TWO PD RETAIN PAREN ABLE PAREN THE ECONOMIC SECTION ONLY. APPOINTING COLONEL CHARLES WILLIAM WILTON ACTING VICE PRESIDENT PAREN VICE EARL CLEVELAND TRANSFERRED TO UNRA. PAREN AND LT COLONEL BAKER EASY LOVE TIMONS DEPUTY VICE PRESIDENT AND CHIEF FINANCIAL ADVISER PAREN VICE COLONEL DENSMORE TRANSFERRED TO US PAREN SENICLN PAREN BAKER PAREN CAPTURED ENEMY MATERIALS BRANCH SENICLN PAREN CHARLIE PAREN REQUISITION BRANCH PAREN TO ADMINISTER THE SUPPLY OPERATIONS FOR VENEZIA GIULIA AND UDINE PAREN PD PAR. THREE PD CONVERT THE FOLLOWING SUB DASH COMMISSIONS INTO BRANCHES OF THE ECONOMIC SECTION SENICLN FOOD AND AGRICULTURE CIA INDUSTRY AND UTILITIES CIA TRANSPORTATION AND SHIPPING CIA COMMERCE CIA FINANCE PD PAR. FOUR PD ABOLISH THE LABOUR SUB DASH COMMISSION PD PAR. FIVE PD THE PERSONNEL OF THE ECONOMIC SECTION WILL INCLUDE FIFTEEN EACH BRITISH AND AMERICAN OFFICERS AND TWELVE EACH BRITISH AND AMERICAN OBOE ROGER SLANT EASY MIKE PD THESE FIGURES ARE WITHIN THE WILLIAM EASY AND TENTATIVE CASE OBOE PD UNDER COM THREE FIVE THREE NO PER PERSONNEL AVAILABLE AFTER MARCH ONE PD

6312

SUPPLY GROUP, ECONOMIC SECTION

GALLIES R. H. LITON

G.J. LEONE
ASST. ADJUTANT
GEN., USA.

Chief Commissioner	1
Executive Commissioner	1
Liaison Division	2
Archives	1
Message Center	1
Civil Affairs Section	10
Navy S/C	3
Land Forces S/C	5
Air Force S/C	3
Communications S/C	2
O-1 (A)	3
O-1 (B)	3

British Embassy
American Embassy
Food & Agriculture S/C
Industry & Utilities
Finance
Trans. & Shipping S/C
Labor S/C
Commerce (FI)
C.S.M., Branch
Registration Branch

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SECRET

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

Ref: 600/EC.

19 December 1945.

SUBJECT: Reorganisation of Allied Commission.

TO : ✓ VP., Economic Section
 VP., CA Section
 VP., Est Section
 Director, Navy S/C.
 Director, Land Forces S/C (IMLA)
 Director, Air Forces S/C
 Director, Communications S/C
 Chief Legal Adviser
 Chief Financial Adviser

The attached copy of MAT 965 - PX 56242 dated 12 December 1945
 is forwarded for your information.

A. H. M. - Clearing it (signed)
 Brigadier,
 Executive Commissioner.

6311

See para 2 in particular.

Director, Navy S/C
Director, Land Forces S/C (MAIL)
Director, Air Forces S/C
Director, Communications S/C
Chief Legal Adviser
Chief Financial Adviser

The attached copy of MAT 965 - FX 56242 dated 12 December 1945
is forwarded for your information.

F. H. M. - *deputy* U. S. - *deputy*
Brigadier,
Executive Commissioner.

6311

See para 2 in particular.

WBS 20/12

DD *deputy* S/C

330 *deputy* S/C

510 *deputy* S/C

SEO *deputy* S/C

Sign *deputy* S/C

Org. per *deputy* S/C

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: EX 56242
 Date/Time of Origin: 122042Z
 Message Centre No: C/5541
 Date Time Rec'd : 141400
 Precedence : ROUTINE

FROM : AFHQ SIGNED SACRED CITE FHGEG

TO : (FOR ACTION) AGWAR FOR COMBINED CIVIL AFFAIRS COMMITTEE
 (FOR INFO) CABINET OFFICES LONDON, ALCOM ROME.

SECRET.

This is MAT 965.

Reference your W 35740 - TAV 719 dated 29 November 1945.

PART (1). Discussion. A. The basic policy set forth in your para 1 is agreed, subject to detailed comment below pursuant that last two sentences of para 2 (A) CAN 437 continue to apply.

B. In the reorganization of ALCOM consideration must be given to the fact that within its present structure (but not as a separate entity) there exists the Headquarters of the AMG for Italy. It uses the machinery of Italian governmental in all phases of public life, it can remain effective only as long as it maintains the closest day to day contacts with the respective Italian Ministries. Even if ALCOM functions in connection with Italian controlled territory cease, some AMG Headquarters must remain in existence at the seat of the Italian Government as long as military government exists even over a small area. The AMG Headquarters should retain substantially the present structures as ALCOM but on a smaller scale.

C. It is agreed that the Service Sub-Commissions should remain in basic policy set forth for ALCOM until they become separate Service Missions. Agree also that Headquarters Executive Branch and Establishment Section should remain. If the foregoing remain, it appears desirable to retain the Deputy President in direct charge in ROME. Presume that it is intended that the French and Russian Representation in ALCOM shall remain. I now have several liaison officers in Italian Government territory for liaison with military formations and to keep me informed as to political and economic conditions. I desire to retain these, but those interested in the allocation and distribution of imported materials will revert to UNRRRA.

D. It is agreed that the Sub-Commissions listed in your paragraph 23 may be abolished so far as they pertain to Italian Government territory. They will be required on a small scale for AMG territory. While not retained as a separate Sub-Commission it is proposed that certain functions of the Local Government Sub-Commission be left to electoral procedure and minority problems such as exist in BOLZANO shall be left until after elections. Until UNRRRA takes over it

1. The basic policy set forth in your para 1 is agreed, subject to detailed comment below pursuant to para 2 (a) and 437 continue to apply.

B. In the reorganization of ALCOM consideration must be given to the fact that within its present structure (but not as a separate entity) there exists the Headquarters of the AMG for Italy. AMG uses the machinery of Italian governmental in all phases of public life, it can remain effective only as long as it maintains the closest day to day contacts with the respective Italian Ministries. Even if ALCOM functions in connection with Italian controlled territory cease, some AMG Headquarters must remain in existence at the seat of the Italian Government as long as military government exists even over a small area. The AMG Headquarters should retain substantially the present structures as ALCOM but on a smaller scale.

C. It is agreed that the Service Sub-Commissions should remain in basic policy so forth for ALCOM until they become separate Service Missions. Agree also that Headquarters Executive Branch and Establishment Section should remain. If the foregoing remain, it appears desirable to retain the Deputy President in direct charge in ROME. Presume that it is intended that the French and Russian Representation in ALCOM shall remain. I now have several liaison officers in Italian Government territory for liaison with military formations and to keep me informed as to political and economic conditions. I desire to retain these, but those interested in the allocation and distribution of imported materials will revert to UNRRA.

D. It is agreed that the Sub-Commissions listed in your paragraph 23 may be abolished so far as they pertain to Italian Government territory. They will be required on a small scale for AMG territory. While not retained as a separate Sub-Commission it is proposed that certain functions of the Local Government Sub-Commission ~~shall~~ be handled by the Executive Branch until after elections. Until UNRRA takes over it appears desirable to retain a small medical supply unit in the Supply Group of the Economic Section when the Public Health Sub-Commission is abolished. A group from the Public Works and Utilities Sub-Commission on allocation and utilization of electric power will be similarly assigned on the abolishment of the Public Works and Utilities Sub-Commission. See (G) below re the supply subcommission.

E. The effectiveness of the sub-commissions listed in your para 2 C would be greatly lessened if removed from ROME. If they are placed under AFHQ and remain in ROME supervision will be most difficult. War Materials is largely liaison and has been absorbed within economics. Italian Prisoners of War has been absorbed by Land Forces Sub-Commission. The others should remain for AMG purposes. No disadvantage can be seen in keeping them in ALCOM until they cease to function or until I can determine a more suitable assignment. Any transfer to AFHQ or other agencies will be notified to you prior to effective date. So far as the Italian Government is concerned, any transfer to AFHQ might well give rise to a feeling that military control was being tightened instead of being eased.

(i) As regards Finance Sub-Commission, I have implemented TAM 692 set up an Allied Supply Accounting Agency responsible to AFHQ. It is located in ROME and attached to ALCOM for administration. Agreed that currency supply and accounting functions of Allied Financial Agency including various services to Allied Forces can be transferred to AFHQ. I recommend that the Chief Financial Advisor remain with ALCOM to handle financial problems under the Armistice and to negotiate the currency agreement under paras 12-17 of FAN 533.

(ii) A portion of the functions of the Transportation Sub-Commission should remain in the ALCOM Supply Group until UNRRA takes over. The remaining functions are liaison and should not come to AFHQ.

F. Your para 2 D is agreed except that similar Sub-Commissions must function for AMG territory. It is assumed that this proposal is based on UNRRA supply of Italy. Should Italy be supplied otherwise further consideration will be necessary.

(i) As to Industry, the functions of advising the Italian Government and developing and reviewing projects for reconstruction of utilities including railways and industries should be transferred to the Embassies. The Embassies point out however that they are not yet in position to assume this function owing to lack of personnel.

(ii) As to Commerce, the advisory function (consisting of negotiations for re-opening private commercial trade) cannot be transferred to the Embassies because of their inability to receive them before 1 January 1946. The duties of screening export programmes and channelling clearances laid upon ALCOM by TAM 640 must be continued until the Combined Chiefs of Staff direct otherwise.

G. Read your para 2 E. The Displaced Persons Sub-Commission is less directly connected with the Italian Government than other Sub-Commissions. Plans are now under way transferring to AFHQ those displaced persons functions which UNRRA cannot undertake. With regard to the proposed Supply Sub-Commission and the transportation function, the Supply Group has been set up within the Economic Section in ROME which includes those functions (Food and Agriculture, Industry and Commerce) which are directly related to the import programme and which will be transferred to UNRRA when UNRRA takes over.

H. Your para 3 agreed except as pertains to AMG. I request prior consultation in respect of key positions. Desire to point out however that full advantage should be taken to change present incumbents to civil status or as is practicable before new personnel are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.

I. In view of above suggest deletion of your para 4.

PART (2)

A. Recommend pursuant to discussion in Part I that a directive be issued substantially as follows:

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining Headquarters Allied Military Government for territory under AMG control, and this absolute minimum for a temporary period. Y

opening private commercial trade) cannot be transferred to the Embassies because of their inability to receive them before 1 January 1946. The duties of screening export programmes and channelling clearances laid upon ACOM by TAV 640 must be continued until the Combined Chiefs of Staff direct otherwise.

C. Read your para 2 E. The Displaced Persons Sub-Commission is less directly connected with the Italian Government than other Sub-Commissions. Plans are now under way transferring to UNHQ those displaced persons functions which UNRRA cannot undertake. With regard to the proposed Supply Sub-Commission and the transportation function, the Supply Group has been set up within the Economic Section in ROME which includes those functions (Food and Agriculture, Industry and Commerce) which are directly related to the import programme and which will be transferred to UNRRA when UNRRA takes over.

H. Your para 3 agreed except as pertains to AMG. I request prior consultation in respect of key positions. Desire to point out however that full advantage should be taken to change present incumbents to civil status or as is practicable before new personnel are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.

I. In view of above suggest deletion of your para 4.

PART (2)

A. Recommend pursuant to discussion in Part I that a directive be issued substantially as follows:

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining Headquarters Allied Military Government for territory under AMG control, and this absolute minimum for a temporary period. They are directed to reduce and terminate those temporary residual functions as expeditiously as practicable, eliminating them without further reference to Combined Chiefs of Staff when in your opinion they serve no useful purpose. All rights under the Armistice and additional conditions of Armistice of 29 September 1943 would still be held in reserve as set forth in para 1 of FAN 487; the power of enforcement will in all cases remain with SACRED as President of Allied Commission. Last two sentences of para 2 (of FAN 487 continue to apply.

2. In accordance with the above you should reorganize Allied Commission as follows

A. Sub-Commissions whose functions are to be retained in Allied Commission:

(1) Navy, Army, Air Force Sub-Commissions should remain with Allied Commissioner until they become separate service missions.

(2) HQ Executive Branch and Establishment Section with Sub-Liaison Groups as may be required in the field. Size will depend upon responsibilities still remaining in Allied Commission.

(3) Sub-Commissions required for the exercise of military government in AMG territories. These Sub-Commissions will interest themselves only to subject pertaining to military government in being and only to the extent they affect such military government in being.

(4) Local Government (functions to be absorbed in Executive Branch).

(5) French and Russian representatives with their presently authorized staffs will remain in Allied Commission.

B. Sub-Commissions whose functions are to be abolished except as they pertain to military government in being and territory included therein:

Education;

Monuments, Fine Arts and Archives;

Public Works and Utilities (except electric power unit which is transferred to Supply Group);

Public Health (except for medical supply functions which are transferred to Supply Group);

Legal (Supply Groups); (Legal Advisor to Allied Commission and reviewing officers will be retained);

Patriots Branch of Local Government Sub-Commission.

C. Sub-Commissions whose functions, except as they pertain to military government in being, will be eliminated or transferred to other agencies including AFHQ to the extent to which you consider their functions are necessary to carrying out of policies laid down by Combined Chiefs of Staff:

Communications;

Public Safety;

War Materials (less Italian Prisoners of War already absorbed in Land Forces Sub-Commission);

Public Relations;

Finance (currency, combined billing, services to Armies and para 10 of FAN 583 Position of Chief Financial Advisor will be retained in Allied Commission who will be responsible for negotiating agreement foreseen in paras 1247 of FAN 583);

Displaced Persons and Refugees.

to Supply Group);

Public Health (except for medical supply functions which are transferred to Supply Group);

Legal (Supply Groups); (Legal Advisor to Allied Commission and reviewing officers will be retained);

Patriots Branch of Local Government Sub-Commission.

C. Sub-Commissions whose functions, except as they pertain to military government in being, will be eliminated or transferred to other agencies including AFHQ to the extent to which you consider their functions are necessary to carrying out of policies laid down by Combined Chiefs of Staff:

Communications;

Public Safety;

War Materials (less Italian Prisoners of War already absorbed in Land Forces Sub-Commission);

Public Relations;

Finance (currency, combined billing, services to Armies and para 10 of FAN 583 Position of Chief Financial Advisor will be retained in Allied Commission who will be responsible for negotiating agreement foreseen in paras 1247 of FAN 583);

Displaced Persons and Refugees.

D. Sub-Commissions whose functions are to be transferred to the United States and United Kingdom Embassies as soon as is necessary personnel can be procured:

Industry (advisory functions);

Commerce (advisory functions).

Commerce Sub-Commission will continue in Allied Commission to perform function undertaken in TAV 640 until other arrangements are made.

Labour;

Finance (advisory functions and duties under FAN 583 except paras 10, 12 and 1

Food (insofar as NOT concerned with imports);

Agriculture (advisory functions).

E. Sub-Commissions whose functions are to be retained in Allied Commission until UNRRA takes over;

Food;

Industry (except advisory functions);

Economic Staff Branches having supply functions;

Transportation Sub-Commission (handling of transport and warehousing problems connected with imported supplies, and requirements and allocation problems connected with the imported supplies for the transportation system itself.

3. Either the United States or United Kingdom Governments will civilianise any of the posts in any Sub-Commission remaining in Allied Commission after consultation with you. The present process of introducing into the Sub-Commissions whose functions are to be taken over by UNRRA and civilian personnel who intend to transfer to UNRRA when the latter assumes the functions of these Sub-Commissions will be continued.

AC DIST

INFO/ACTION: EXEC COMAR (2)
INFO: CHIEF COMAR
POLAD (A)
POLAD (B)
FILE (SKELETON)

S E C R E T

1/3

War 85740

G/4657

301205

ROUTINE

AFHQ

ACTION ALCOM

SECRET.

This is TAM 719 (To MORGAN for FHGG from OCS cite OGAC repeated information AMSSO for BOS). There follows draft directive which OGAC proposes submitting to OCS for approval:

Quote. Para One. It is desirable to remove from Allied Commission as many functions as possible, retaining only absolute minimum for temporary period. All rights under the armistice and surrender instrument would still be held in reserve as set out in Para 1 of FAN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission.

Para two. In accordance with the above you should reorganise Allied Commission as follows:

- A. Subcommissions whose functions are to be retained in Allied Commission:
- (i) Navy, Army, Air Force Subcommissions should remain with Allied Commission unless or until they form nucleus of separate service missions.
 - (ii) HQ Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining with Allied Commission. 630
- B. Subcommissions repeat Subcommissions whose functions are to be abolished:
- Education.
 - Local Government and Patriots.
 - Monuments Fine Arts and Archives.
 - Public Health.
 - Public Works and Utilities.

Cont'd Page 2.

-2-

(but legal adviser to President of Allied Commission may be necessary).

- G. Subcommissions whose functions are to be transferred to AFHQ to extent to which you consider their functions are necessary to carrying out of policies laid down by Combined Chiefs of Staff:

Communications.

Public Safety.

War Materials and IPOW.

Public Relations.

Transportation (but see sub para E. below).

Finance Currency, combined billing etcetra, services to armies and paras 10, 12 - 17 FAN 583.

- H. Subcommissions whose functions are to be transferred to the United States and United Kingdom Embassies as soon as necessary personnel can be procured:

Industry and Commerce (Advisory Functions).

Labour.

Agriculture (Advisory Functions).

Finance (Advisory Functions and Duties) under FAN 583 except para 10, 12 - 17.

Food (insofar as NOT repeat NOT concerned with imports).

- I. Subcommissions whose functions are to be retained in Allied Commission until UNRRA takes over:

Displaced Persons and Refugees.

Food which should be reorganised into a supply subcommission and include any functions of other economic subcommission relating to imports.

Transportation Subcommission (bids for imported supplies and

Cont'd Page 3.

-3-

functions in respect to warehousing imported supplies).

Para 3. Either the United States or United Kingdom Governments will civilianise at their discretion any of the posts in any subcommission remaining in Allied Commission. It would be advantageous if there were introduced into the relative subcommissions any civilian personnel (of United States or United Kingdom nationality) who intend to transfer to UNRRA when the latter takes over.

Para 4. As part of civilianization of Allied Commission, the Allied Financial Agency will be transferred from Allied Commission Finance Subcommission and attached directly to AFHQ, you may retain Allied Financial Agency HQ in Rome if you so desire. Prior to completion of civilianization of Allied Commission you should proceed with such measures as are necessary to establish as authorized in TAM 692 a combined agency within AFHQ to take over from Allied Commission functions of accounting, billing for civilian supplies furnished to Italy under combined military responsibility. Unquote.

Para 5. As early action on lines above is desired your comments on above draft directive urgently requested in MAT repeat MAT series.

DISTRIBUTION:

ACTION - Exec Commissioner

INFO - Chief Commissioner

Wdd 6/12

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SECRET & PERSONAL.

U R G E N T.

HEADQUARTERS ALLIED COMMISSION

AFO 394

Office of the Executive Commissioner

+++++

3 Dec 1945.

Ref: 600/EC.

SUBJECT: Reorganisation of Allied Commission.

TO : A/VP, Economic Section.
 A/VP, CA Section.
 A/VP, Est Section
 Director, Navy S/C.
 Director, Land Forces S/C.
 Director, Air Forces S/C.
 Director, Communications S/C.
 Polad (A)
 Polad (B)
 Chief Legal Adviser
 Chief Financial Adviser.

1. Reference this office letter 600/EC of 1 Dec 45 (not to last four addressees).
2. Attached are copies of TAM 719, draft reply by AFHQ received yesterday, and comments and suggested amendments to draft AFHQ M&T cable, to serve as basis of discussion for this afternoon's meeting.
3. Addressees please note, meeting will now be held at 1600 hours, today (Monday, 3 Dec) in the Chief Commissioner's Conference Room. Polads (A) and (B), Chief Legal Adviser and Chief Financial Adviser are requested to attend.

TH H. Cleary is. *Polad*
Brigadier,
Executive Commissioner.

MSL/JC.

Director, Air Forces S/C.
 Director, Communications S/C.
 Poland (A)
 Poland (B)
 Chief Legal Adviser
 Chief Financial Adviser.

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MSL/JC.

T.M. McCleary is *Polad* of
 634
 Brigadier,
 Executive Commissioner.

Watt 6/12

Watt 3/12

SECRET

ACTUAR for COS

CABINET OFFICES for BRITISH CHIEFS OF STAFF

This is MAT _____

Ref your W-85740 - T.M. 719 dated 29 Nov 45.

Part I. Discussion.

Be commended later
A. The basic policy set forth in your para 1 is agreed, except as to the provision of AMG requirements.

Subject for
B. In the reorganisation of ALOOM consideration must be given to the fact that within its present structure there exists the headquarters of the allied military government for Italy. As long as military government remains, there must be in existence a headquarters located at the seat of the Italian Government. AMG does not govern directly but uses the machinery of the Italian government agencies in all phases of public life. It can be effective only by the closest day to day contact with the respective Italian ministries. Such an AMG headquarters must retain substantially the present structure of AG on a reduced scale. It would deal only with AMG matters and except as indicated otherwise in this paper not interest itself in 'Kings' Italy.

C. It is agreed that the Service sub-commissions should remain in AG unless or until they form the nucleus of separate service missions. Agree that HQ Ex Branch and Establishment Section should remain.

D. It is agreed that the sub-commissions listed in your para 2 b.

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the fact that within its present structure there exists the headquarters of the allied military government for Italy. As long as military government remains, there must be in existence a headquarters located at the seat of the Italian Government. AMG does not govern directly but uses the machinery of the Italian government agencies in all phases of public life. It can be effective only by the closest day to day contact with the respective Italian ministries. Such an AMG headquarters must retain substantially the present structure of AG on a reduced scale. It would deal only with AMG matters and except as indicated otherwise in this paper not interest itself in 'Kings' Italy.

C. It is agreed that the Service sub-commissions should remain in AG unless or until they form the nucleus of separate service missions. 6298
agree that HQ Ex Branch and Establishment Section should remain.

D. It is agreed that the sub-commissions listed in your para 2 b. may be abolished so far as they pertain to 'Kings' Italy. They should be retained on a small scale for AMG purposes.

E. The effectiveness of the sub-commissions listed in your para 2 c. would be greatly lessened if removed from Rome. If they were to be placed under AFHQ and remain in Rome supervision would be most difficult. War Material and IPCW are little more than liaison groups. The others in this category should remain in being for AMG functions. No disadvantage is seen for keeping them with AG for the present while details are being worked out to determine to what agency if any their functions in connection with 'Kings' Italy can best be transferred. It is believed preferable

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to allow me to use discretion in connection with this group keeping in mind the policy of the CCS that the IC shall retain the minimum essential functions.

F. Your para 2 d. is agreed except that similar sub-commissions must function for ME territory. It is assumed that this proposal is based on UNRRA supply of Italy. Should Italy be furnished essential commodities on a national basis a reconsideration of this reorganization would be required.

G. Ref your para 2 e. The DP sub-commission is less directly connected with the Italian Government than other sub-commissions. Plans are under way now to transferring to MEHQ those functions of the DP sub-commission which UNRRA cannot undertake, such as repatriation of Reich Germans from Bolzano and the administration of categories of DPs which are not covered by the UNRRA charter. Your views on the food and transportation sub-commissions are agreed.

H. Your para 3 agreed except as pertains ME. Desire to point out however that full advantage should be taken to change present incumbents to civil status so far as practicable before new officials are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.

I. Your para 4 is agreed.

PART II.

4. Recommend pursuant to discussion in Part I that a directive be

connected with the Italian Government than other sub-commissions. Plans are under way now to transferring to ARHQ these functions of the DP sub-commission which UNRRA cannot undertake, such as repatriation of Reich Germans from Bolzano and the administration of categories of DPs which are not covered by the UNRRA charter. Your views on the food and transportation sub-commissions are agreed.

H. Your para 3 agreed except as pertains AMG. Desire to point out however that full advantage should be taken to change present incumbents to civil status so far as practicable before new officials are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.

I. Your para 4 is agreed.

PART II.

A. Recommend pursuant to discussion in Part I that a directive be issued substantially as follows:

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining a headquarters Military Government for territory under AMG control, and the absolute minimum for a temporary period. You are directed to reduce and terminate those temporary residual functions as expeditiously as practicable, eliminating them without further reference to CGS when in your opinion they serve no useful purposes. All rights under the Armistice and Additional Conditions of Armistice of 29 September 1943 would still be held in reserve

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as set forth in para 1 of E.A.N 437; the power of enforcement will in all cases remain with SACRED as President of Allied Commission.

2. In accordance with the above you should reorganise Allied Commission as follows:

(A) Sub-commissions whose functions are to be retained in Allied Commission:

(1) Navy, Army, Air Force Sub-Commissions should remain with Allied Commission unless or until they form nucleus of separate service missions.

(2) Hq Executive Branch and Establishment Section.
Size will depend upon responsibilities still remaining in A.C.

(3) Sub-commissions required for the exercise of military government in A.M. territories. These sub-commissions will interest themselves only to subjects pertaining to military government in being and only to the extent they affect such military government in being.

(B) Sub-commissions whose functions are to be abolished except as they pertain to military government in being and territory included therein:

Education

Local Government and Patriots

Monuments, Fine Arts and Archives

Public Health

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(2) Hq Executive Branch and Establishment Section.

Size will depend upon responsibilities still remaining in

AG.

(3) Sub-commissions required for the exercise of military government in AG territories. These sub-commissions will interest themselves only to subjects pertaining to military government in being and only to the extent they affect such military government in being.

(B) Sub-commissions whose functions are to be abolished except as they pertain to military government in being and territory included therein;

Education

Local Government and Patriots

Monuments, Fine Arts and Archives

Public Health

Public Works and Utilities

Legal (except as advisor to the President)

(C) Sub-commissions whose functions, except as they pertain to military government in being, will be eliminated or transferred to other agencies including AFHQ to the extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

Communications

Public Safety

War Materials and POW

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Public Relations

Transportation (but see subpara E below)

Finance (currency, combined billing, services to

armies and paras 10, 12 - 17 FAN 583)

Displaced Persons and Refugees.

(D) Sub-commissions whose functions are to be transferred to the United States and United Kingdom Embassies as soon as necessary personnel can be procured;

Industry and Commerce (advisory functions)

Labor

Agriculture (advisory functions)

Finance (advisory functions and duties under P.N. 583 except paras 10, 12 and 17)

Food (insofar as not concerned with imports).

(E) Sub-commissions whose functions are to be retained in 40 until UNRRA takes over;

Food, which should be reorganized into a supply sub-commission and include any functions of other economic sub-commission relating to imports

Transportation Sub-commission (bids for imported supplies and functions in respect to warehousing imported supplies).

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3. Either the United States or United Kingdom Governments will civilianize at their discretion any of the posts in any sub-commission

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Labor

Agriculture (advisory functions)

Finance (advisory functions and duties under PAN 583 except paras 10, 12 and 17)

Food (insofar as not concerned with imports).

(E) Sub-commissions whose functions are to be retained in AC until UNRRA takes over;

Food, which should be reorganised into a supply sub-commission and include any functions of other economic sub-commission relating to imports

Transportation Sub-commission (bids for imported

supplies and functions in respect to warehousing imported supplies).

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3. Either the United States or United Kingdom Governments will civilianize at their discretion any of the posts in any sub-commission remaining in AC except that personnel in sub-commissions dealing solely with military government territory will not be civilianized without previous consideration by you. It would be advantageous if there were introduced into the sub-commissions whose functions are to be taken over by UNRRA any civilian personnel who intended to transfer to UNRRA when the latter assumes the functions of these sub-commissions.

4. As part of civilianization of Allied Commission, the Allied Financial Agency will be transferred from Allied Commission Finance sub-commission and attached directly to AMHQ but you may retain Allied

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Financial Agency Headquarters in Rome if you so desire. Prior to completion of civilianization of Allied Commission you should proceed with such measures as are necessary to establish, as authorized in TAM 692, a combined agency within AFHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to Italy under combined military responsibility.

SECRET.

TO :AFHQ FOR MORG INFO CABINET OFFICES FOR BRITISH CHIEFS OF STAFF

FROM: ACWAR FROM CCS.

THIS is TAI 719.

There follows draft directive which CCAC proposes submitting to CCS for approval.

"1. It is desirable to remove from Allied Commission as many functions as possible, retaining only absolute minimum for temporary period. All rights under the Armistice and surrender instrument would still be held in reserve as set out in paragraph 1 of F.N 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission.

2. In accordance with the above you should reorganise Allied Commission as follows:

(A) Subcommissions whose functions are to be retained in AC.

1. Navy, Army Air Force Subcommissions should remain with AC (unless or until they form nucleus of separate service missions.)

2. HQ Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining with AC.

(B) Subcommissions whose functions are to be abolished.

Education
Local Government and Patriots
Monuments Fine Arts and Archives
Public Health
Public Works and Utilities
Legal (but Legal Advisor to President of AC may be necessary)

(C) Subcommissions whose functions are to be transferred to AFHQ to extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

Communications
Public Safety
War Materials & IPOM
Public Relations
Transportation (but see subpara E below)
Finance (currency, combined billing, etc, services to
Armies and paras 10,12 - 17 F.N 583).

(D) Subcommissions whose functions are to be transferred to the

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- Declassified E.O. 12356 Section 3.3/NND No. 785017
1. Navy, Army Air Force Subcommissions should remain with AC (unless or until they form nucleus of separate service missions.)
2. HQ Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining with AC.

(B) Subcommissions whose functions are to be abolished.

Education
Local Government and Patriots
Monuments Fine Arts and Archives
Public Health
Public Works and Utilities
Legal (but Legal Advisor to President of AC may be necessary)

(C) Subcommissions whose functions are to be transferred to AFHQ to extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

Communications
Public Safety
War Materials & IPOM
Public Relations
Transportation (but see subpara E below)
Finance (currency, combined billing, etc, services to
Armies and paras 10, 12 - 17 F.N. 583).

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(D) Subcommissions whose functions are to be transferred to the UNITED STATES and UNITED KINGDOM Embassies as soon as necessary personnel can be procured:

Industry and Commerce (advisory functions)
Labour
Agriculture (advisory functions)
Finance (advisory functions and duties under F.N. 583 except paragraphs 10, 12 - 17).
Food (insofar as not concerned with imports).

(E) Subcommissions whose functions are to be retained in AC until UNRRA takes over:

Displaced Persons and Refugees
Food which should be reorganised into a supply subcommission and include any functions of other economic subcommission relating to imports.

SECRET

Transportation subcommission (bids for imported supplies and functions in respect to warehousing imported supplies).

3. Either the UNITED STATES or UNITED KINGDOM Governments will civilianize at their discretion any of the posts in any subcommission remaining in AC. It would be advantageous if there were introduced into the relative subcommissions any civilian personnel (of UNITED STATES or UNITED KINGDOM nationality) who intend to transfer to UNRRA when the latter takes over.

4. As part of civilianization of Allied Commission, the Allied Financial Agency will be transferred from Allied Commission Finance Subcommission and attached directly to AFHQ but you may retain Allied Financial Agency Headquarters in ROME if you so desire. Prior to completion of civilianization of Allied Commission you should proceed with such measures as are necessary to establish, as authorized in TLM 692, a combined agency within AFHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to ITALY under combined military responsibility."

5. As very early action on lines of above is desired your comments on above draft directive urgently requested in LIT series.

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COMMENTS ON TAM 719 and AFHQ Draft MAT.

1. Para I of TAM 719.

Is it proposed to remove altogether from AG the function of acting as the "organ through which the policy of the United Nations towards the Italian Government is conducted and the relations of the United Nations with the Italian Govt are handled?"

In spite of the abolition of the Political Section by FAN 487 and of the permission therein given for the Italian Govt to have direct relations with foreign diplomatic representatives, it was laid down in para 2(a) that "there is NO intention to make any change in the responsibility of the CCS acting through the Allied Commission" and the CCS have "continued to transmit directives in regard to combined views of two Governments on matters of major policy". Will this practice now cease?

2. (a) It is suggested, therefore, that para A of Part I of draft MAT (page 1) bear following additions: "Presume last two sentences of para 2(a) in FAN 487 continue to apply".
(b) It is suggested that para A(1) of Part II of draft MAT bear following addition: "Last two sentences of para 2(a) in FAN 487 continue to apply".

3. TAM 719 makes no reference to AMG.

Para B of Part I draft MAT covers this adequately in principle.

(a) It is suggested that the words "including VENEZIA GIULIA" be

"there is NO intention to make any change in the responsibility of the OCS have "continued to transmit acting through the Allied Commission" and the OCS have "continued to transmit directives in regard to combined views of two Governments on matters of major policy". Will this practice now cease?

2. (a) It is suggested, therefore, that para A of Part I of draft MAT (page 1) bear following additions: "Presume last two sentences of para 2(a) in FAN 487 continue to apply".
(b) It is suggested that para A(1) of Part II of draft MAT bear following addition: "Last two sentences of para 2(a) in FAN 487 continue to apply".

3. TAM 719 makes no reference to AMG.

Para B of Part I draft MAT covers this adequately in principle.

- (a) It is suggested that the words "including VENEZIA GIULLA" be added after "for Italy" at end of first sentence.

- (b) It is suggested that the words "Italian Government territory" be substituted for "King's Italy" at end of para and elsewhere in the draft.

4. TAM 719, para 2A(1). /the Service Sub-Commissions must remain in the AC which is the only authorised agency which give them legality.

Separate service missions can have no legal status if they are divorced from AC unless it is proposed to impose new missions under the Armistice Terms or

-2-

negotiate / the agreement of the Italian Government to this end.

(a) It is suggested that the words "unless and until they form the nucleus of separate service commissions" be omitted from Part I (C) (Page 1) and Part II, 2(A)(1) (Page 3) of draft MAT.

5. TAM 719 makes no mention of the Deputy President. It is essential that the President (in CASERTA) should have a Deputy in ROME to be in daily contact with the Italian Government.

TAM 719 makes no mention of French and Russian Representatives on the Allied Commission. It is presumed that they will be retained.

(a) It is suggested that the following should be added to the last line of draft MAT Part I (C) (Page 1):

"I shall require Deputy President in ROME and presume French and Russian Representatives on Allied Commission will remain".

(b) It is suggested that first sentence of Part II, para 2 of draft MAT (Page 3) should read:

"In accordance with the above you should reorganise Allied Commission under Deputy President (who is also Chief Civil Affairs Officer Allied Military Government) as follows:"

(c) It is suggested that a new sub-para clause to be numbered 2(A)(4) be inserted in draft MAT (Page 3) to read:

"(4) French and Russian Representatives with their presently authorised staffs will remain in Allied Commission".

6. Neither TAM 719 nor draft MAT make any reference to liaison groups in the field in Italian Govt territory. CCS policy on this is not known 87

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of draft MAT Part I (C) (Page 1):

"I shall require Deputy President in ROME and presume French and Russian Representatives on Allied Commission will remain".

(b) It is suggested that first sentence of Part II, para 2 of draft MAT (Page 3) should read:

"In accordance with the above you should reorganise Allied Commission under Deputy President (who is also Chief Civil Affairs Officer Allied Military Government) as follows:"

(c) It is suggested that a new sub-para clause to be numbered 2(A)(4) be inserted in draft MAT (Page 3) to read:

"(4) French and Russian Representatives with their presently authorised staffs will remain in Allied Commission".

6. Neither TAM 719 nor draft MAT make any reference to liaison groups in the field in Italian Govt territory. CCS policy on this is not known 87 although AFHQ have approved in principle with exception of Economic Group. We should get this matter settled.

(a) It is suggested that the following should be added to Part I (C) of draft MAT (Page 1):

"It is my policy also to retain small liaison groups in Italian Govt territory numbering approximately 60 in all to maintain liaison between Allied military commanders and Italian local governments and keep me generally informed of situation".

(b) It is suggested that following should be added to first line of

2(A)(2) of draft MAT (Page 3):

"with such liaison groups as may be required in the field".

7. MM 719, para 2(B) - Sub-Commissions whose functions are to be abolished.

(a) Education and M.F.A.A. - No comments.

(b) Local Government - This Sub-Commission is largely concerned with the scrutiny of Italian legislation regarding electoral procedure, epuration, defascism, minorities in AOSTA and SUD TYROL, some of which is definitely connected with the Armistice Terms. US Embassy recently wrote "My (US) Government is of opinion that AC operating through Local Govt S/C should continue its functions of rendering advice to the Italian Govt to ensure that the procedure in local elections is fair, free and democratic....." This Sub-Commission is the watchdog of the AC on such matters and its abolition prior to the elections would seem premature.

(c) Public Health.

(i) It is considered desirable that DAS, AFHQ should have on his staff an officer experienced in Italian medical and public health work.

(ii) If the Sub-Commission is abolished it will be necessary to set up a small medical supply unit in the Economic Supply Group.

(d) Public Works & Utilities. Electricity throughout Italy is so short that it will be necessary to retain in AC a unit working on allocation and utilisation of electric power which is closely connected with the ~~industrial~~ ^{industrial} use of a whole and the use to which imported fuel and coal are put.

wrote "My (US) Government is of opinion that AC operating through local Govt S/C should continue its functions of rendering advice to the Italian Govt to ensure that the procedure in local elections is fair, free and democratic....." This Sub-Commission is the watchdog of the AC on such matters and its abolition prior to the elections would seem premature.

(c) Public Health.

(i) It is considered desirable that DAS, AFHQ should have on his staff an officer experienced in Italian medical and public health work.

(ii) If the Sub-Commission is abolished it will be necessary to set up a small medical supply unit in the Economic Supply Group.

(d) Public Works & Utilities. Electricity throughout Italy is so short that it will be necessary to retain in AC a unit working on allocation and utilisation of electric power which is closely connected with the ~~Industrial~~ programme as a whole and the use to which imported fuel and coal are put. It is not believed that the Embassies can assume this function.

(e) The Legal Adviser will be needed in the AC at ROME not only to the President and Deputy President but to the residue of Sub-Commissions and Branches in the Commission. He is particularly needed as adviser on AMG matters.

Suggestions.

(A) It is suggested that Part I (D) of draft M.T (Page 1) be altered to read "It is agreed.....pertain to Italian Govt territory with exception of Local Government Sub-Commission and small unit of Public Works and Utilities. Former is required to advise Italian Govt on electoral procedure in view of coming elections and other legislation connected with

epuration of Defascism with which Allied Gov. are closely interested; latter to work on utilisation and allocation of electric power which is and present military needs closely connected with industrial import programme/and is in short supply".

(B) It is suggested that draft MAT Part II, para 2 (A) should bear a further additional para as follows:

"(5) Local Government and electrical unit of Public Works & Utilities Sub-Commission".

(C) It is suggested that "Local Government" be omitted from draft MAT Part II, para 2(B) and that:

(1) words "except electrical unit" be added to Public Works and Utilities "

(2) words "except adviser to Allied Commission" be substituted for existing words in paren after "Legal".

8. TAM 719, para C.

Both AC and AFHQ agree that this proposal as a whole is inacceptable.

Draft MAT Part I (E) (Page 1) and Part II para 2(C) (Page 3) suggest a temporising / modification leaving discretion to SICMED. This is acceptable but following points should be made:

(a) War Materials Disposal Sub-Commission has already been abolished and reduced to Captured Enemy Materials Branch of Economic Section.

This Branch could pass to AFHQ by 1 Jan 46.

(b) Italian POW, part of WAD S/C, has already been transferred to Land Forces S/C where it should remain.

(c) Finance.

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(1) words "except electrical unit" be added to Public Works and Utilities"

(2) word "except adviser to Allied Commission" be substituted for existing words in paren after "Legal".

8. TAM 719, par.C.

Both AC and AFHQ agree that this proposal as a whole is inacceptable.

Draft MAT Part I (E) (Page 1) and Part II para 2(C)(Page 3) suggest a temporising / modification leaving discretion to SICMED. This is acceptable but

following points should be made:

(a) War Materials Disposal Sub-Commission has already been abolished and reduced to Captured Enemy Materials Branch of Economic Section.

This Branch could pass to AFHQ by 1 Jan 46.

(b) Italian POW, part of WAD S/C, has already been transferred to Land Forces S/C where it should remain.

(c) Finance.

(i) In the accounting field we have already set up an Allied Supply Accounting Agency responsible to AFHQ.

(ii) AFHQ consist of one officer. He could be transferred to AFHQ while remaining physically in ROME.

(iii) The post of Chief Financial Adviser to the AC should be retained.

The arguments regarding the ultimate disposition of the other Sub-Commissions can be submitted to AFHQ in due course.

Suggestions.
(A) It is suggested that draft MAT Part I (E), third sentence, should

be amended to read:

"War Materials has been virtually abolished and reduced to Captured Enemy Materials Branch of Economic Section"; Italian POW has been absorbed by Land Forces S/C where it should remain; Allied Supply Accounting Agency already detached from Finance Sub-Commission and working under AFHQ".

9. TAM 719, 2(D). Sub-Commissions whose functions are to be transferred to Embassies as soon as necessary personnel can be procured.

(a) The phrase "as soon as necessary personnel can be procured" is indefinite and removes from AFHQ's hands the decision as to when these functions can be taken out of AC. A definite date would seem preferable.

(b) Industry. Setting up of an Industrial Projects Staff has been proposed to the American Embassy and has been discussed informally with the British Embassy staff. If this proposal is adopted by the American Embassy, the function desired (which we are only just beginning to tackle) could be transferred to the Embassy, and possibly a limited number of personnel might appropriately be transferred as well.

(c) Commerce. General negotiations with the Italian Govt. for the re-opening of private trade which have been spearheaded by the Economic Section of AC, could be transferred to the Embassies, preferably about a month from now, after some of the present arrangements have been completed. However, TAM 640 lays upon AC two very specific operating functions: The screening of Italy's export programmes, and acting as the channel to the Combined Boards for the clearance of international commodity ^{movements} ~~movements~~

functions can be taken out of AC. A definite date would seem preferable.

(b) Industry. Setting up of an Industrial Projects Staff has been proposed to the American Embassy and has been discussed informally with the British Embassy staff. If this proposal is adopted by the American Embassy, the function desired (which we are only just beginning to tackle) could be transferred to the Embassy, and possibly a limited number of personnel might appropriately be transferred as well.

(c) Commerce. General negotiations with the Italian Govt. for the re-opening of private trade which have been spearheaded by the Economic Section of AC, could be transferred to the Embassies, preferably about a month from now, after some of the present arrangements have been completed. However, T&M 640 lays upon AC two very specific operating functions: The screening of Italy's export programmes, and acting as the channel to the Combined Boards for the clearance of international commodity movements involving items on the Reserved Commodity List. The Economic Section is now developing recommendations as to how these operating functions can be liquidated as far as AC is concerned.

(d) Labour. It is agreed that this function should be transferred to an Embassy basis as soon as IMG is finished in the North.

(e) Food and Agriculture. The draft directive assumes that there are some advisory functions in food and agriculture which are not connected with our import programme for food and agriculture supplies. This assumption is erroneous, and there are, therefore, no food and agricultural

functions which can appropriately be transferred to the Embassies.

(f) "Duties under FIN 583 other than the currency agreement". These functions, involving the watching of Italy's financial transactions to make sure that the few remaining points which interest the CCS are policed, could be transferred to the Embassies.

Suggestions.

(A) It is suggested that draft MAT Part I (F) (Page 1) contain the following addition:

"There are no advisory functions in Food and Agriculture Sub-Commissions which have already been amalgamated which are not connected with the import programme and there is, therefore, nothing to transfer to the Embassies".

(B) It is suggested that the following amendments be made to draft MAT Part II, para 2(D) (Page 4):

(1) Substitute "on, _____" for "as soon as necessary personnel can be procured".

(2) Omit Agriculture (advisory functions)
"Food (in so far as not concerned with imports"

10. TAM 719, para E. Sub-commissions to be retained in AC until UNRRA takes over.

(a) Displaced Persons. We have recently submitted proposals to AFHQ whereby the Sub-Commission is transferred to UNRRA leaving a small branch to operate in VENEZIA GIULIA, UDINE and BOLZANO, and to supervise the administration of camps generally which AFHQ itself has laid down as an AC responsibility. The work is so connected with AMG and other ^{disposal} functions of AC that it is strongly recommended that the proposal be

to transfer to the Embassies".

(B) It is suggested that the following amendments be made to draft MAT Part II, para 2(D) (Page 4):

- (1) Substitute "on, _____" for "as soon as necessary personnel can be procured".
- (2) Omit (Agriculture (advisory functions)
"Food (in so far as not concerned with imports"

10. TMM 719, para E. Sub-commissions to be retained in AC until UNRRA takes over.

(a) Displaced Persons. We have recently submitted proposals to AFHQ whereby the Sub-Commission is transferred to UNRRA leaving a small branch to operate in VENEZIA GIULIA, UDINE and BOLZANO, and to supervise the administration of camps generally which AFHQ itself has laid down as an AC responsibility. The work is so connected with AMG and other ^{residual} functions of AC that it is strongly recommended that the proposal be adopted and no comment made on TMM 917.

(b) Food. In these sub-commissions which are concerned with imported supplies (Food and Agriculture, Industry and Utilities) there can be no distinction drawn between supply functions and advisory functions. All of the work which we do with the Italian Government in these fields is related in one way or another with the fact that we are the ROME end of Italy's basic supply pipeline. All functions which are tied to supply in this way have already been drawn together into the Supply Group of the Economic Section. Thus we have already done what the directive calls for,

but on a somewhat higher administrative level and with a somewhat broader conception of the meaning of the word "supply" than contemplated in the draft directive itself.

(c) Transportation. Agreed with drafting amendments.

Suggestions.

(A) It is suggested that Part I (G) of draft MAT (Page 2) be amended to read as follows:

"(1) Displaced Persons. Agreed. This will be reduced to a

small branch.

(2) Food. Organised as now into a supply group.

(3) Transportation Sub-Com. (Handling of operating problems connected with imported supplies, screening of requirements and participation in allocation and distribution plans with respect to import requirements of transportation system). "

11. TAM 719, para 3.

The process of diluting sub-commissions with civilians and those intending to join UNRRA has begun. Further introduction of civilians from outside is impracticable in view of the short life of AC under this directive. In any case their introduction should be done in consultation with the AC.

(a) It is suggested that draft MAT Part I, H (Page 2) bear the following addition to the first sentence:

"and would prefer prior consultation with AC".

(b) It is suggested that draft MAT, para 3 (Page 4) should be amended

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(2) Food. Organized as 127 into a supply group.

- (3) Transportation Sub-Com. (Handling of operating problems connected with imported supplies, screening of requirements and participation in allocation and distribution plans with respect to import requirements of transportation system). "

11. TAM 719, para 3.

The process of diluting sub-commissions with civilians and those intending to join UNRRA has begun. Further introduction of civilians from outside is impracticable in view of the short life of AC under this directive. In any case their introduction should be done in consultation with the AC.

- (a) It is suggested that draft MAT Part I, H (Page 2) bear the following addition to the first sentence:

"and would prefer prior consultation with AC".

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- (b) It is suggested that draft MAT, para 3 (Page 4) should be amended to read:

"Either US or UK Govts will civilianise any of the posts in any Sub-Commissions remaining in AC after consultation with you. The present process of introducing into the Sub-commissions..... assumes the functions of these sub-commissions will be continued".

12. TAM 719, para 4. is noted above. AFH consists of one British officer. It would not appear that his attachment to AFHQ or otherwise would affect the civilianisation of the AC.

- (a) It is suggested that draft MAT Part I, para I (Page 2) be amended to

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read:

"As AFA now consists of one (British) officer only I suggest that your para 4 be omitted".

(b) It is suggested that draft MAT Part II, para 4 (Pages 4 and 5) be omitted.

3 December 1945.
MSL/JG.

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