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

785015

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REORGANI
MAR. 1946

10000/136/70

REORGANIZATION, ALLIED COMMISSION
MAR. 1946 - JAN. 1947

M. C. Form 353 Old No. 400
Revised July 20, 1948

LIST OF PAPERS

102/CC

Office of the
Chief Commissioner

File under No. 102 REORGANIZATION, ALLIED COMMISSION
"RUN- DOWN OF AFHQ"

ALLIED COMMISSION

From: 21 Mar 46
To :

Vol 111 Page 4

SERIAL NUMBER	FROM-	DATE	TO-	SYNOPSIS
136	Ltr Carr	15 Jan 47	CC	Req by French for representation on organization replacing AC
137	Cbl FX 74352 NAF 1055	18 Jan 47	AGWAR	Re reply to ltr 20 Oct 46 re closin down ASAA
138	Cbl FX 74351	18 Jan 47	AGWAR	Re storing of accounting records at American Embassy
139	Cbl FX 74273 NAF 1266	18 Jan 47	CCS	Comm of contents of NAF 711 to It Govt. Abolition of , replacement of AC & Rep to organ
140	Cbl FX 74422 NAF 1267	19 Jan 47	CCS	Recall of Russian Rep AC and French demand for representation
141	Ltr 2622/41/EC	21 Jan 47	AFHQ	List of functions considered as executive

This file has been graded to
Confidential

4814

INSTRUCTIONS.—When papers on a subject become numerous they will be numbered serially and brief entries made on this form.

O. M. C. Form 353 (Old No. 400)
Revised July 20, 1948

LIST OF PAPERS

102/CC

Office of the
Chief CommissionerFile under No. 102 REORGANIZATION, ALLIED COMMISSION
"RUN -DOWN OF AFHQ"

ALLIED COMMISSION

SECRET

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SERIAL NUMBER	FROM-	DATE	TO-	SYNOPSIS
121	Ltr 2622/3/EC	12 Dec 46	MMIA	Post treaty liquidation of ALCOM
121a	Ltr 2622/5/EC	12 Dec 46	LeGasperi	Re maint of eff Udine Prov after peace treaty
122	Ltr 2622/10/EC	13 Dec 46	AC Sub Comm	Re liquidation of AC
122a	Ltr 2622/11/EC	16 Dec 46	Prov Comm Udine	Re plans for liquidation of AC
123	Ltr 2625/4/EC	17 Dec 46	AFHQ	CC views re liquidatin of ASBA
124	Cbl FX73827	13 Dec 46	MMIA	Re rundown of MMIA
125	Ltr 2622/16/EC	23 Dec 46	AFHQ G-5	Liquidation of AC/AMG Functions
126	Ltr G/8/A Stone	23 Dec 46	AFHQ G-5	Post Treaty Liq of LF S/C AC
127	Ltr G-5 321.01	Dec 46	CC	Operational Mission between S & R Day; Encl WX-88907 19 Dec 46
128	Ltr G-5 321.01	Dec 46	CC	Frwdng of Cbl FX 73997 (NAF 1253) re Operational Mission between S & R Day
129	Cbl FX 73952 NAF 1250	27 Dec 46	AGWAR	Abolition of AC
129a	Ltr 321.01 TS	6 Jan 47	CC	Br For Off recomm re taking of civil admin by Jug and it
129b	Ltr 2622/11/EC	9 Jan 47	MMIA	Infrm CC of action being taken re ltr 27/1/47
130	Ltr 2622/20/EC	10 Jan 47	CC	Frwd of corresp for info re liquid of AC
131	Ltr 2622/31/EC	10 Jan 47	Sub Commissions	Abolishing of monthly reports
132	Ltr 2622/32/EC	10 Jan 47	PRO	Re terminating of daily digest of Rome press and AC weekly bulletin
133	Ltr 2622/33/EC	10 Jan 47	Econ Div	Closing of Transportation/S6
134	Ltr 2622/34/EC	10 Jan 47	Pub Saf	Cease frwd reports not connected with Allied interest
135	Ltr 2622/35/EC	11 Jan 47	Econ Div	Re handing over of some functions of Econ Div

INSTRUCTIONS.—When papers on a subject become numerous they will be numbered serially and brief entries made on this form.

SECRET

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

785015

G. M. C. Form 353 (Old No. 400)
Revised July 20, 1948

LIST OF PAPERS

102/CC

Office of the
Chief CommissionerFile under No. 102 REORGANIZATION, ALLIED COMMISSION
"RUN-DOWN OF AFHQ"

ALLIED COMMISSION

From: 21 May 46

SECRET

Vol. III PAGE 2
3-7788

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
112	Cbl FX 66510 SACM MAT 1024	21 May 46	CCS	AM Lire requirements fm It Govt
+ 113	Ltr G-5 900.41	3 Jun 46	HQ AC	Interim Organ to Implement Revised Armistice Terms
114	Cbl H/3884 AC Palermo	13 Jun 46	CC	Arrngmt of special plane fr three memb fm AC Palermo assgd to AC R.
115	Ltr 3273/159/EC	17 Jun 46	Land Forces S/C	Redepl of British Units, Incl.
116	Cbl 3801 HQ AC	20 Jun 46	AFHQ G-5	AC LO Sicily closed with effect fm 18 Jun 46
117	Cbl 4147 HQ AC	12 Jul 46	AC CLOs	Withdrawl of Liaison Groups
118 4912 -	Cbl 4242 Lush	19 Jul 46	CLO Naples	Procedures prior to closing
119	Memo	26 Aug 46	CC info	Organization of Alcom
+ 120 120a	Ltr AFSC/5/357/ORG Cbl FX 73696 SACM MAT 1053	9 Sep 46 12 Dec 46	CC AGWAR	AFSC, AC - Organization & Function Reduction and ultimate closing of ASAA

INSTRUCTIONS.—When papers on a subject become numerous they will be numbered serially and brief entries made on this form.

SECRET

Q. M. C. Form 353 (Old No. 400)
Revised July 20, 1918

LIST OF PAPERS

102/CC

Office of the
Chief Commissioner

File under No. 102 REORGANIZATION, ALLIED COMMISSION
"RUN-DOWN OF AFHQ"

ALLIED COMMISSION

SECRET

Vol. III Page 1

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
106a	Ltr 900.02 Hemblen	21 Mar 46	CC	Reorg of Civil Affs Agencies
106b	Ltr 8756/131/EC	22 Mar 46	G-5 AFHQ	Release of Long Distance Tele- communication Facilities
107	Ltr Lush	24 Mar 46	Charles, Key	Action required on ACCS G-5 ltr of 21 Mar 46; Incl
108	Ltr Stone	25 Mar 46	Kirk	Labor Sub-Commission Abolishment
108a	Memo 600/EC	25 Mar 46	AC	Comparison betwn MAT 965 & MAT 650
108b	Memo 600/EC	28 Mar 46	CC	Future of the Allied Commission
109	Ltr Stone	29 Mar 46	Hemblen	Forwarding copies memo future AC
109a	Cbl M 4179 Kalloch	4 Apr 46	CC	Wash in agreement wth CC's memo of 12 Feb - Cont of Ship repair Facil- ities and docking in Italy
109b	Ltr G-5 900.02	13 Apr 46	CC	Reorganization of the A.C.
109b	Cbl WAX 85236	20 Apr 46	AC	CCS prepared to revise FAN 650
110	Cbl FX 65106 SACM. MAF 1132	22 Apr 46	Agwar	CCS prepared to consider revision of FAN 650
4 5111	Ltr 7002/EC Lush	30 Apr 46	Parsons	Disbandment of Liaison Groups
112	Cbl 2867 Stone	4 May 46	SACM	It Govt functions after Nat Elect- ions June 2

INSTRUCTIONS.—When papers on a subject become numerous they will be numbered serially and brief entries made on this form.

SECRET

Ref: 2622/11/66

21 January, 1947

SUBJECT: Liquidation of AO/ASI Functions.

TO : ALLIED FORCE HEADQUARTERS.
Attention: G-5 Section.

1. Reference is made to para. 2 of your letter G-5: 912.
13-3F (78) of 3rd January 1947.

2. The following is a list of functions which can be considered as executive or opposed to advisory which have been under consideration in regard to transfer to permanent civil authorities together with the present situation in regard to their disposal.

- (a) Permission to visit or re-enter ex-Italian Colonies or territories under A.M.A. This function was handed over to the British Embassy w.e.f. 1st January 1947, and it is understood that the arrangements made are working satisfactorily.
- (b) Repatriation of British I.G. The question of handing this function over to the British Embassy has been under consideration for some considerable time. Under your letter G-5: 900.43 of 9 December 1946 it was proposed that this function should be transferred to GHI but it is understood that reconsideration was being given to the matter. It was anticipated that this function except for residual questions in respect of outstanding claims would have been eliminated if the abolition of AG had taken place on E-DAY.
- (c) Trade between Italy and ex-Italian colonies or territories under A.M.A. The British Embassy have agreed to take over as early as possible. Matters at present being dealt with by this Commission are:-

(1) TRIPOLITANIA

Procurement of tobacco seed
Import of sheep from Tripolitania to Italy
Procurement of textiles in Italy

4910

- 2 -

(11) DOORINER

Procurement of materials and parts of machinery
for IBM Factory, Rhodes.

(11) INFORM

Keeping the Italian Ministry of Foreign Trade
informed of the issue of all export and import
licences from and to Italy.

1. It will be observed that all these matters affect the British
Embassy.

2. In drawing attention to the difficulty in some cases of
obtaining the agreement of permanent civil authorities to the acceptance
of certain responsibilities, I also had in mind the residual functions
of APA and ASAA, whose liquidation progress were reviewed by me,
pursuant to oral instructions of the Assistant Chief of Staff, before
being forwarded.

The liquidation plan of APA (PA/O.09 of 23rd December 1946)
expresses doubt as to whether the British and American Embassies would
be willing to assume responsibility for certain residual functions.

The liquidation plan of ASAA (13697 PA of 13th December 1946)
states that the British and American Embassies are in general not
willing to take over the residual functions of ASAA.

/s/ Henry V. Stone

HENRY V. STONE,
Rear Admiral, USNR
Chief Commissioner

Copies to: Polad A
Polad B

4909 -

(141)

COPY

INCOMING MESSAGE
HEADQUARTERS ALLIED COMMISSIONOriginator's Reference: EX 74422Message Centre No: H/9220Date/Time of Origin: Jan. 191456Date Time Rec'd: Jan. 201015

FROM: AFHQ SIGNED SACMED CITE FHGEG

Precedence: ROUTINETO: AGWAR WASHINGTON FOR CCS INFO: MINISTRY OF DEFENSE LONDON FOR RCS
GHQ CMF ALCOM ROME

CONFIDENTIAL

CONFIDENTIAL

This is NAF 1267 reference Paras 3 and 6 NAF 1266 139

1. Colonel Savko Russian representative on Allied Commission and Russian delegate to advisory council has informed Chief Commissioner Allied Commission, that his government has instructed him to return to Moscow this month together with Russian Missions to advisory council and to Allied Commission.
2. Meeting of advisory council on 17 January was not attended by Russians.
3. French representative has submitted to Chief Commissioner strong demand for continuation of representation, supported by notes of state department and foreign office, dated 1 July and 3 July 1946.

AC DIST

INFO ACTION	CHIEF COMMISSIONER
INFO	EX COMM
	POLAD (A)
	" (B)
	FILE
	SKELETON

4908

Confidential

original in 145/16

(140)

INCOME MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: EX 74373
 Date/Time of Origin: Jan. 13 NPT

Message Centre No: H/9219
 Date Time Rec'd: Jan. 201015
 Precedence: Routine

FROM: AFHQ SIGNED SACRED CITE FIGEE
 TO: AGWAR WASHINGTON FOR COS
 INFO - MINISTRY OF DEFENCE LONDON - ALCOM ROME - GHQ CMF -

SECRET

This is NAF 1266

Para 1°)- Request instructions as to method of communicating contents of FAN 711 to Italian Government. If I am to do so through Chief Commissioner Allied Commission, request that security grading of signal be reduced to Unclassified for this purpose.

Para 2°)- Suggest that notification to Italian Government should be accompanied by a statement to effect that, with Peace Treaty in sight usefulness of Allied Commission is exhausted and it is being wound up as part of the general reduction of military establishments in Italy.

Para 3°)- New subject. Request clarification of future position regarding French and Russian Representatives on Allied Commission, whose appointments were authorized in FAN 355 and 325.

Para 4°)- Question is primarily a Political one but appreciate special interest of French in Italian affairs and possibility of my being required to exercise my powers under Armistice terms on their behalf.

Para 5°)- As regards Russians, I most strongly urge that nothing be done which might give grounds to support a demand for Representation on my HQ at Caserta.

Para 6°)- New subject. Abolition of Allied Commission will materially affect functions of Advisory Council for Italy as set forth in FAN 280. Paras 5 and 7 of that signal will no longer be applicable in their present form and machinery of control in Italy, referred to in paragraph 4, is now greatly relaxed. In addition, on abolition of Office of Chief Commissioner, there will be no one to present to Council the reports on Italian Affairs which it has hitherto received, nor will there be the staff to compile such reports. Moreover, local administration of Council constitutes an appreciable commitment for staff of Headquarters Allied Commission and will delay rundown of LACAB or whatever agency is made responsible for it. Para in view of foregoing, recommend that of Advisory Council receives early consideration.

Para 7°)- In view of time limit for abolition of Allied Commission request Your earliest guidance on foregoing points. Your FAN 711 refers.

43 917 PM.- INFO/ACTION C.COMM. INFO+EX.COMM+POLAD A-B FILE+SKELETON

102-1/CC

(137)

FX 74351
JAN. NPT

H/9202
JAN. 181100

ROUTINE

AFHQ SIGNED SACRED CITE FHGEG

AGWAR WASHINGTON FOR CCS FOR CCAC INFO: MINISTRY OF DEFENSE BOND
ON FOR BCS AND ALCOM ROME FOR ASAA

RESTRICTED

RESTRICTED.

PR
This is MAT 1056. REUR TAM 781 dated 26 July 1946 Dtg 171000A

1. American Embassy prepared to accept for temporary storage
accounting documents of Pea Dollars 100,000,000 programme when
the programme has been closed.

2. Instructions are requested as to whether the-se records
should be micro-filmed before being deposited.

RESTRICTED

AC DIST

INFO ACTION
INFO

A.S.A.A.
CHIEF COMMISSIONER
EX COMM
POLAD (A)
" (B)
FILE
SKELETON

4906

(138)

0701

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FX 74352
JAN. NPT.

JAN 18 1947

H/9203
JAN. 181130
ROUTINE.

APHQ SIGNED SACRED CITE PHGEG.
AGVAR WASHINGTON FOR CCS FOR CCAC.
INFO: MINISTRY OF DEFENSE LONDON FOR ECS ALCON ROME
FOR ASAA.

~~SECRET~~SECRET.

THIS IS MAT 1055.

AN EARLY REPLY TO OUR LETTER OF 28 OCTOBER 1946 WOULD BE
APPRECIATED IN ORDER TO FACILITATE CLOSING DOWN AS MANY FUNCTIONS
AS POSSIBLE OF ASAA PRIOR TP PEACE TREATY COMING INTO FORCE.
OUR MAT 1053 REFERS: - 9

102-1/104

SECRET.

4905

~~SECRET~~AC. DIST

INFO ACT: A.S.A.A.
INFO: C. COMN.
EX. COMN.
ECON. DIV.
FILE.
SKELETON.

(137)

HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

SECRET

TO: Chief Commissioner.

15th January 1947

The French Representative saw me after your meeting and made certain remarks which, he stated, he could not make publicly during the course of the meeting.

The French Government had established with the U.S. and U.K. Governments, when the Revised Armistice Terms were discussed, and an assurance was given by those Governments that the French Government would be represented in any new organization that was set up to replace the Allied Commission and their representative would be able to obtain information and make suggestions.

It is believed that this assurance was not conveyed to the A.C. but copies of these correspondence are in possession of the French Representative.

If the U.S. and U.K. Governments think that the rights of the Russian representative should be reduced in any new organization set up to cover the residual functions of the Allied Commission between the date of its abolition and R-day, that would be no reason for reducing the rights of the French Representative. The reason for this was the special French interest in the western Italian Frontier and the naval situation in the Medeterranean.

The French representative stated that he had instructions from his Government that if the Allied Commission was abolished the rights of the French control must be safeguarded in any new organization set up.

The fact that the French Government had hitherto no extensive rights in the Allied Commission was due to the fact that the French Government did not sign the Long Armistice Terms. The situation has changed since, in that the French Government did sign the Revised Armistice Terms.

As the French Representative wanted these points put officially to you, I requested him to let me have a memorandum on the subject.

M. Carr

M. CARR, Brigadier.
Executive Commissioner.

102-1/c

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(136)

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JAN 13 1947

HEADQUARTERS ALLIED COMMISSION

APO 794

Office of the Executive Commissioner

Ref: 2622/35/EC

11 January 1947

SUBJECT: Liquidation of AC/ANG Functions.

TO : Director
Economic Division
A.C.

1. In accordance with Serial No. 7 of the Recommendations made by the Allied Commission Liquidation Committee set up by Executive Order No. 39, you will be prepared to hand over all questions at present dealt with by your Division regarding Trade between Italy and ex Italian Colonies or territories under B.M.A., to the British Embassy at an early date.

2. In accordance with Serial No. 9 of the a/m Recommendation, your Division will cease forthwith forwarding to the military authorities for their consideration representation on questions of Allied requisitions made by Italian authorities or individuals, except those made on a Governmental level.

BY COMMAND OF REAR ADMIRAL STONE:

A. W. Knisely

Chief Staff Officer
to the Executive Commissioner

Copy to: G.C.

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(125)

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102-1/20

HEADQUARTERS ALLIED COMMISSION
APO 794
Office of the Chief Commissioner

JAN 17 1947

Ref: 2622/16/EX

1 December 1946.

SUBJECT: Liquidation of AO/AMG Functions

TO : ALLIED FORCE HEADQUARTERS,

Attention: G-5 Section.

1. Reference is made to your G-5: 910.13-3P of 5 December 1946.
2. A Co-ordinating Committee to make recommendations in regard to the liquidation of the functions of this Commission has been set up under Executive Order No. 39 of 13 December 1946, copy of which is enclosed.
3. (a) Taking the officer strength of the Commission as a gauge of its present activities there are now at Headquarters a total of 152 Officers (61 (A) and 91 (B)).
(b) Of this total, 72 officers are with the Service Subcommissions. Separate plans are being submitted for the run down of the Land Forces Subcommission (MMA) (with a strength at Headquarters of 40 Officers), in accordance with your G-5:910.13-3P of 9 December 1946. As regards the Navy and Air Forces Subcommissions, pending decisions from higher authority, I am unable at this stage to make any recommendations as to any advance reduction in their personnel or functions, although they will of course cease to function as such on "R" Day.
(c) As regards the remaining total of 80 Officers, 10 are with Displaced Persons Division (which Division has also 24 Officers in the field) and 6 are with Archives Division, the functions of which are not considered in this letter. This leaves a balance of 64 Officers engaged on various activities which have been considered in regard to preliminary action with a view to facilitating the closing down of this Commission.
4. I do not consider it practicable to draw up at this stage a phased plan for the liquidation of all functions presently carried out by this Commission or for the run down of its Divisions. All existing Divisions will have functions to perform up to "R" Day especially in view of the continuance of Allied Military Government up to that day.

4902 - All Divisions have been directed to bring all outstanding matters to a conclusion, as early as possible, and are processing their records in preparation for their eventual transfer to Archives.

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As a first step I am enclosing a schedule containing recommendations in regard to the termination of certain functions or their transfer to permanent civil authorities.

These and other functions will be kept under constant review with the object of making fresh recommendations to hasten procedure as regards the run down of this Commission.

5. Consideration is being given to the special problems set out in the Annexure to your letter under reference and also to others of a similar nature. Special action is also being taken with GHQ in regard to disposing of the outstanding functions of the Captured Enemy Materials Division and copies of all correspondence on this question will be sent to your Headquarters.

6. I recommend that consideration should be given to the establishment in due course of an office in Rome under your Headquarters which will be responsible for the final disposal during the 90 day period (perhaps even longer) of personnel, stores, equipment and any outstanding matters connected with the Commission and other agencies such as AFA and ASMA. Moreover there will be the question of a channel of communication between the Italian and Allied authorities in matters of detail such as when Allied military absentees are found in territory not covered by any Allied military headquarters. In discussing with permanent civil authorities the matter of taking over functions, which in most cases are executive, such authorities are reluctant to agree or to give decisions owing to uncertainty as to securing the necessary staff which in many cases they hope to obtain from the Allied Commission after the termination of its functions. The question of appropriations also concerns the American Embassy in particular.

In view of the reluctance or refusal of these authorities to take over certain responsibilities (in particular see ASMA liquidation plan) it may be that it will be necessary for the office proposed above to continue to operate after the termination of the 90 day period. Approach would have to be made to the Italian Government seeking approval of such operation since even if this office were civilian in character the question of immunity for its personnel would arise. I do not anticipate that the Italian Government would raise any objections to such a proposal but the continued administration and maintenance of such an office might well have complications without the Government's concurrence.

7. I would appreciate your views on the matter raised in para 6 above and at an early date your comments on or approval of the recommendations contained in the schedule enclosed.

Eller W. Stone

ELLER W. STONE
Rear Admiral, USNR
Chief Commissioner

Copy to: Polad (A)
Polad (B)
4901 AFA
ASMA
Econ. Div.
LFSC.

Serial No.	Subject or Organisation	Sub-Commission or Division affected	Recommendation
1.	A.C. Monthly Report	All Subcommissions and Divisions	The report for November now in course of preparation should be the last.
2.	Daily Digest of Rome Press prepared at this HQ with a daily circulation of 160 copies.	Public Relations Office	To be discontinued w.e.f. 31 January 1947.
3.	A.C. Weekly Bulletin	Public Relations Office and, to a lesser degree, all Subcommissions and Divisions.	To be continued until "R" Day.
4.	Transportation Sub-Division.	Transportation Sub-Division and Economic Division.	To close w.e.f. 31 Jan 1947.
5.	Italian Public Safety Reports un-connected with Allied interests.	Public Safety Division.	That the Italian authorities should cease rendering reports forthwith.

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

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SECRET NO. 1

	Sub-Commission or Division affected	Recommendation	Remarks
	All Subcommissions and Divisions	The report for November now in course of preparation should be the last.	November report will be ready for issue about 15 Jan 1947. AMG reports from UDINE and VENEZIA GIULIA will be available for higher authority if required.
is e.	Public Relations Office	To be discontinued w.e.f. 31 January 1947.	After this date the daily digest issued by the British Embassy will only be available
	Public Relations Office and, to a lesser degree, all Subcommissions and Divisions.	To be continued until "R" Day.	The political summary in this Bulletin takes the place of the Chief Commissioners former political reports to the A.C.I.
Div-	Transportation Sub-Division and Economic Division.	To close w.e.f. 31 Jan 1947.	Remaining commitments if any to be undertaken within Economic Div.
y s.	Public Safety Division.	That the Italian authorities should cease rendering reports forthwith.	

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Serial No.	Subject or Organisation	Subcommission or Division affected	Recommendation
6.	Permission to visit or re-enter ex-Italian colonies or territories presently under BMA including head for head exchanges.	Displaced Persons Division	To be handled by British E Jan 1947.
7.	Trade between Italy and ex-Italian colonies or territories under BMA.	Economic Division	To be handled by British E as possible probably.
8.	Legal questions pertaining to ex-Italian colonies or territories under BMA such as amnesty concerning Italian civilians now serving sentences pronounced by Italian courts under Italian law, parastatal agencies, petrol rights in LYBIA, Lloyd Triestino Shipping, etc.	Legal Division	To be handled by British E before R-14.
9.	Requisitioned Premises	Economic Division.	A.C. should be handled with former military and naval considerations made by Italian authorities and Government.

- 2 -

Subject or Organisation	Subcommission or Division affected	Recommendation	Remarks
Mission to visit or re-visit ex-Italian colonies territories presently under ERM including head head exchanges.	Displaced Persons Division	To be handed over to the British Embassy w.e.f. 1 Jan 1947.	The British Embassy have been consulted and agree.
Relations between Italy and ex-Italian colonies or territories under ERM.	Economic Division	To be handed over to the British Embassy as early as possible in Jan 47 probably about 15 Jan 47.	The British Embassy have been consulted and agree.
All questions pertaining to ex-Italian colonies or territories under ERM such as immunity concerning Ital-civilians now serving sentences pronounced by Italian courts under Italian parastatal agencies, civil rights in LYBIA, Lloydestino Shipping, etc.	Legal Division	To be handed over to the British Embassy not before R-14 Day.	The British Embassy state that lack of qualified staff preclude earlier action. British Embassy has matter under consideration with Foreign Office.
Dispositioned Premises	Economic Division.	A.C. should cease forthwith forwarding to the military authorities for consideration representations made by the Italian authorities except on Government level.	

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Serial No.	Subject or Organisation	Subcommission or Division affected	Recommendation
10.	Handover of all Submarine cables and information regarding them.	Communications Division.	Responsibility to be over on "R" Day by American and British Embassies to be dealt with these Embassies, as interests lie, and Italian Government.
11.	Maintenance of telephone and telegraphic communications for the Allied Forces.	Communications Division.	To be dealt with as present by the Communications Division and Liaison Officers provided by AFHQ until "R" Day when responsibility will pass to special office recommended in para 6 of covering 1

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Ref	Subject or Organisation	Subcommission or Division affected	Recommendation	Remarks
Q.	Handover of all Submarine cables and information regarding them.	Communications Division.	Responsibility to be taken over on "R" Day by the American and British Embassies to be dealt with by these Embassies, as their interests lie, and by the Italian Government.	Question to be raised the Embassies concerned.
	Maintenance of telephone and telegraphic communications for the Allied Forces.	Communications Division.	To be dealt with as at present by the Communications Division and Liaison Officers provided by AFHQ until "R" Day when responsibility will pass to special office recommended under para 6 of covering letter.	

XEROX

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

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HEADQUARTERS ALLIED COMMISSION

APO 794

Office of the Executive Commissioner

JAN 11 1947

Ref: 2622/34/EG

10 January 1947.

SUBJECT: Liquidation of AG/ANG Functions

TO : The Director,
Public Safety Division, A.C.

In accordance with the Recommendations made by the Allied Commission Liquidation Committee, Serial No. 5, set up under Executive Order No. 39, the Italian Police Agencies should be instructed to cease forthwith the forwarding to the Commission of Public Safety Reports on incidents unconnected with Allied interests.

Please advise this office when this has been done.

BY COMMAND OF REAR ADMIRAL STONE:

A. W. Kinsley.

Chief Staff Officer
to the Executive Commissioner.

Copy to: CC.

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

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HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

JAN 11 1947

Ref: 2622/33/EC

10 January 1947.

SUBJECT: Liquidation of AC/AME Functions

TO : Director,
Economic Division, A.C.

In accordance with Serial No. 4 of the recommendations made by the Allied Commission Liquidation Committee set up under Executive Order No. 39, the Transportation Sub-Division will close with effect from 31 January 1947. The remaining commitments, if any, will be undertaken by your Division.

BY COMMAND OF REAR ADMIRAL STONE:

A. W. KUSCH

Chief Staff Officer.
to the Executive Commissioner.

Copy to: CC.
Ex. C (B).

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HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

JAN 11 1947

Ref: 2622/32/EE

10 January 1947.

SUBJECT: Liquidation of AC/AG Functions

TO : Public Relations Officer,
H.Q. Allied Commission.

1. In accordance with Serial No. 2 of the Recommendations made by the Allied Commission Liquidation Committee set up under Executive Order No. 39, the Daily Digest of Rome Press, compiled by your office will cease with effect from 31 January 1947.

After this date the necessary information will be obtained by the Digest issued by the British Embassy, you will make the necessary arrangements before then so that 5 copies of the Digest will be in this HQ within the minimum time after this publication.

2. In accordance with Serial No. 3 of the a/m recommendations the A.C. Weekly Bulletin will cease publication after the issue of 25 January 1947.

BY COMMAND OF REAR ADMIRAL STONE:

Chief Staff Officer.
to the Executive Commissioner.

Copy to: CC.

4895

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HEADQUARTERS ALLIED COMMISSION

APO 794

Office of the Executive Commissioner

JAN 11 1947

EC

Ref: 1632/11/13

10 January 1947.

SUBJECT: Liquidation of AG/AG Functions

TO : Director, Legal Division.
Public Safety Division.
Communications Division.
Commodore Division.

In accordance with Serial No. 1 of the Recommendations made by the Allied Commission Liquidation Committee set up by Executive Order No. 37, no further monthly report will be published by this Commission. A monthly report is therefore no longer required from your Division.

BY ORDER OF HEAD-QUARTERS STAFF:

W. Kinsley

Brigadier.
Executive Commissioner.

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JAN 11 1947

HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

ec

Ref: 2622/31/EC

10 JANUARY 1947

SUBJECT: Liquidation of AG/AGS functions

TO : Director, Legal Division,
Public Safety Division,
Communications Division,
Economic Division.

In accordance with Serial No. 1 of the Recommendations made by the Allied Commission Liquidation Committee set up by Executive Order No. 39, no further monthly report will be published by this Commission. A monthly report is therefore no longer required from your Division.

BY COMMAND OF HEAD ALLIED COMMISSION:

A. W. Knisely

Brigadier,
Executive Commissioner.

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by the United States Commission on the Assassination of President Kennedy, Inc. (USCCKA). No. 39, no further monthly report will be published by this Commission. A monthly report is therefore no longer required from your Division.

BY COMMANDE ON REAR AD TEND STONE

A. W. Knisely,

Brigadier,
Executive Commissioner.

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JAN 10 1947

HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

Ref: 2622/30/EC10 January, 1947

SUBJECT: Liquidation of AO/AMG Functions.

TO : Chief Commissioner
Polad A
" B
Director Econ. Div.
Financial Advisor
Director Legal Div.
Ex.O.A.
Ex.O.B.

Enclosed for your information is a copy of A.F.H.Q.
letter No. C-5: 910.13-3P(TS) dated 3 January 1947, in reply
to this Commission's letter No. 2622/16/EC dated 23 December
1946 on this subject. 175

All instructions for the putting into effect of the
agreed recommendations will be issued by this office.

BY COMMAND OF REAR ADMIRAL STONE:

Alau Kuniy
Brigadier,
Executive Commissioner.

4893

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C O P Y

ALLIED FORCE HEADQUARTERS
G-5 Section
AFO 512

G-5: 910.13-3P(TS)

3 January 1947

SUBJECT: Liquidation of AC/AMF Functions.

TO : Chief Commissioner,
Allied Commission,
AFO n.794

1. Reference your 2622/16/ES of 23 December. It is desired that you take all possible steps to dispose of any CEM matters without delay, and eliminate the Branch forthwith.

2. It is regretted that you have not listed the executive functions of the Allied Commission (less service Sub-Commissions), which you visualize should be taken over by the permanent Civil Authorities. Without a list of such functions, it will not be possible to obtain the directions of higher authority as to their disposal. It is accordingly desired that you furnish such a list as a matter of urgency, specifying the scope and estimated duration of each function, together with your recommendations as to its disposal.

3. Reference your Schedule No.1:

Serial 1. Agreed.

Serial 2. Agreed.

Serial 3. Not agreed. The Bulletin should cease publication without delay and the political summary, if required, should be published as a mimeograph sheet. The ACI should be approached with a view to eliminating this report, as all the information is otherwise available to the ACI.

Serial 4. Agreed. It is believed that other branches can equally well be consolidated into the Economic Division to economize on overhead. Possibly a change in name of the Economic Division to that of Liquidating Branch or Liaison Branch might be in order.

Serial 5. Agreed. The policy of ceasing to call for reports is fully endorsed. It is possible that reports are being called for by other Branches because of orders from higher authorities. These should be carefully investigated and recommendations submitted to change the orders. Similarly all reports now being submitted by ALCOM should be scrutinized with a view to early elimination.

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Serial 6. Agreed.

Serial 7. Agreed.

Serial 8. This is not considered an Allied function and should not be continued. Is it practicable for British personnel to be transferred from ALCCM to the Embassy to remove this British function.

Serial 9. Agreed.

Serial 10. Believe that this function should cease forthwith as an Allied function.

Serial 11. Agreed.

4. It is believed that time will be saved and that there will be no loss of efficiency if the Food and AME Supply Branch is transferred to AMHQ. Your views are desired.

BY COMMAND OF GENERAL MORGAN:

sgd. A.L. HAMLEN
Colonel, G.S.C.
Assistant Chief of Staff, G-5

4891

(135)

HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

JAN 10 1947

Ref: 2622/11/EC

9 January 1947.

SUBJECT: Post Treaty Liquidation

TO : Land Forces S/C (MIA).

1. Reference is made to this office letter 2622/11/EC dated 12 December 1946 on this subject.

2. Enclosed for your information is a copy of letter No. 27/1/47 dated 4 January 1947 from Colad (B). This question has been referred to Colad (A) for his opinion and further consideration will be given to the matter on receipt of his reply.

In the meantime no action is to be taken with regard to the reproduction of your records.

BY COMMAND OF REAR ADMIRAL STONE:

A. W. M. Stone
Brigadier.
Executive Commissioner.

4800

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102-1/47

C O P Y

24/1/47

4th January 1947.

To: Executive Commissioner, Allied Commission, one
From: Colad B.

Your memorandum No. 2626/8/46 of December 12th to Land Forces Subcommission (M.A.I.A.) regarding the post-treaty liquidation of MCOB/A.M.G. functions.

With regard to the disposal of files which may contain information of value to the quadripartite enforcement body to be set up under Article 75 of the Peace Treaty, it has been suggested here that they should be handed over to the care of the residual archives organisation. This Organisation, though under British/American direction, will presumably hold for inspection by approved persons, all archives in its custody; it seems reasonable that the archives of M.A.I.A. should be treated in the same way.

(sgd) R.A. Burkey.

4889

(1/2/47)

COPY

24/1/47

4th January 1947.

To: Executive Commissioner, Allied Commission, Bonn
From: Field B.

Your memorandum No. 2626/8/46 of December 12th to Land Forces Subcommission (A.M.I.A.) regarding the post-treaty liquidation of A.M.I.A. functions.

With regard to the disposal of files which may contain information of value to the quadripartite enforcement body to be set up under Article 75 of the Peace Treaty, it has been suggested here that they should be handed over to the care of the residual Archives organisation. This Organisation, though under British/American direction, will presumably hold for inspection by approved persons, all archives in its custody; it seems reasonable that the archives of A.M.I.A. should be treated in the same way.

(sgd) R.A. Harkoy,

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(4889)

TOP SECRET

JAN 8 1947

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ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

G-5: 321. 01 TS

6 January 1947

SUBJECT: Post Treaty Liquidation of AMG/AICOM Functions.

TO : Chief Commissioner,
Allied Commission,
APO 794

1. The British Foreign Office is recommending to the U.S. State Department, and Troopers has instructed JSM (Br) that "with regard to the arrangements to be made for the taking over of civil administration by both Yugoslavs and Italians from AMG we consider that in the first place arrangements must be agreed between governments and it will be for SACMED to implement them".

2. It will be assumed for planning purposes that the above will be agreed by the CCS and that SACMED has no responsibilities for making arrangements between governments unless specifically so directed by the CCS.

3. It has been decided that Military Government will continue in Zones (of TFT) at present occupied by the British/American and by the Yugoslavs until the Governor assumes office. All concerned should recognize that the AMG TFT is a separate and distinct body from the present AMG, even though it may consist of many of the present personnel. Effective from "R" day unless sooner ordered AMG Venezia Giulia breaks off from AICOM. Presumably AMG TFT (Br/US element) will report to the Allied Commander (Br/US) of the TFT occupational forces. This is subject however to confirmation. It is probable that there will be no integration of US/UK AMG and Military Command, with Yugoslav Military Government and Military Command.

BY COMMAND OF GENERAL MORGAN:

A. L. Hamblen
A. L. HAMBLEN
Colonel, G.S.C.
Assistant Chief of Staff, G-5

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cc

TOP SECRET

COPY
^FX 73952
DEC. 270938

SECRET

H/8781
DEC. 280938
PRIORITY

AFHQ SACMED CITE FHDEG

AGWAR WASHINGTON FOR CCS, CABINET OFFICE WHITEHALL FOR BCS.

INFO - ALCOM ROME, CINCOMED.

SECRET

116/ce
11
1a

This is NAF 1250. Subject is abolition of ALCOM.
 FAN 670 AND NAF 1173 Refer. Early ratification of Italian Peace
 Treaty appears distinct possibility. AFHQ, MTO and CMF will in
 that case be pushed to complete evacuation within 90 day period.
 One step which can be taken now to eliminate duplication
 effort and relinquish current activities is the abolishment of
 ALCOM.
 Understood this matter already under consideration by you and
 decision awaits consent of French and Soviet Governments;
 I consider it essential that ALCOM be abolished immediately
 and in any case not later than 3 date, and recommend that early
 instructions to that effect be issued.

102-1/ce

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INFO ACT: EX. COMN.

INFO: C. COMN.

POLAD (A)

POLAD (B)

FILE

SKELETON

SECRET

0726

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

785015

I.C.

PNR MR

4/1/47

TMS
CC

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

G-5: 321.01

December 1946.

SUBJECT: Cable Ref. No. FX-73997

TO : Chief Commissioner
Allied Commission
(Personal Att: Admiral Stone)
APO 794

Attached hereto is cable reference No. FX-73997
for your information and retention.

R. P. Steiner
R. P. STEINER
Major, CAC
Executive Officer, G-5

1 Incl. as abv.

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TOP SECRET

AFHQ MESSAGE CENTER

OUTGOING MESSAGE

TOP SECRET

URGENT

TO FOR ACTION : AGWAR WASHINGTON FOR CCS CABINET OFFICE
 WHITEHALL FOR ECS

FOR INFO : GHQ CMF

REF NO : FX-73997

SIGNED : SAGMED CITE : FHGCT

SPARE

TOP SECRET

This is NAF 1253.

1. In view of the progress that is being made on the Peace Treaty it is now necessary for me to plan the run-down of Allied Force Headquarters, so that final evacuation may be achieved by "R" plus 90 days.

2. In NAF 1242 I recommended that my operational role should be modified on "E" day and confirmation of this is urgently required. For planning purposes I have assumed that this modified role will be approved.

3. My plan, based on the assumption that "R" day may be as early as 1 March 1947 is therefore:

A. The Allied Commission should be abolished immediately, its functions being taken over by the G-5 Section of my Headquarters. See NAF 1250. The service sub-commissions however will have to continue to function under my direct control.

B. By "S" day the G-2 Section Allied Force Headquarters will be re-organised on a national basis, the necessary information being exchanged between Headquarters MTOUSA and General Headquarters Central Mediterranean Forces. I shall retain a very small coordinating section at Allied Force Headquarters until "R" day.

C. By "R" day an Allied Liquidating Headquarters on similar lines to liquidating agency for SHAFF (CAIA) will be established in ROME. A further cable on the detailed organisation follows.

MC OUT 451

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REF NO : FX-73997

(Cont'd)

28 December 1946

D. By "R" day Headquarters MTOUSA will move to LECHORN.

E. By "R" day the ~~THALES~~ Free Territory Forces must be in position and functioning.

F. On "R" day Allied Force Headquarters should be abolished.

4. Request that approval of my plan be confirmed as soon as possible.

ORIGINATOR : G-3 (AFHQ)

AUTH : K C COOPER, Brigadier

INFORMATION : SACS
NLOC/S MTO
RAFLOG-2
US POLADG-3 (MTO)
BRIT POLAD

G-4

G-5
**

MC OUT 451

28 Dec 46

- 2 -

1521A

REF NO FX-73997 jbw/R

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TOP SECRET
ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

MC
27/12

G-5: 321.01 TS

December 1946

SUBJECT: Operational Mission between S and R Day.

TO : Chief Commissioner,
Allied Commission,
APO 794.
(Attn: Admiral Stone)

Enclosed is Top Secret Signal WX-88907, dated
19 December 1946, forwarded for your information and reten-
tion.

BY COMMAND OF GENERAL MORGAN:

R.P. Steiner
R.P. STEINER,
Major, CAC,
Executive, G-5.

102-1/2-

Encl: as above.

Copy to: G-2, AFHQ.

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TOP SECRET

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AFHQ MESSAGE CENTER
INCOMING MESSAGE

FILED : 192302Z PARAPHRASE UNNECESSARY
PRIORITY TOP SECRET

AFSC

TOP SECRET

FROM : AGWAR FROM WDGPO SIGNED NORSTAD

TO : COMGENMED INFO : USFET

REF NO THIS MESSAGE : WK-88097

19 December 1946

Reference FX 73702 paragraphing 1 to 6 corresponds to reference cable.

1. Recommended modification of SACMED Operational mission between S and R Day noted. Decision will be included in disposition NAF 1242.

A. Planning view is to permit phase out of British First Armored Division, which of course would be contingent upon continuation of present degree, and reasonable prospect for future, of stability in area concerned.

B. NO matter how Operational Mission might be changed transit and maintenance rights in TRIESTE itself or Free Territory (outlined in paragraph 6, C and recommended in paragraph 7, E NAF 1242) in excess of those for 5,000 each National Contingent are matter now beyond CCS province. CFM has forwarded their agreed draft provisions for both provisional and permanent regimes for TRIESTE to Security Council for approval. (See article 5, CFM (46) (NY) 43) third revision (Provisional Regime Instrument,) being sent you under memo via air courier. Any action by British now to secure transit and maintenance rights must be taken up with Security Council. Outlook for favorable consideration is rather doubtful.

C. Redistribution of troops must be planned so as NOT to exceed maximum total of 5,000 each National Contingent in TRIESTE on or after R Day.

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PARAPHRASE UNNECESSARY
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23

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

REF NO THIS MESSAGE : WX-88097 (Cont'd) 19 December 1946

2. On composition of forces your preliminary views appear satisfactory as far as they go. Please forward results of conference at Headquarters CMF soonest.

3. Answering your queries on detailed organization :

A. No provision for Allied Information Service need be considered for US Military Contingent for TRIESTE. If such service considered desirable by State they can provide USIS under their own auspices.

B. Negative on retention of ASA for US Contingent.

C. Military personnel in AMG must be charged against maximum ceiling. Sub paragraph 1, C above applies equally here.

4. NO more practicable solution than territorial divisioning of Free Territory between US-UK and Yugoslavs is perceived. Theoretical desirability of aiding integrated autonomy by avoiding segregation recognized but experience indicates otherwise. Retention "status" for area responsibility seems best. Reference Unified Command including Yugoslavs in paragraph 5, B, F 73265, negotiations to date indicate inclusion of Yugoslavs in Unified Command is unlikely. CFM agreement makes NO specific provision for overall Unified Command. You will be sent further information.

5. Effectuation of Command Liaison and coordination arrangements will be necessary under articles 6 and 7 Provisional Regime Instrument. US views on this problem are still NOT crystallized. Please provide any further comment you have after studying Provisional Regime Instrument.

6. Logistical problem might be resolved by curtailing Operational Mission and Phasing arrangements discussed in paragraph 1 above. Problem of housing troops is now factual. Any specific recommendation regarding War Department assistance will be given sympathetic consideration.

0732

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

785015

TOP SECRET
AFHQ MESSAGE CENTER
INCOMING MESSAGE

REF NO THIS MESSAGE : WX-88097 (Cont'd) 19 December 1946

TOP SECRET

7. CFM material to paragraph 1 above should meet your immediate requirements for factual data for the future on TRIESTE. Present schedule calls for signature of Treaty in PARIS 10 February 1947. Ratification might follow as early as 6 weeks. Estimated that Governor will NOT assume office until R Day plus 2 to 3 weeks while he is being briefed by Security Council. Comments on probable timing are War Department estimates only, are presented for such guidance as they may be worth and should be used with reserve.

NOTE : FX-73702 MC OUT 164A 11/12/46 G-3 (MTO)
NAF-1242 IS FX-73668 MC OUT 127 9/12/46 G-3 (MTO)
F-73265 MC OUT 514A 17/11/46 G-3 (MTO)

ACTION : G-3 (MTO)

INFORMATION : C/S MTO G-1 G-2 G-4 G-5

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MC 23 072 20 Dec 46

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1630A

Ref No WX-88097 ra/G

1-7

TOP SECRET

COPY NO.

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

MINISTERIAL MILITARY COORDINATOR
Office of the Chief Commissioner
MO 74

Ref: C/O/A

23 Dec 46.

Subject: Joint Army Administration of Land Forces
in the Middle East.

To: C-5 Section, Allied Forces Headquarters.

Reference also: C-5/10.10-3.1. of 9 December 46.

1. As requested in your letter under reference, an outline plan for the function of Land Forces Sub-Commission together with phased programme is forwarded herewith.

2. As regards paragraph 4. of your letter, although the training function of HQA can change at any time between now and 'B' Day, as may be decided by JCH, I do not consider that its function in regard to equipping the Middle East Army can properly come until after 'B' Day in view of the fact that it is hoped to acquire equipment and particularly ammunition for the Middle East Army from Allied stocks as these become redundant through the evacuation of Allied Forces. These stocks will probably become available during the 90 day period.

3. Given its broader function which will, in my opinion require the retention of a small element of the HQA staff, perhaps as part of the successor organization referred to in my letter 202/46/AC of 23 December, after 'B' Day. I refer to the liaison with the War Ministry required for an orderly handover to the Middle East Army of Middle East military installations in MEDITERRANEAN and in the MIDDLE EAST Area during the Allied evacuation. In the reorganizing of the Middle East Forces which will naturally follow Allied withdrawal, it is highly important to the Middle East Army that there be no hiatus between Allied departure and arrival Middle East military possession of military installations. This will require the continuance of reduced HQA staff and a small element of HQA, perhaps one officer at HQA, and a small element in HQA.

4. Four other functions of HQA have been considered, namely:-

The supervision of HQA Staff Functions

The Administration Committee of the Palestine Islands.

The Middle East Forces of War Division.

Military War Operations.

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
AWO 74.

Ref : C/8/A

23 Dec 46.

Subject: Post Treaty Liquidation of Land Forces
Sub Commission, A.C.

Re : C-5 Section, Allied Force Headquarters.

Reference AWQ: C-5:910.15-5.2. of 9 December 46.

1. As requested in your letter under reference, an Outline Plan for the function of Land Forces Sub Commission together with planned programs is forwarded herewith.

2. As regards paragraph 1, of your letter, although the training function of MFA can close at any time between now and 'R' Day, as may be decided by AWQ, I do not consider that its function in regard to equipping the ITALIAN Army can properly cease until after 'R' Day in view of the fact that it is hoped to acquire equipment and particularly ammunition for the ITALIAN Army from ALLIED stocks as these become redundant through the evacuation of ALLIED Forces. These stocks will presumably become available during the 90 day period.

3. There is another function which will, in my opinion require the retention of a small element of the SED CATERING, perhaps as part of the successor organization referred to in my letter 2622/16/40 of 23 December, after 'R' Day. I refer to the liaison with the War Ministry required for an orderly handover to the ITALIAN Army of ITALIAN military installations in FRIEDLAND ITALY and in the LEVERED Area during the ALLIED evacuation. In the regrouping of the ITALIAN Forces which will naturally follow ALLIED withdrawal, it is highly important to the ITALIAN Army that there be no hiatus between ALLIED departing and actual ITALIAN military possession of military installations. This will require the continuance of reduced 5 III and 4 III, perhaps one officer at LEVERED, and a small element in R.A.S.

4. Four other functions of AWQ have been considered, namely:-

The Supervision of U.S. VII POW Camps

The Disinterment Committee of the Fortness Islands.

The ITALIAN Prisoner of War Division.

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Reference AMHQ: C-5:940.13-3.2, of 9 December 46.

1. As requested in your letter under reference, an outline plan for the running of Land Forces Sub Commission together with planned programs is forwarded herewith.

2. As regards paragraph 1. of your letter, although the training function of MELA can close at any time between now and 1st May, as may be decided by AMHQ, I do not consider that its function in regard to equipping the ITALIAN Army can properly cease until after 1st May in view of the fact that it is hoped to acquire equipment and particularly munition for the ITALIAN Army from ALLIED stocks as these become redundant through the evacuation of ALLIED persons. These stocks will presumably become available during the 90 day period.

3. There is another function which will, in my opinion require the retention of a small element of the 3RD CRISTOFORO, perhaps as part of the transport organization referred to in my letter 2622/16/EO of 23 December, after 1st May. I refer to the liaison with the War Ministry required for an orderly handover to the ITALIAN Army of ITALIAN Military installations in Southern ITALY and in the LIGURIA Area during the ALLIED evacuation. In the regrouping of the ITALIAN Forces which will naturally follow ALLIED withdrawal, it is highly important to the ITALIAN Army that there be no hiatus between ALLIED departure and actual ITALIAN Military possession of military installations. This will require the continuance of reduced 5 ELS and 4 ELS, perhaps one officer at LIVERPOOL, and a small element in RAM.

4. Four other functions of ELSAC have been considered, namely:-

- The Supervision of US-UKI Formations
- The Localisation Committee of the Portoven Islands.
- The ITALIAN Prisoners of War Division.
- Military War Criminals.

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If the assumptions and expectations noted below are correct, it is not considered that they will entail additional commitments for LSC after 'R' Day.

(a) US-PII It is assumed that US-PII formations will have been disbanded well before 'R' Day. It will require approximately 30 days after disbandment of the last US-PII unit for processing records, surveys, etc., through the War Ministry and the appropriate accounting agencies. Should however US-PII formations be required after 'R' Day a separate agreement with the ITALIAN Government would be necessary.

(b) THE DEMILITARIZATION COMMITTEE. The Demilitarization Committee for the Fortuna Islands, which is under the guidance of LSC, should complete its work well before 'R' Day unless unforeseen circumstances should delay it. Any unfinished work can be completed under Article 75 of the Draft Peace Treaty.

(c) THE ITALIAN P.W. DIVISION. Italian Prisoner of War Division also should have largely completed its work prior to 'R' Day. It is understood that special consideration is being given by your Headquarters to the residual functions of this Division.

(d) MILITARY WAR CRIMINALS. LSC handles a great deal of correspondence from AFHQ and CHQ which requires reference to the War Ministry and vice versa regarding:-

1. Italian Military War Criminals wanted by the BRITISH and AMERICAN military authorities.
2. German Military War Criminals in BRITISH and AMERICAN hands wanted by the ITALIAN War Ministry.

This commitment is unlikely to be finished on 'R' Day. The BRITISH and U.S. MEMBERS have been asked to take over on that date but they have not yet agreed to do this.

5. My outline plan for the rundown of the LSC WORKING GROUP COMMISSION is therefore based on three stages:-

(a) The first stage starts on 'R' - 30 days with the stopping of the training functions of LSC, and involves the withdrawal of LSC (except for, 4, 5 & 12 PLUs, whose retention until a later date is suggested in AFHQ Signal FX.7527 of 18 December) and those members of LSC who become redundant.

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(b) The second stage starts on 'S' Day or on the assumption of responsibility for supervision of the Peace Treaty by the Ambassadors of the Four Powers and the establishment of a Post Peace Treaty Mission (if any) and involves the withdrawal of those members of LPSC.HQ and 12 ELG whose work will then cease.

(c) The third stage, which corresponds with the final withdrawal of ALLIED Troops from ITALY, involves the withdrawal of the remaining elements of LPSC.HQ and 4 and 5 ELGs who have been retained for liaison purposes with the ITALIAN Army during its take over from the ALLIED Forces and for assisting in the acquisition by the ITALIAN Army of ammunition and other equipment that becomes available on the withdrawal of ALLIED Troops.

/s/ Ellery W. Stone

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

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OUTLINE PLAN FOR THE PURSUIT OF MILA/LPSC

1. MILA/LPSC has a dual responsibility:-

(a) As MILITARY MISSION TO THE ITALIAN Army, acting as liaison between ALLIED and ITALIAN Forces, giving advice and assistance on the organization and training of the ITALIAN Army, and assisting in the provision of equipment from ALLIED sources.

(b) As LIAISON FORCES SUB COMMISSION, A.C. supervising the enforcement of the Armistice Terms and acting as liaison between A.C. and the ITALIAN War Ministry.

2. These responsibilities will be terminated in the three following stages:-

1st stage

(a) On 'H' - 30 days, MILA and all MILs cease their functions of advice and assistance on organization and training of ITALIAN Army and close all their files concerned with these matters.

(b) Nos. 1 - 17 MILs (less 4 MIL(BELGIUM) and 5 MIL(FRANCE)) will pack up and be ready for evacuation by 'H' - 15 days.

(c) Between 'H' - 30 and 'H' Day, 12 MIL and those Branches and sections of MILs primarily concerned with the training will prepare to hand over documents and information to any successor agency which may be appointed to assist in the training and development of the ITALIAN Army. As this task progresses, 'A' Branch will progressively redeploy personnel for evacuation as they become redundant.

(d) 4 & 5 MILs will continue to function for liaison purposes between Territorial Commands, HQ LPSC and GHP.

(e) Between 'H' - 30 days and 'H' day LPSC, while continuing its functions, will begin to prepare relevant documents for handing over to the Ambassadors concerned under Article 75 of the Draft Peace Treaty.

2nd stage

(a) LIAISON FORCES SUB COMMISSION, A.C. will cease to function on such as 'H' Day.

(b) On 'H' Day LPSC and 12 MIL will be ready to begin handing over to:-

(a) Ambassadors.

(b) Post Peace Treaty Mission (if any)

(c) From 'H' Day all Branches and sections of HQ LPSC will close and process files for handing over to AMBASSADORS, A.C.

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(d) 'A' Branch will progressively nominate for evacuation personnel of All Branches and 12 IMA as they become redundant.

'A' Branch will complete arrangements for handing over of all stores and equipment.

(e) The date on which all remaining personnel of IMA/IMA (less those required for job stage below) will be ready for evacuation, will depend on date of availability of organizations to take over and consequent ability, finally to close files. Target date 'A' + 30.

3rd Stage

From 'B' Day certain personnel perhaps incorporated into a successor liquidating agency of A.C. will be required as follows:-

(a) Personnel of IMA/IMA and of Nos 1 & 2 IMA will need to be retained for liaison in connection with the operational handover of present to COM - AUSA and other ALLIED installations to the IMA/IMA. These should be available for evacuation on completion of handover.

(b) Personnel of IMA/IMA will need to be retained in connection with the physical transfer to the IMA/IMA of stores and equipment required by the IMA/IMA and rendered surplus to ALLIED needs by the evacuation of ALLIED troops from IMA/IMA.

It is at present not possible to estimate the date by which these personnel will have completed their task.

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PLANNED PROGRAMME FOR REDUCTION OF AREA1st Stage

- 'R' - 30 Days. Training and obtaining functions cease.
- 'R' - 30 Days to 'R' Day. Training documents prepared for handing over. Training files wound up. Training personnel of HQ and 12 BUs progressively available for evacuation as they become redundant. All Branches preparing documents for handing over.
- 'R' - 15. BUs (less 4, 5 & 12 BUs) ready for evacuation.

2nd Stage.

- 'R' Day. HQG ceases to function as such. Ready to handover.
- 'R' Day to 'R' + 1. Handing over documents. Closing and processing files. Personnel progressively available for evacuation as they become redundant. Time required for handover will depend on when the various taking over bodies are ready. Target date is 'R' + 30.

3rd Stage

- 'R' to ? Certain personnel of HQ and of Nos 4 & 5 BUs remain to assist in handing over of 13 COMUS ARMA and other ALLIED installations to ITALIAN control.
- 'R' to ? Certain personnel of HQ remain to handover ALLIED surplus equipment to the ITALIANS.

4876

126

HEADQUARTERS ALLIED COMMISSION
APO 794
Office of the Chief Commissioner

Ref: 2622/16/EC

23

December 1946.

SUBJECT: Liquidation of AC/AMG Functions

TO : ALLIED FORCE HEADQUARTERS,

Attention: G-5 Section.

1. Reference is made to your G-5: 910.13-3P of 5 December 1946.
2. A Co-ordinating Committee to make recommendations in regard to the liquidation of the functions of this Commission has been set up under Executive Order No. 39 of 13 December 1946, copy of which is enclosed.
3. (a) Taking the officer strength of the Commission as a gauge of its present activities there are now at Headquarters a total of 152 Officers (61 (A) and 91 (B)).
(b) Of this total, 72 officers are with the Service Subcommissions. Separate plans are being submitted for the run down of the Land Forces Subcommission (LMIA) (with a strength at Headquarters of 40 Officers), in accordance with your G-5: 910.13-3P of 9 December 1946. As regards the Navy and Air Forces Subcommissions, pending decisions from higher authority, I am unable at this stage to make any recommendations as to any advance reduction in their personnel or functions, although they will of course cease to function as such on "R" Day.
(c) As regards the remaining total of 80 Officers, 10 are with Displaced Persons Division (which Division has also 24 Officers in the field) and 6 are with Archives Division, the functions of which are not considered in this letter. This leaves a balance of 64 Officers engaged on various activities which have been considered in regard to preliminary action with a view to facilitating the closing down of this Commission.
4. I do not consider it practicable to draw up at this stage a phased plan for the liquidation of all functions presently carried out by this Commission or for the run down of its Divisions. All existing Divisions will have 48 limitations to perform up to "R" Day especially in view of the continuance of Allied Military Government up to that day.

All Divisions have been directed to bring all outstanding matters to a conclusion as early as possible, and are processing their records in preparation for their eventual transfer to Archives.

- 2 -

As a first step I am enclosing a schedule containing recommendations in regard to the termination of certain functions or their transfer to permanent civil authorities.

These and other functions will be kept under constant review with the object of making fresh recommendations to hasten procedure as regards the run down of this Commission.

5. Consideration is being given to the special problems set out in the Annexure to your letter under reference and also to others of a similar nature. Special action is also being taken with GHQ in regard to disposing of the outstanding functions of the Captured Enemy Materials Division and copies of all correspondence on this question will be sent to your Headquarters.

6. I recommend that consideration should be given to the establishment in due course of an office in Rome under your Headquarters which will be responsible for the final disposal during the 90 day period (perhaps even longer) of personnel, stores, equipment and any outstanding matters connected with the Commission and other agencies such as AFA and ASAA. Moreover there will be the question of a channel of communication between the Italian and Allied authorities in matters of detail such as when Allied military absentees are found in territory not covered by any Allied military headquarters. In discussing with permanent civil authorities the matter of taking over functions, which in most cases are executive, such authorities are reluctant to agree or to give decisions owing to uncertainty as to securing the necessary staff which in many cases they hope to obtain from the Allied Commission after the termination of its functions. The question of appropriations also concerns the American Embassy in particular.

In view of the reluctance or refusal of these authorities to take over certain responsibilities (in particular see ASAA liquidation plan) it may be that it will be necessary for the office proposed above to continue to operate after the termination of the 90 day period. Approach would have to be made to the Italian Government seeking approval of such operation since even if this office were civilian in character the question of immunity for its personnel would arise. I do not anticipate that the Italian Government would raise any objections to such a proposal but the continued administration and maintenance of such an office might well have complications without the Government's concurrence.

7. I would appreciate your views on the matter raised in para 6 above and at an early date your comments on or approval of the recommendations contained in the schedule enclosed.

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

4874 -

Copy to: Polad (A)
Polad (B)
AFA
ASAA
Econ. Div.
LFGC.

123

Serial No.	Subject or Organisation	Sub-Commission or Division affected	Recommendation
1.	A.C. Monthly Report	All Subcommissions and Divisions	The report for November now in course of preparation should be the last.
2.	Daily Digest of Rome Press prepared at this HQ with a daily circulation of 160 copies.	Public Relations Office	To be discontinued w.e.f. 31 January 1947.
3.	A.C. Weekly Bulletin	Public Relations Office and, to a lesser degree, all Subcommissions and Divisions.	To be continued until "R" Day.
4.	Transportation Sub-Division.	Transportation Sub-Division and Economic Division.	To close w.e.f. 31 Jan 1947.
5.	Italian Public Safety Reports un-connected with Allied interests.	Public Safety Division.	That the Italian authorities should cease rendering reports forthwith.

0744

STANDARD NO. 1.

Sub-Commission or Division affected	Recommendation	Remarks
All Subcommissions and Divisions	The report for November now in course of preparation should be the last.	November report will be ready for issue about 15 Jan 1947. AMG reports from UDINE and VENEZIA GIULIA will be available for higher authority if required.
Public Relations Office	To be discontinued w.e.f. 31 January 1947.	After this date the daily digest issued by the British Embassy will only be available.
Public Relations Office and, to a lesser degree, all Subcommissions and Divisions.	To be continued until "R" Day.	The political summary in this Bulletin takes the place of the Chief Commissioners former political reports to the A.C.I.
Transportation Sub-Division and Economic Division.	To close w.e.f. 31 Jan 1947.	Remaining commitments if any to be undertaken within Economic Div.
Public Safety Division.	That the Italian authorities should cease rendering reports forthwith.	

1023

125

0745

- 2 -

Serial No.	Subject or Organisation	Subcommission or Division affected	Recommendations
6.	Permission to visit or re-enter ex-Italian colonies or territories presently under BMA including head for head exchanges.	Displaced Persons Division	To be handed to British Embassy Jan 1947.
7.	Trade between Italy and ex-Italian colonies or territories under BMA.	Economic Division	To be handed to British Embassy as possible in probably about
8.	Legal questions pertaining to ex-Italian colonies or territories under BMA such as amnesty concerning Italian civilians now serving sentences pronounced by Italian courts under Italian law, parastatal agencies, petrol rights in LYBIA, Lloyd Triestino Shipping, etc.	Legal Division	To be handed to British Embassy on R-14 Day.
9.	Requisitioned Premises	Economic Division.	A.C. should co-ordinate with forwarding military authorities consideration of requisitions made by Italian authorities Government level

4822

- 2 -

Subject or Organisation	Subcommittee or Division affected	Recommendation	Remarks
Permission to visit or re-enter ex-Italian colonies or territories presently under BMA including head for head exchanges.	Displaced Persons Division	To be handed over to the British Embassy w.e.f. 1 Jan 1947.	The British Embassy have been consulted and agree.
Trade between Italy and ex-Italian colonies or territories under BMA.	Economic Division	To be handed over to the British Embassy as early as possible in Jan 47 probably about 15 Jan 47.	The British Embassy have been consulted and agree.
Legal questions pertaining to ex-Italian colonies or territories under BMA such as amnesty concerning Italian civilians now serving sentences pronounced by Italian courts under Italian law, parastatal agencies, petrol rights in LYBIA, Lloyd Destino Shipping, etc.	Legal Division	To be handed over to the British Embassy not before R-14 Day.	The British Embassy state that lack of qualified staff preclude earlier action. British Embassy has matter under consideration with Foreign Office.
Acquisitioned Premises	Economic Division.	A.C. should cease forthwith forwarding to the military authorities for consideration representations made by the Italian authorities except on Government level.	

4872

(52)

- 3 -

Serial No.	Subject or Organisation	Subcommission or Division affected	Recommendation
10.	Handover of all Submarine Cables and information regarding them.	Communications Division.	Responsibility to be taken over on "R" Day by the American and British Embassies to be dealt with by these Embassies, as their interests lie, and by the Italian Government.
11.	Maintenance of telephone and telegraphic communications for the Allied Forces.	Communications Division.	To be dealt with as at present by the Communications Division and Liaison Officers provided by AFHQ until "R" Day when responsibility will pass to special office recommended under para 6 of covering letter.

- 3 -

or ion	Subcommission or Division affected	Recommendation	Remarks
il Submarine formation reg-	Communications Division.	Responsibility to be taken over on "R" Day by the Am- erican and British Embass- ies to be dealt with by these Embassies, as their interests lie, and by the Italian Government.	Question to be raised with the Embassies concerned.
f telephone ic commur- the Allied	Communications Division.	To be dealt with as at present by the Communi- cations Division and Liaison Officers provi- ded by AFHQ until "R" Day when responsibility will pass to special office recommended under para 6 of covering letter.	

4871

(521)

DEC 19 1946

TOP SECRET

FX 73827
DEC 18 1540H/8628
~~H/8252x~~
DEC 19 0930
IMMEDIATE

AFHQ SIGNED SACRED CITE PHCOS.

ACTION: MMIA FOR COMMANDER AND FOR INFO TO CHQ CMF
FOR CHIEF OF STAFF.

TOP SECRET.

REFERENCE YOUR DR/5 (DO/57 OF 16 DEC AND CONVERSATION HOPE-AIREY
17 DEC.

1. G-5 INSTRUCTIONS INTENDED TO DEAL WITH PLANNED RUNDOWN OF
MISSION ON ALLIED BASIS WHEN TIME COMES USING R MINUS 30 AS PIVOT
FOR PLANNING. SIMILAR INSTRUCTIONS HAVE BEEN ISSUED TO ALL ORGANISATIONS
UNDER AFHQ IN ORDER TO FACILITATE RAPID AND SMOOTH RUNDOWN WHEN TIME COMES
AND TO ENSURE THAT NO FACTORS ARE OVERLOOKED.

2. THE QUESTION OF ABOLISHING THE BLUS IS ENTIRELY SEPARATE AND
SHOULD NOT BE CONNECTED WITH ONE ABOVE. THIS IS PURELY
MATTER OF BRITISH MANPOWER AND CAN ONLY BE EXECUTED PROVIDED THAT
IT DOES NOT INTERFERE WITH TASK OF MISSION AS APPROVED BY CCS.
THEREFORE WE CAN NOT BE NOT AUTHORISE CUTTING OUT OF TRAINING
FUNCTIONS.

3. AFTER GENERAL MORGAN'S RETURN WILL CONFIRM THAT ACTION TO BE
TAKEN TO REDUCE BRITISH MANPOWER. FOR YOUR ADVANCED INFORMATION
YOU WILL PROBABLY BE INSTRUCTED TO ABOLISH FORTHWITH ALL BLUS EXCEPT
4870 AND 5 IN NORTH EAST ITALY AND BLU WHICH IS RESPONSIBLE FOR TRAINING
AND SCHOOLS. PLEASE CONFIRM LATTER IS NO 12.

4. MEANWHILE PLANNING FOR RUNDOWN OF MISSION ON ALLIED BASIS SHOULD
GO AHEAD AS INSTRUCTED BY G-5 AFHQ

ACT: MMIA INFO: C. COMM. EX. COMM. FILE. SKELETON

TOP SECRET

DEC 19 1946

(104)

CONFIDENTIAL
HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

DEC 16 1946

Ref: 2622/11/EE

16 December 1946.

SUBJECT: Liquidation of AG/AGG Functions

TO : Provincial Commissioner,
Allied Military Government,
USINE PROVINCE.

1. With the ratification of the Peace Treaty, all rights, duties, privileges and responsibilities of the Allied Forces in Italy will cease. This means that on the date of the coming into force of the Peace Treaty the administration of USINE Province will presumably be formally handed over to Italian control.

This Commission has been informed that steps are being taken to secure sufficient rights for the Allied Forces so that evacuation may be completed during the 90 days subsequent to the coming into force of the Peace Treaty.

2. You are therefore directed to prepare provisional plans for the termination of AG in USINE Province and submit an outline of these plans to this Commission. For the purpose of provisional planning the effective date of the Peace Treaty will be assumed to be 28 February 1947. Developments during the next few weeks may well cause the forecast of the date to be changed.

It is to be assumed that after the effective date of the Peace Treaty no AG funds will be available to cover hire, purchase or payrolls and that only national funds provided by the Allies will be available. It is, therefore, essential that prior to the effective date of the Peace Treaty, AG civilian personnel and any commitments covered by AG funds should be cut down to a minimum compatible with efficiency.

4869 With effect from the date of the coming into force of the Peace Treaty, all payment under Administrative Memorandum No. 2 of January 1944 of mess employees for Officers' messes will cease and Messes and Officers concerned will be responsible for making their own arrangements for payment of mess staffs. The same will apply to Sergeants and Other Ranks messes.

CONFIDENTIAL

CONFIDENTIAL

- 2 -

3. With regard to the formal handover of UDINE Province to Italian control, a letter has been addressed to the Prime Minister on the subject of the maintenance and efficiency of the civil administration of the Province during the critical period following the effective date of the Peace Treaty. A copy of that letter is enclosed for your information.

BY COMMAND OF REAR ADMIRAL STONE:

15/ M. CARR.

Brigadier.
Executive Commissioner.

Encls. as above.

Copy to: CC. (with enclosure).
G-5, AMHQ (with enclosure).
Ex.O (A). (less enclosure).
Ex.O (B). (" ").
AFA (" ").

4868

CONFIDENTIAL

(1/22/41)

DEL. 1215

Ref. : 8625/4/70

17 December 1946

SUBJECT: Post Treaty Liquidation
ASG/13 Functions.TO : 414.
Attention: G-3 Section.

1. I refer to your unofficial request that I should give consideration to the liquidation plans of ASG Venezia Giulia, ASAA and ASA.

2. I have studied the plan submitted by ASAA under their 136579A of 13th December 1946 and am in general agreement with the recommendations contained therein.

As regards the recommendations made, it appears to me that if the functions of ASAA are not to lapse it will be necessary for the British and American Commissions to receive from their respective Governments, instructions that they must assume, prior to the end of the 90 day period, responsibility for the residual functions of ASAA.

WILLIAM W. SPENCER
Rear Admiral, USN
Chief Commissioner.

Copies to:

4867

~~ruled 1~~
~~"~~
~~"~~ } not sent
ASAA
APA

(123)

17 December 1946

Ref. : 2625/4/33

SUBJECT: Post Treaty Liquidation
and Functions.

TO : JFHQ,
Attention: G-5 Section.

1. I refer to your unofficial request that I should give consideration to the liquidation plans of the Venetian Islands, ASIA and ASIA.

2. I have studied the plan submitted by ASIA under their 136973A of 13th December 1946 and am in general agreement with the recommendations contained therein.

As regards the recommendations made, it appears to me that if the functions of ASIA are not to lapse it will be necessary for the British and American Administrations to receive from their respective Governments, instructions that they must assume, prior to the end of the 90 day period, responsibility for the residual functions of ASIA.

ALBERT D. STONE
Rear Admiral, USN
Chief Commissioner.

Copies to:

4867 - Total 4 } not sent

ASIA
APA

1. I refer to your unofficial request that I should give consideration to the liquidation plans of ARI Venezuela Giulia, ASIA and AP.

2. I have studied the plan submitted by ASIA under their 15697A of 13th December 1946 and as in general agreement with the recommendations contained therein.

As regards the recommendations made, it appears to me that if the functions of ASIA are not to lapse it will be necessary for the British and American Embassies to receive from their respective Governments, instructions that they must assume, prior to the end of the 90 day period, responsibility for the residual functions of ASIA.

WILLIAM S. GARDNER
Rear Admiral, USN
Chief Communications

Copies to:

4867

~~Forwarded~~ } not sent
ASIA
APA

(193)

102-1/2

DEC 1 1946

HEADQUARTERS ALLIED COMMISSION
Office of the Executive Commissioner
APO 794

Ref. : 2622/10/EC

13 December 1946

SUBJECT: Liquidation of AC/AG Functions.

TO :	Executive Commissioner	1
	Executive Officer A.	4
	Executive Officer B.	4
	Economic Division	6
	Dispersal Division	1
	Legal Division	1
	Public Safety Division	1
	Communications Division	1
	Archives Division	1
	PRO	1
	Navy S/C	2
	Land Forces S/C	2
	Air Forces S/C	2

1. There is attached:

- (a) Copy of Executive Order no. 39 of 13 Dec. 46
- (b) Copy of AFHQ letter 4-5-46 J. 43-3P of 5th December 1946.

As regards para 4 of the above quoted letter, instructions have been received from AFHQ and passed to AFSC for action.

2. All Sub-Commissions and Divisions will give immediate consideration to the gradual termination of their functions and will be prepared to give their views on this matter to the Committee when notified at an early date.

All Sub-Commissions and Divisions will be responsible, using normal procedure, for initiating action as regards any matters which require raising with higher authority or permanent Civil Authorities or for pursuing vigorously any outstanding matters connected with the termination or handover of responsibilities.

3. All Sub-Commissions and Divisions will keep in close contact with Archives Division as regards the preparation of files, documents etc., for Archives and their eventual transfer to Archive custody.

BY COMMAND OF REAR ADMIRAL STONE:

4866

Economic Division
 Diaper Division
 Legal Division
 Public Safety Division
 Communications Division
 Archives Division
 PRO
 Navy S/C
 Land Forces S/C
 Air Forces S/C

6
 1
 1
 1
 1
 1
 1
 1
 2
 2
 2

1. There is attached:

- (a) Copy of Executive Order no. 39 of 13 Dec. 46
- (b) Copy of AFHQ letter 0-5-100.13-3P of 5th December 1946.

is regards para 4 of the above quoted letter, instructions have been received from AFHQ and passed to AFSC for action.

2. All Sub-Commissions and Divisions will give immediate consideration to the gradual termination of their functions and will be prepared to give their views on this matter to the Committee when notified at an early date.

All Sub-Commissions and Divisions will be responsible, using normal procedure, for initiating action as regards any matters which require raising with higher authority or permanent Civil Authorities or for pursuing vigorously any outstanding matters connected with the termination or handover of responsibilities.

3. All Sub-Commissions and Divisions will keep in close contact with Archives Division as regards the preparation of files, documents etc., for Archives and their eventual transfer to archive custody.

BY COMMAND OF REAR ADMIRAL STONE:

M. L. Stone
 Brigadier,
 Executive Commissioner.

Copies to: C.C.
 Polad A
 Polad B
 File
 Spares 10

✓

(122)

0756

RESTRICTEDHEADQUARTERS ALLIED COMMISSION
APO 794

10 December 1946.

EXECUTIVE ORDERS)

NUMBER : 39)

Appointment of Co-ordinating Committee for the liquidation
of AG/AGF Functions.With regard to the termination of the functions of the Allied
Commission, the following Committee is hereby set up with terms of
reference as given below:CHAIRMAN: Brigadier H. CARR, CBE, MC.MEMBERS: Director, Economic Division.
Financial Adviser.
Director, Legal Division.
Executive Officer (A)
Executive Officer (E)
Chief Staff Officer to Executive Commissioner.SECRETARY: Captain A.W. KATSELY.The above Committee will co-opt as members, representatives of
the Services Subcommittees or of other Divisions of the Allied Commission
as appropriate.

The Chairman will consult Polads as required.

TERMS OF REFERENCE:"To make and keep up to date recommendations in regard to the
termination of the functions of the Allied Commission, or to their transfer
to permanent civil authorities prior to or coincident with the ratification
of the Peace Treaty, and to submit such recommendations to the Chief
Commissioner for comment or approval."ADMINISTRATION:Executive Officers (A) and (E) will be responsible for the details
of the run down of military and civilian personnel, stores, vehicles etc.,
and of office equipment. The Committee will keep this matter under review.

M. W. B. B. B.

Appointment of Co-ordinating Committee for the Liquidation of AG/AG Functions.

With regard to the termination of the functions of the Allied Commission, the following Committee is hereby set up with terms of reference as given below:

CHAIRMAN: Brigadier M. CARY, CBE, ID.

MEMBERS: Director, Economic Division.
Financial Adviser.
Director, Legal Division.
Executive Officer (A)
Executive Officer (D)
Chief Staff Officer to Executive Commissioner.

SECRETARY: Captain A.W. KILGLEY.

The above Committee will co-opt as members, representatives of the Services Subcommittees or of other Divisions of the Allied Commission as appropriate.

The Chairman will consult Peleids as required.

TERMS OF REFERENCE:

"To make and keep up to date recommendations in regard to the termination of the functions of the Allied Commission, or to their transfer to permanent civil authorities prior to or coincident with the ratification of the Peace Treaty, and to submit such recommendations to the Chief Commissioner for comment or approval."

ADDITIONAL INFORMATION:

Executive Officers (A) and (D) will be responsible for the details of the run down of military and civilian personnel, stores, vehicles etc., and of office equipment. The Committee will keep this matter under review.

DISTRIBUTION:

"A"

Gp I less Ser. 60.
Gp II less Ser. 64 and 65.
Gp. III less Ser. 77.

RESTRICTED

for HURLEY W. STONE
Rear Admiral, USNR
Chief Commissioner

Ref. 2622/5/30

12 December 1946

My dear Mr. Prime Minister,

I am writing to you with regard to the maintenance and efficiency during the critical period following the date of the coming into force of the Peace Treaty with Italy, of the civil administration of the Province of UDINE which it is presumed will be handed over formally to Italian control on that date.

The rapid and orderly evacuation of the Allied Forces in North East Italy and Venezia Giulia will depend to a great extent on the efficient cooperation of the Civil Authorities in meeting military requirements, and it is of extreme importance that there should be no period of temporary disorganisation resulting from the discontinuance of Allied Military Government.

I should therefore be glad to have your assurance, my dear Mr. Prime Minister, that the Italian administration of the Province of UDINE is fully organized in advance of the formal handover of control, and that it is capable of functioning efficiently immediately Allied Military Government is withdrawn.

Very truly yours,

/s/ Henry W. Stone

HENRY W. STONE
Rear Admiral, USNR
Chief Commissioner

Dr. Alcide De Gasperi
President of the Council of Ministers,
Italian Government,
ROME.

4884

HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

Ref. : 2622/8/46

12 December 1946

SUBJECT: Post Treaty Liquidation of ALCON/AME Functions.

TO : Land Forces S/C
(MMIA)

1. Forwarded herewith are copies of AFHQ letters G-5:910.13-3 P dated 5 Dec. 46 and same reference dated 9 Dec. 46. It is requested that you take action on letter dated 9 Dec. 46 and submit your reply for the signature of the Chief Commissioner.
2. With reference to para 2 (a) of letter dated 9 Dec. 46, the statement that there will be a quadripartite body is not accurate. Under Article 75 of the Draft Peace Treaty the U.S., U.K., French and USSR Embassies, acting in concert, are charged with the supervision of the execution of the Peace Treaty for a period not exceeding 18 months.

As regards the American and British Embassies, presumably each Embassy will set up some type of service panel for this purpose. It may be that such service panels will be quite distinct from normal Service Attachés.
3. Files, if Allied Commission files, can only be issued on loan to outside agencies. The question as to whether any files falling under the categories mentioned in para 2 of AFHQ letter of 9 Dec. will be required in quadruplicate, in view of four Embassies being involved, will require consideration.

BY COMMAND OF REAR ADMIRAL STONE:

Brigadier,
Executive Commissioner.

4863

Copies to: Polad A and Polad B
Incls. as above.

CONF

ALLIED FORCE HEADQUARTERS
G-3 Section
APO 512

9 December 1946

G-5: 910.13-3 P

SUBJECT: Post Treaty Liquidation of AFHQ/US Functions.

TO : Chief Commissioner,
Allied Commission,
APO 794.

Reference paragraph 4 of this Headquarters letter of even number dated 5 December 1946.

1. It is considered that, while the functions of the Land Forces Sub-Commission in connection with the enforcement of the Armistice Terms must continue until the Armistice is formally abrogated, its functions as IMIA in connection with the training and equipment of the Italian Army can properly cease prior to "R" Day, on a date to be decided by this Headquarters. For planning purposes, this date will be fixed at R - 30 days.

2. Planning for the liquidation of the Land Forces Sub-Commission, in both its capacities, will accordingly be based upon the above premises. Plans will be designed to ensure that the Sub-Commission is closed down and its personnel and equipment prepared for evacuation within the shortest possible period after R Day.

They will include the preparation of files for handover as follows:

a) Files containing information of value to the quadripartite body to be set up under Article 75 of the Draft Peace Treaty for the purpose of supervising its execution.

b) Files containing information of value to any agency which may be appointed to assist in the training and development of the Italian army.

3. An outline of the above plans, including a phased programme, will be forwarded to reach this Headquarters not later than 25 December, independently of the recommendations in regard to the functions of the Allied Commission as a whole which were called for in this Headquarters letter under reference.

/s/ Illegible

for A.L. HARRIS
Colonel, G.S.C.
Assistant Chief of Staff, G-3

Copy to: G-1, G-2

4862

(1/21)

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

G-5 : 910.13-3 P

5 December 1946

SUBJECT: Post Treaty Liquidation of ALCON/AMC Functions.

TO : Chief Commissioner,
Allied Commission,
APO 794, U.S. Army.

Senior Civil Affairs Officer,
Venezia Giulia,
APO 88, U.S. Army.

Allied Supply Accounting Agency,
c/o Allied Commission.

Allied Finance Agency,
c/o Allied Commission.

- (108-1)
1. With the ratification of the Peace Treaty, all rights, duties, privileges, and responsibilities of the Allied Forces will cease. Active steps are being taken to secure sufficient rights for the Allied Forces so that evacuation may be completed during the ninety days subsequent to the Peace Treaty ratification.
 2. All functions now being performed by the Allied Commission including the Service Sub-Commissions; by ISAC, by AF, and by AM must either be terminated or transferred to permanent Civil Authorities prior to the completion of evacuation. It is probable that the full extent and complexity of terminating and transferring of these functions may not be fully known or appreciated at AFHQ. It is therefore desired that each addressee analyze the problems to be solved before his organization may be finally deactivated, and make prompt recommendations to hasten the procedures. It is regretted that no information as to the governmental set-up for Trieste Free State can be given. It will be assumed, however, that the French line will become the international boundaries. When further assumptions are made by addressees in submitting their plans, such assumptions will be clearly stated. When recommendations are made that either the British and United States Embassies, in Rome, assume duties previously performed by the Military Authorities, the views of the respective Embassies will be secured. When such views are not readily available, however, the recommendations will not be delayed beyond the limiting date.

(102-1)

4861

Allied Commission,
APO 794, U.S. Army.

Senior Civil Affairs Officer,
Panama Canal,
APO 88, U.S. Army.

Allied Supply Accounting Agency,
c/o Allied Commission.

Allied Finance Agency,
c/o Allied Commission.

1. With the ratification of the Peace Treaty, all rights, duties, privileges, and responsibilities of the Allied Forces will cease. Active steps are being taken to secure sufficient rights for the Allied Forces so that evacuation may be completed during the ninety days subsequent to the Peace Treaty ratification.
2. All functions now being performed by the Allied Commission including the Service Sub-Commissions; by ASAC, by FA, and by JAG must either be terminated or transferred to permanent Civil Authorities prior to the completion of evacuation. It is probable that the full extent and complexity of terminating and transferring of these functions may not be fully known or appreciated at AFHQ. It is therefore desired that each addressee analyze the problems to be solved before his organization may be finally deactivated, and make prompt recommendations to hasten the procedures. It is regretted that no information as to the governmental set-up for Trieste Free State can be given. It will be assumed, however, that the French line will become the international boundaries. When further assumptions are made by addressees in submitting their plans, such assumptions will be clearly stated. When recommendations are made that either the British and United States Embassies, in Rome, assume duties previously performed by the Military Authorities, the views of the respective Embassies will be secured. When such views are not readily available, however, the recommendations will not be delayed beyond the limiting date. All plans and recommendations will be addressed to G-5 AFHQ and will be designated not later than 25 December 1946.
3. There is attached hereto an entirely incomplete list detailing a few of the more obvious problems.
4. Certain special instructions on the subject of planning for the run-down of MIL are being issued separately.

BY COMAND OF LIEUTENANT GENERAL LEB:

/S/ A.L. HANSEN
Colonel, G.S.C.
Assistant Chief of Staff. G-5

Copy to: GHQ, CEF.

List of obvious problems connected with the
liquidation of ALMG/ALG functions.

1. Disposal of funds, records, and effects held by Allied Financial Agency.
2. Maintenance of present ALG Territory. When should shipment of COAG supplies cease? Who handles these arriving after "A" (Notification) day, "B" day, in mind that territory now maintained will be Italian, Yugoslav, and Free States.
3. Legal. What becomes of records of trials of those under sentence, considering that those under sentence will be in Italian, Yugoslav, and Free Territories? What undertaking, if any, will be taken by Italy, Jugoslavia, and Free State to carry out sentences imposed by present courts including ALG Courts?
4. Funds in Venezia, Giulia. What disposition made of funds now in ALG (so called State Treasury) custody? Presumably the right of ALG to collect or disburse funds, to hire and purchase, and to cover payrolls ceases on R Day, except from national funds provided by the Allies. Therefore, all employees, including public servants, paid from Allied (ALG) funds must be discharged or their pay otherwise obtained.
5. Service Sub-Commissions. You will work on the assumption that these will cease functioning on R day.
6. Liaison with Italian Government. Presumably this will no longer be an Allied function, and each military high command will have direct liaison with the Italian Government only in connection with the rights which may be granted in national agreements, somewhat on the order of the previous Military and Civil Affairs Agreements.
7. Displaced Persons. This subject is under active consideration at all levels and no recommendations need be made in this respect at this time.
8. Allied Supply Accounting Money. Close down or transfer of duties.

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4. Funds in Venezia Giulia. What disposition made of funds now in AMG (so called State Treasury) custody? Presumably the right of AMG to collect or disburse funds, to hire and purchase, and to cover payrolls ceases on R Day, except from national funds provided by the Allies. Therefore, all employees, including public servants, paid from Allied (AMG) funds must be discharged or their pay otherwise obtained.

5. Service Sub-Commissions. You will work on the assumption that these will cease functioning on R Day.

6. Liaison with Italian Government. Presumably this will no longer be an Allied function, and each military high command will have direct liaison with the Italian Government only in connection with the rights which may be granted in national agreements, somewhat on the order of the previous Military and Civil Affairs Agreements.

7. Displaced Persons. This subject is under active consideration at all levels and no recommendations need be made in this respect at this time.

8. Allied Supply Accounting Agency. Close down or transfer of duties.

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COPY

MINUTE on paper

To: Chief Commissioner

From: Polad B

In reply to your verbal enquiry, this Embassy do not believe that it would be detrimental to Allied interests if henceforth the Italian Government were not to be required to observe the provisions in paragraph 3 of the so-called MacMillan Memorandum of February 24th, 1945, according to which they should keep the Allied Commission generally informed of any negotiations in which they engage with other Governments.

It will be recalled that following correspondence exchanged over several months in 1945 between yourself and successive Italian Prime Ministers, Professor Parri gave favourable assurances on August 24th of that year in this matter. If since that date the Italian Government have failed to keep the Allied Commission informed of negotiations with other Governments, it does not seem necessary or even advisable to remind them now of their obligations, for the following reasons:-

(1) The main object of these controls, insofar as they related to economic and financial matters, was to prevent the Italians from agreeing to repay debts to neutrals in advance of reparations to the United Nations and to see that proper regard was paid to the Allied trade controls in Italy and to the Reserved Commodity Lists. With regard to reparations, the position has been radically changed since the date of the MacMillan Memorandum as a result of the renunciation by many nations at the Peace Conference at Paris to their claim to reparations from Italy. The Allied trade controls in Italy are now dead, while the Reserved Commodity lists are dying, and the Italians respect them anyway.

(2) So far as this Embassy is concerned, copies of all commercial agreements are provided by the Ministry of Foreign Affairs after negotiation, and representations can be made then if necessary.

(3) As regards the form of agreements negotiated by the Italian Government, in a short time commercial agreements may be standardized under the I.T.O. Until then Italian agreements with European countries are all being negotiated along the same lines of barter and clearing, a form to which the Allied Commission have never objected.

(4) The Finance Sub-Commission of the Allied Commission having disappeared, it might be difficult to find staff able to study any material in connection with financial negotiations which the Italian Government might furnish if required to conform now with paragraph 3 of the MacMillan Memorandum.

4859 Finally, it seems unnecessary to stir up the Italian Government on this subject with the possible result of ill-feeling on their part at this eleventh hour when the Allied Command is expected in the fairly near future to disappear altogether.

/s/ H. A. Hankey

22.10.46

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OPYMINUTE on paper

To: Chief Commissioner
 From: Polad B

In reply to your verbal enquiry, this Embassy do not believe that it would be detrimental to Allied interests if henceforth the Italian Government were not to be required to observe the provisions in paragraph 3 of the so-called MacMillan Memorandum of February 24th, 1945, according to which they should keep the Allied Commission generally informed of any negotiations in which they engage with other Governments.

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/s/ H. A. Hankey

22.10.46

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

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CROSS REFERENCE SHEET

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Cbl FX73696 SACM MAT 1053
Reduction and ultimate closing of ASAA

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CROSS REFERENCE SHEET

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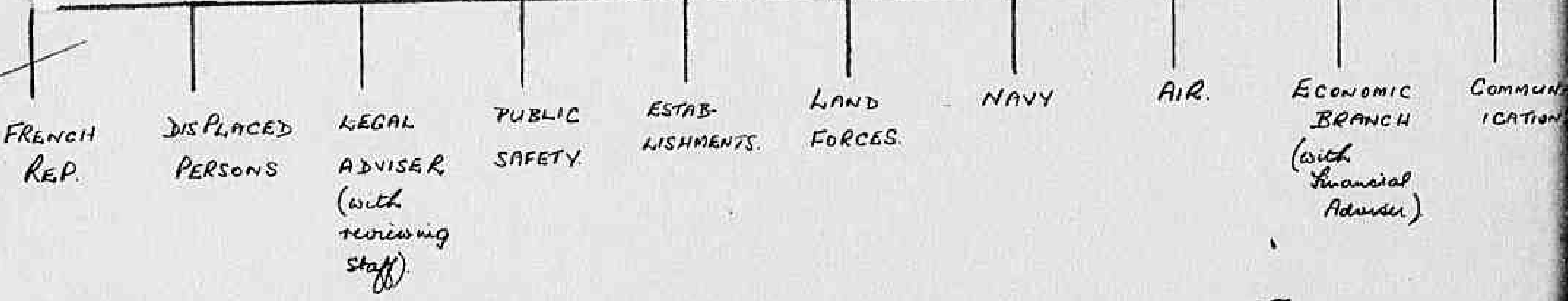
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CHIEF COMMISSIONER

EXECUTIVE BRANCH.



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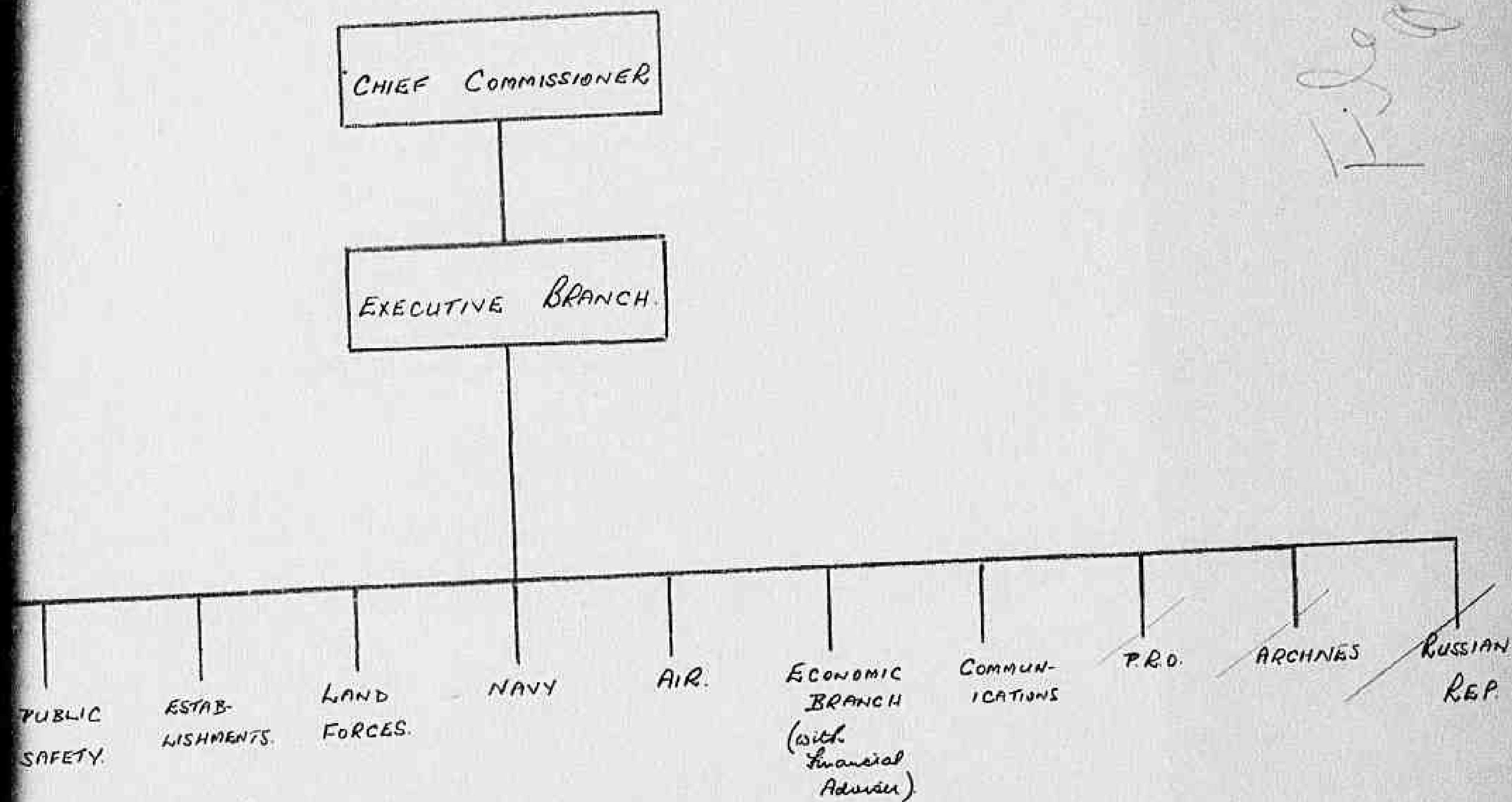
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1946

Subject: Navy Sub Commission, Headquarters, Allied Commission -
Organisation and Function.
(Revised, 3rd August, 1946.)

Enclosure: (A) Organisation Chart, Navy Sub Commission, Headquarters,
Allied Commission.

(B) Function of Navy Sub Commission Divisions.

(C) Preparation of Correspondence and Dispatches.

1. The Navy Sub Commission, Headquarters, Allied Commission, is responsible for all matters relating to policy in connection with the Italian Navy under the Armistice Terms and the supervision of the general administration of the Italian Navy not directly affecting the operation of the Italian Fleet under the Cunningham de-Courten Agreement.

2. The organisation of the Sub Commission is shown in Enclosure (A)
The officers attached to the Sub Commission and their duties are indicated

below:-

Rear Admiral Guy L. Warren, Chief N.S.C.

Commodore H.W. Ziroti, United States Navy, Deputy Chief, N.S.C.

Captain S.N. Blackburn, Royal Navy, Chief Staff Officer to

The Flag Officer, Liaison, Italy.

Captain G.F. Wentz, United States Navy, Chief Staff Officer, N.S.C.

Commander W.F. Bahlman, United States Naval Reserve, Administration.

Lieutenant Commander (Sp.) E.C. Davies, Royal Naval Volunteer

Reserve, Personnel.

Lieutenant Commander (S) D.E. Culpin, Royal Naval Volunteer

Reserve, Secretary to Chief.

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Captain G.F. Wentz, United States Navy, Chief Staff Officer, N.S.C.

Commander W.F. Bahlman, United States Naval Reserve, Administration.

Lieutenant Commander (Sp.) E.C. Davies, Royal Naval Volunteer Reserve, Personnel.

Lieutenant Commander (S) D.E. Culpin, Royal Naval Volunteer

Reserve, Secretary to Chief.

Lieutenant Commander James Risk, United States Naval Reserve,

Liaison.

Lieutenant (S) H.A.V. Hall, Royal Naval Volunteer Reserve,

Supply.

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3. The Deputy Chief will co-ordinate the organisation and functions of the Navy Sub Commission and will act for the Chief in normal matters and in his absence.

4. The Chief Staff Officer to the Flag Officer, Liaison, Italy in the Navy Sub Commission will co-ordinate all matters relating to the operation of the Italian Fleet with the Sub Commission and will be the Liaison Officer to the Ministry of Marine for operational matters.

5. The Chief Staff Officer, Navy Sub Commission will co-ordinate the work of the Sub-Commission. He will refer important matters to the Chief or Deputy Chief as may be necessary. The functions of the Sub Commission will be divided into four divisions: Personnel, Liaison, Administration and Supply. The specific duties to be performed by each division are indicated in enclosure (B). In general the functions of each division are as follows:

- (a) ADMINISTRATIVE DIVISION: All Italian Navy Administrative matters and Navy Sub Commission office administration.
- (b) PERSONNEL DIVISION: All Italian Navy Personnel Matters.
- (c) LIAISON DIVISION: Liaison with Ministry of Marine for N.S.
- (d) SUPPLY DIVISION: All Italian Navy Supply Matters.

6. The signing of correspondence and release of dispatches will be governed by the following principles:

- (a) Correspondence or dispatches on matters of policy or important decision will be signed or released by the Chief, Navy Sub-Commission.
- (b) Correspondence or dispatches on normal matters will be signed or released by the Deputy Chief, Navy Sub Commission

entire matters except to

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5. The Chief Staff Officer, Navy Sub Commission will co-ordinate the work of the Sub-Commission. He will refer important matters to the Chief or Deputy Chief as may be necessary. The functions of the Sub Commission will be divided into four divisions: Personnel, Liaison, Administration and Supply. The specific duties to be performed by each division are indicated in enclosure (B). In general the functions of each division are as follows:

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- (a) Correspondence or dispatches on matters of policy or important decision will be signed or released by the Chief, Navy Sub-Commission.
- (b) Correspondence or dispatches on normal matters will be signed or released by the Deputy Chief, Navy Sub Commission
- (c) Correspondence or dispatches on routine matters except to the Ministry of Marine will be signed or released by the Chief Staff Officer.

(d) Individual Officers will not sign correspondence or release dispatches except in the absence of the Chief, Deputy Chief, Chief Staff Officer and Admiral's Secretary, or in an emergency.

7. All correspondence and dispatches of the Sub Commission will be prepared and handled in accordance with the procedure outlined in Enclosure (d)

8. The duties of the British Ratings and American Enlisted Personnel attached to the Naval Sub-Commission are apportioned as follows:

- (a) Royal Navy - Communications and Translation.
- (b) U.S. Navy - Clerical, Office administration and files.

NOTE.
3rd August, 1946.

Alb. H. H. H.

REAR ADMIRAL,
CHIEF, NAVY SUB COMMISSION.

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8. The duties of the British Ratings and American Unlisted Personnel attached to the Naval Sub-Commission are apportioned as follows:

- (a) Royal Navy - Communications and Translation.
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W. H. H. H.

REAR ADMIRAL,
CHIEF, NAVY SUB COMMISSION.

NOTE.
3rd August, 1946.

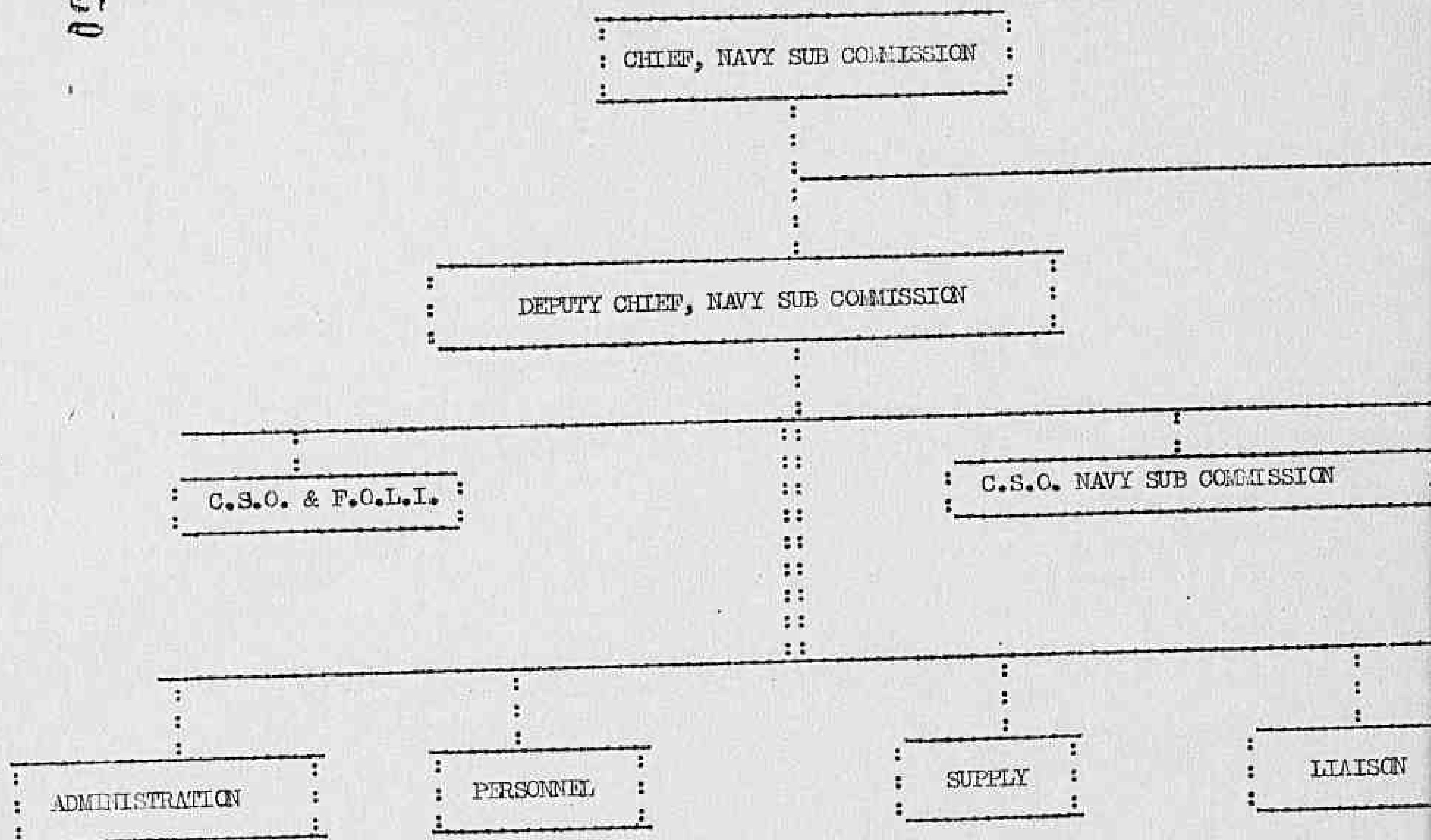
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CHIEF, NAVY SUB COMMISSION

ADMIRAL'S
SECRETARY

DEPUTY CHIEF, NAVY SUB COMMISSION

C.S.O. NAVY SUB COMMISSION

PERSONNEL

SUPPLY

LIAISON

ENCLOSURE (A)

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Declassified E.O. 12356 Section 3.3/NND No. 785015
ENCLOSURE (B)

Subject: Navy Sub Commission Divisions of Duties.

ADMINISTRATIVE DIVISION

The Administrative Division will deal with the following matters:

1. (a) Armistice Terms.
(b) Port Organisation.
(c) Legal Matters.
(d) Financial Matters.
(e) Communications.
(f) General Administrative Matters.
(g) Transportation Matters, not including Supply.
(h) Lighthouse Service.
(i) Mercantile Marine.
2. (a) Navy Sub Commission Office Routine and Administration in conjunction with the Secretary.

PERSONNEL DIVISION

The Personnel Division will deal with the following matters:

1. (a) Allocation of Personnel.
(b) Training of Personnel.
(c) Discipline.
(d) Control of Movement Personnel.
(e) Exemption of civilians from Military Service.
(f) Return of Italian Navy Deserters.
(g) Prisoners of War.
- (h) Appointments and Removal of Italian Officers

- (d) Financial Matters.
- (e) Communications.
- (f) General Administrative Matters.
- (g) Transportation Matters, not including Supply.
- (h) Lighthouse Service.
- (i) Mercantile Marine.
- 2. (a) Navy Sub Commission Office Routine and Administration in conjunction with the Secretary.

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- (e) Exemption of civilians from Military Service.
- (f) Return of Italian Navy Deserters.
- (g) Prisoners of War.
- (h) Appointments and Removal of Italian Officers
- (i) Censorship.
- (j) Epuration.

SUPPLY DIVISION

The Supply Division will deal with the following matters:

- 41844 (a) Supply of Food.
- (b) Supply of Clothing.

ENCLOSURE (B) CONTINUED.

- (c) Supply of Medicine.
- (d) Supply of P.O.L. Products.
- (e) Supply of Motor Transport Vehicles.
- (f) Supply of Tyres.
- (g) Consumable Stores and Equipment.
- (h) General Supply Matters.

LIAISON DIVISION

The Liaison Division will be responsible for the maintaining of contact with the Italian Ministry of Marine on Navy Sub Commission matters, including:

1. (a) Frequent visits to the Ministry of Marine.
- (b) Discussion of matters for Personnel, Administrative and Supply Divisions with Ministry of Marine as necessary.
- (c) Collection of data on Italian Navy.
- (d) Maintenance records on activities of Italian Navy for Navy Sub Commission.
- (e) Dissemination of information to Sub Commission Divisions on organisation and Policy of Ministry of Marine, verbally and in writing.
- (f) Captured Enemy Material.
 - (a) Italian Navy Munition Plants.
 - (b) Disposal of War Materials.
- (g) Preparation of Navy Sub Commission Monthly Report.
- (h) Archives Officer - in conjunction with the Secretary.

The duties of the Liaison Officer do not preclude Divisional Officers

LIAISON DIVISION

The Liaison Division will be responsible for the maintaining of contact with the Italian Ministry of Marine on Navy Sub Commission matters, including:

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 - (b) Discussion of matters for Personnel, Administrative and Supply Divisions with Ministry of Marine as necessary.
 - (c) Collection of data on Italian Navy.
 - (d) Maintenance records on activities of Italian Navy for Navy Sub Commission.
 - (e) Dissemination of information to Sub Commission Divisions on organisation and Policy of Ministry of Marine, verbally and in writing.
 - (f) Captured Enemy Material.
 - (a) Italian Navy Munition Plants.
 - (b) Disposal of War Materials.
 - (g) Preparation of Navy Sub Commission Monthly Report.
 - (h) Archives Officer - in conjunction with the Secretary.

The duties of the Liaison Officer do not preclude Divisional Officers from contacting the Ministry of Marine direct on matters under their cognizance.

2. The assignment of duties to the divisions is necessarily broad and is subject to revision as may be required. Correspondence or dispatches on subjects not specifically covered will be routed to an appropriate Division for action.

ENCLOSURE (C)

COMMISSIONER OF THE NAVY - Preparation of

1. Navy Sub Commission correspondence and dispatches will be handled in accordance with the following procedure:
 - (a) All incoming correspondence and dispatches will be delivered to the Navy Sub Commission and File Room where it will be logged in
 - (b) A routing slip will be attached to all incoming correspondence and dispatches on which action is required and delivered to the Secretary for routing to the proper division for action. Circular Letters, Daily Bulletins, News Reports, etc, will be routed by the File Room.
 - (c) The action division is responsible for the preparation of a smooth typed letter or dispatch reply. If several courses of action are open, the matter will be discussed verbally with the Chief Staff Officer who will consult the Chief or Deputy Chief as may be necessary. In the absence of the Chief Staff Officer, the Chief or Deputy Chief should be consulted and action determined be taken. When the subject matter is particularly involved, a written brief or draft reply may be submitted. This procedure should ordinarily not be necessary. All correspondence will be prepared for signature as follows:
 - REAR ADMIRAL
CHIEF, NAVY SUB COMMISSION.A.C.
 - (d) When the smooth reply has been prepared, the action officer will initial the routing slip and the file copy of the letter or dispatch. He will further indicate on the routing slip

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- (b) A routing slip will be attached to all incoming correspondence and dispatches, on which action is required and delivered to the Secretary for routing to the proper division for action. Circular Letters, Daily Bulletins, News Reports, etc, will be routed by the File Room.
- (c) The action division is responsible for the preparation of a smooth typed letter or dispatch reply. If several courses of action are open, the matter will be discussed verbally with the Chief Staff Officer who will consult the Chief or Deputy Chief as may be necessary. In the absence of the Chief Staff Officer, the Chief or Deputy Chief should be consulted and action determined be taken. When the subject matter is particularly involved, a written brief or draft reply may be submitted. This procedure should ordinarily not be necessary. All correspondence will be prepared for signature as follows:

REAR ADMIRAL
CHIEF, NAVY SUB COMMISSION.A.C.

- (d) When the smooth reply has been prepared, the action officer will initial the routing slip and the file copy of the letter or dispatch. He will further indicate on the routing slip whether any follow-up action is required. If no follow-up action is required, he will initial the routing slip in the action completed space.
- (e) For information correspondence and dispatches, division which is responsible for the subject matter will initial the follow-up and action space on the routing slip.
- (f) All dispatches will indicate "Prepared By" and "Released By" and will be properly initialed before transmission.

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(g) After the correspondence has been initialed by the action officer, it will be routed to the Chief Staff Officer, Deputy Chief, and Secretary for Chief, in that order for signature or release.

2. All papers for the Chief, Navy Sub Commission, are to be passed through the Admiral's Secretary.

3. The Daily Serial File will be prepared daily by the Secretary for the information of the Chief, Navy Sub Commission.

3rd August, 1946.

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785015

3rd August, 1946.

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CITE 1-0 1949

Subject: Navy Sub Commission, Headquarters, Allied Commission -
Organisation and Function.
(Revised, 3rd August, 1946.)

Enclosure: (A) Organisation Chart, Navy Sub Commission, Headquarters,
Allied Commission.
(B) Function of Navy Sub Commission Divisions.
(C) Preparation of Correspondence and Dispatches.

1. The Navy Sub Commission, Headquarters, Allied Commission, is responsible for all matters relating to policy in connection with the Italian Navy under the Armistice Terms and the supervision of the general administration of the Italian Navy not directly affecting the operation of the Italian Fleet under the Cunningham de-Courten Agreement.

2. The organisation of the Sub Commission is shown in Enclosure (A). The officers attached to the Sub Commission and their duties are indicated below:-

Rear Admiral Guy L. Warren, Chief N.S.C.

Commodore H.W. Ziroli, United States Navy, Deputy Chief, N.S.C.

Captain S.N. Blackburn, Royal Navy, Chief Staff Officer to

The Flag Officer, Liaison, Italy.

Captain G.F. Mentz, United States Navy, Chief Staff Officer, N.S.C.

Commander W.F. Bahlman, United States Naval Reserve, Administration.

Lieutenant Commander (Sp.) E.C. Davies, Royal Naval Volunteer

Reserve, Personnel.

Lieutenant Commander (S) D.E. Culpin, Royal Naval Volunteer

(C) Preparation of Correspondence and Dispatches.

1. The Navy Sub Commission, Headquarters, Allied Commission, is responsible for all matters relating to policy in connection with the Italian Navy under the Armistice Terms and the supervision of the general administration of the Italian Navy not directly affecting the operation of the Italian Fleet under the Cunningham de-Courten Agreement.

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Commander W.F. Bahlman, United States Naval Reserve, Administration.

Lieutenant Commander (Sp.) E.C. Davies, Royal Naval Volunteer Reserve, Personnel.

Lieutenant Commander (S) D.E. Culpin, Royal Naval Volunteer

Reserve, Secretary to Chief.

Lieutenant Commander James Risk, United States Naval Reserve,

Liaison.

Lieutenant (S) H.A.V. Hall, Royal Naval Volunteer Reserve,

Supply.

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3. The Deputy Chief will co-ordinate the organisation and functions of the Navy Sub Commission and will act for the Chief in normal matters and in his absence.

4. The Chief Staff Officer to the Flag Officer, Liaison, Italy in the Navy Sub Commission will co-ordinate all matters relating to the operation of the Italian Fleet with the Sub Commission and will be the Liaison Officer to the Ministry of Marine for operational matters.

5. The Chief Staff Officer, Navy Sub Commission will co-ordinate the work of the Sub-Commission. He will refer important matters to the Chief or Deputy Chief as may be necessary. The functions of the Sub Commission will be divided into four divisions: Personnel, Liaison, Administration and Supply. The specific duties to be performed by each division are indicated in enclosure (B). In general the functions of each division are as follows:

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(b) PERSONNEL DIVISION: All Italian Navy Personnel Matters.

(c) LIAISON DIVISION: Liaison with Ministry of Marine for N.S.

(d) SUPPLY DIVISION: All Italian Navy Supply Matters.

6. The signing of correspondence and release of dispatches will be governed by the following principles:

(a) Correspondence or dispatches on matters of policy or important decision will be signed or released by the Chief, Navy Sub-Commission.

(b) Correspondence or dispatches on normal matters will be signed or released by the Deputy Chief, Navy Sub Commission

(c) Correspondence or dispatches on routine matters except to

5. The Chief Staff Officer, Navy Sub Commission will co-ordinate the work of the Sub-Commission. He will refer important matters to the Chief or Deputy Chief as may be necessary. The functions of the Sub Commission will be divided into four divisions: Personnel, Liaison, Administration and Supply. The specific duties to be performed by each division are indicated in enclosure (B). In general the functions of each division are as follows:

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(d) Individual Officers will not sign correspondence or release dispatches except in the absence of the Chief, Deputy Chief, Chief Staff Officer and Admiral's Secretary, or in an emergency.

7. All correspondence and dispatches of the Sub Commission will be prepared and handled in accordance with the procedure outlined in Enclosure (c)

8. The duties of the British Ratings and American Enlisted Personnel attached to the Naval Sub-Commission are apportioned as follows:

- (a) Royal Navy - Communications and Translation.
- (b) U.S. Navy - Clerical, Office administration and files.

NOTE.
3rd August, 1946.

Admiral

REAR ADMIRAL,
CHIEF, NAVY SUB COMMISSION.

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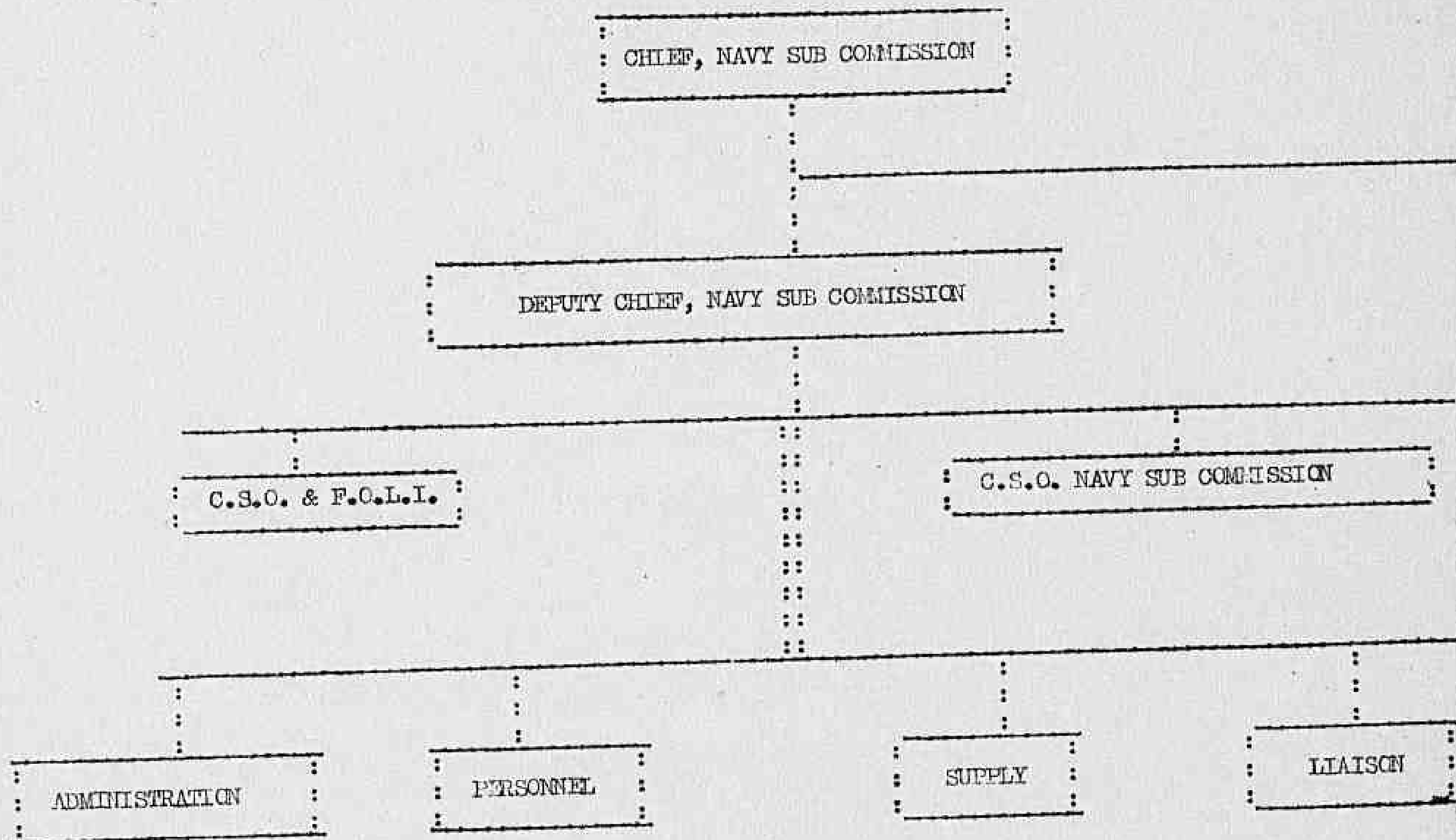
- FROM: DEPARTMENT OF THE NAVY
SUBJECT: THE ROYAL NAVY - COMMUNICATIONS AND TRANSLATION
- (a) Royal Navy - Communications and Translation.
 - (b) U.S. Navy - Clerical, Office administration and files.

Alh...

NOTE.
3rd August, 1946.

REAR ADMIRAL,
CHIEF, NAVY SUB COMMISSION.

4843



CHIEF, NAVY SUB COMMISSION

ADMIRAL'S
SECRETARY

DEPUTY CHIEF, NAVY SUB COMMISSION

C.S.O. NAVY SUB COMMISSION

PERSONNEL

SUPPLY

LIAISON

ENCLOSURE (A)

0787

185015

ENCLOSURE (B)

Subject: Navy Sub Commission Division of Duties.

ADMINISTRATIVE DIVISION

The Administrative Division will deal with the following matters:

1.
 - (a) Armistice Terms.
 - (b) Port Organisation.
 - (c) Legal Matters.
 - (d) Financial Matters.
 - (e) Communications.
 - (f) General Administrative Matters.
 - (g) Transportation Matters, not including Supply.
 - (h) Lighthouse Service.
 - (i) Mercantile Marine.
2.
 - (a) Navy Sub Commission Office Routine and Administration in conjunction with the Secretary.

PERSONNEL DIVISION

The Personnel Division will deal with the following matters:

1.
 - (a) Allocation of Personnel.
 - (b) Training of Personnel.
 - (c) Discipline.
 - (d) Control of Movement Personnel.
 - (e) Exemption of civilians from Military Service.
 - (f) Return of Italian Navy Deserters.
 - (g) Prisoners of War.

ENCLOSURE (B)

Subject: Navy Sub Commission Divisions of Duties.

ADMINISTRATIVE DIVISION

The Administrative Division will deal with the following matters:

1.
 - (a) Armistice Terms.
 - (b) Port Organisation.
 - (c) Legal Matters.
 - (d) Financial Matters.
 - (e) Communications.
 - (f) General Administrative Matters.
 - (g) Transportation Matters, not including Supply.
 - (h) Lighthouse Service.
 - (i) Mercantile Marine.
2.
 - (a) Navy Sub Commission Office Routine and Administration in conjunction with the Secretary.

PERSONNEL DIVISION

The Personnel Division will deal with the following matters:

1.
 - (a) Allocation of Personnel.
 - (b) Training of Personnel.
 - (c) Discipline.
 - (d) Control of Movement Personnel.
 - (e) Exemption of civilians from Military Service.
 - (f) Return of Italian Navy Deserters.
 - (g) Prisoners of War.
 - (h) Appointments and Removal of Italian Officers
 - (i) Censorship.

- (e) Communications.
- (f) General Administrative Matters.
- (g) Transportation Matters, not including Supply.
- (h) Lighthouse Service.
- (i) Mercantile Marine.
- 2. (a) Navy Sub Commission Office Routine and Administration in conjunction with the Secretary.

PERSONNEL DIVISION

The Personnel Division will deal with the following matters:

- 1. (a) Allocation of Personnel.
- (b) Training of Personnel.
- (c) Discipline.
- (d) Control of Movement Personnel.
- (e) Exemption of civilians from Military Service.
- (f) Return of Italian Navy Deserters.
- (g) Prisoners of War.
- (h) Appointments and Removal of Italian Officers
- (i) Censorship.
- (j) Epuration.

SUPPLY DIVISION

The Supply Division will deal with the following matters:

- 1. (a) Supply of Food.
- (b) Supply of Clothing.

4841

ENCLOSURE (B) CONTINUED.

- (c) Supply of Medicine.
- (d) Supply of P.O.L. Products.
- (e) Supply of Motor Transport Vehicles.
- (f) Supply of Tyres.
- (g) Consumable Stores and Equipment.
- (h) General Supply Matters.

LIAISON DIVISION

The Liaison Division will be responsible for the maintaining of contact with the Italian Ministry of Marine on Navy Sub Commission matters, including:

1. (a) Frequent visits to the Ministry of Marine.
- (b) Discussion of matters for Personnel, Administrative and Supply Divisions with Ministry of Marine as necessary.
- (c) Collection of data on Italian Navy.
- (d) Maintenance records on activities of Italian Navy for Navy Sub Commission.
- (e) Dissemination of information to Sub Commission Divisions on organisation and Policy of Ministry of Marine, verbally and in writing.
- (f) Captured Enemy Material.
 - (a) Italian Navy Munition Plants.
 - (b) Disposal of War Materials.
- (g) Preparation of Navy Sub Commission Monthly Report.

LIAISON DIVISION

The Liaison Division will be responsible for the maintaining of contact with the Italian Ministry of Marine on Navy Sub Commission matters, including:

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 - (c) Collection of data on Italian Navy.
 - (d) Maintenance records on activities of Italian Navy for Navy Sub Commission.
 - (e) Dissemination of information to Sub Commission Divisions on organisation and Policy of Ministry of Marine, verbally and in writing.
 - (f) Captured Enemy Material.
 - (a) Italian Navy Munition Plants.
 - (b) Disposal of War Materials.
 - (g) Preparation of Navy Sub Commission Monthly Report.
 - (h) Archives Officer - in conjunction with the Secretary.

The duties of the Liaison Officer do not preclude Divisional Officers from contacting the Ministry of Marine direct on matters under their cognizance.

2. The assignment of duties to the divisions is necessarily broad and is subject to revision as may be required. Correspondence or dispatches on subjects not specifically covered will be routed to an appropriate Division for action.

4840

ENCLOSURE (C)

ROUTING OF ALL DISPATCHES - Preparation of

1. Navy Sub Commission correspondence and dispatches will be handled in accordance with the following procedure:

- (a) All incoming correspondence and dispatches will be delivered to the Navy Sub Commission and File Room where it will be logged in
- (b) A routing slip will be attached to all incoming correspondence and dispatches on which action is required and delivered to the Secretary for routing to the proper division for action. Circular Letters, Daily Bulletins, News Reports, etc, will be routed by the File Room.
- (c) The action division is responsible for the preparation of a smooth typed letter or dispatch reply. If several courses of action are open, the matter will be discussed verbally with the Chief Staff Officer who will consult the Chief or Deputy Chief as may be necessary. In the absence of the Chief Staff Officer, the Chief or Deputy Chief should be consulted and action determined be taken. When the subject matter is particularly involved, a written brief or draft reply may be submitted. This procedure should ordinarily not be necessary. All correspondence will be prepared for signature as follows:

REAR ADMIRAL
CHIEF, NAVY SUB COMMISSION.A.O.

- (d) When the smooth reply has been prepared, the action officer will initial the routing slip and the file copy of the letter or dispatch. He will further indicate on the routing slip whether any follow-up action is required. If no follow-up

Circular Letters, Daily Bulletins, News Reports, etc, will be routed by the File Room.

- (c) The action division is responsible for the preparation of a smooth typed letter or dispatch reply. If several courses of action are open, the matter will be discussed verbally with the Chief Staff Officer who will consult the Chief or Deputy Chief as may be necessary. In the absence of the Chief Staff Officer, the Chief or Deputy Chief should be consulted and action determined be taken. When the subject matter is particularly involved, a written brief or draft reply may be submitted. This procedure should ordinarily not be necessary. All correspondence will be prepared for signature as follows:

REAR ADMIRAL
CHIEF, NAVY SUB COMMISSION.I.C.

- (d) When the smooth reply has been prepared, the action officer will initial the routing slip and the file copy of the letter or dispatch. He will further indicate on the routing slip whether any follow-up action is required. If no follow-up action is required, he will initial the routing slip in the action completed space.
- (e) For information correspondence and dispatches, division which is responsible for the subject matter will initial the follow-up and action space on the routing slip.
- (f) All dispatches will indicate "Prepared By" and "Released By" and will be properly initialed before transmission.

4839

0803

- (7) After the correspondence has been initialed by the action officer, it will be routed to the Chief Staff Officer, Deputy Chief, and Secretary for Chief, in that order for signature or release.
2. All papers for the Chief, Navy Sub Commission, are to be passed through the Admiral's Secretary.
3. The Daily Serial File will be prepared daily by the Secretary for the information of the Chief, Navy Sub Commission.

3rd August, 1946.

0805

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

785015

3rd August, 1946.

4834

HQ ALYON FROM LEEH

191505JULY1946

AD OLD HAWKS.

4242

UNCLASSIFIED

REFERENCE YOUR DOG ORDER TWO ONE THREE DATED FIFTEEN JULY 1946

INSTRUCTIONS BEING ISSUED REGARDING DISPOSAL OF FIVES AND BILLS WHICH SHOULD ENABLE YOU
TO CLOSE DOWN DEFINITELY NOT LATER THAN THIRTY ONE JULY 1946

102/c

4837

PRIORITY

Office of the Executive Commissioner

NICHOLAS PROMBIO
CWO USA
Asst Adjt

(118) 300

12154070X1945

ADHQ FOR C-5 SECTION

105 THE OVERLAND

102/cc + 851/cc

4836

12/17/01

Nicholas Picubino	
CWO	USA
Asst	Adst

117

0808

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

785015

HQ AJDOM CITE AGEXG

201720JUN646

A.F.H.Q. FOR G-5 SECTION

3304

UNCLASSIFIED

ALLIED COMMISSION LIAISON OFFICE STICKY CLOSED WITH EFFECT FROM ONE EIGHT JUNE
FOUR SIX PD

102/10

B

M

4835

ROUTINE

Office of the Executive Commissioner

NICHOLAS PIOMBINO
OWO USA
Aast Adjt

116

371

HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

JUN 18 1946

Ref. : 3274/121/30

*17 June 1946.

SUBJECT: Redeployment of British Units.

TO : Land Forces G/O
 Air Forces G/O
 Displaced Persons G/O
 War Relocation Group

With reference to this office letter 3275/121/30 dated
 9 March 46 on the above quoted subject.

I enclose for your information a copy of GIC letter
 2521/91 dated 14 June 46.

By Command of Rear Admiral Stone:

A. W. Knisely

Brigadier,
 Executive Commissioner.

Copy to: DA GIC - Your G-4/14/12 of 14 June ref.
 HQ AG

4834 -

(115)

copycopyG.H.Q. G.H.Q.SUBJECT: Maintenance of Detached sub units
of the Allied Commission

0521/0.1

41 Jun 46.

Headquarters
Allied Commission

1. Representations have been made to GHQ CEF that the redeployment of the Allied Armies in ITALY may make impracticable the maintenance of detached sub units of Allied Commission through normal military channels.

2. When this situation arises, the maintenance of such units will be effected as under; the date when this alternative system is to be introduced will be decided by the District or equivalent Headquarters in which the unit is located. This date will naturally vary with each unit and commodity.

DISPATCH WITH EMPLOYMENT ITEMSSupplies.

3. Fresh items will be purchased locally from the Import from which pay is drawn; bills will be countersigned by an AF representative nominated by DDST of the District or equivalent Headquarters.

4. Other items will be collected under your arrangements from depots nominated by DDST of the District or equivalent Headquarters; such collections should be on a two or three monthly basis.

REL

5. REL will be obtained from CIP sources under departmental instructions to be issued by DDST GHQ CEF.

AF Regime

6. AF regime will be the responsibility of the Italian Army.

7. Spaces will be provided as in para 8 below.

AF Stores.

8. Indents will be submitted through the normal channels and stores collected from dumps nominated by DDST of the District.

4833

115

III

9. Application should be submitted to the Command Paymaster No. 3 Base Command Pay Office, for the opening of an Imprest Account, if not already opened and for the provision of funds for payments to officers and other ranks. If necessary, the Command Paymaster will arrange for funds to be made available through banking channels.

IV

10. In stations where no British or Allied Medical unit or Medical Officer exists, urgent medical attention and if necessary admission to hospital will be arranged from local sources. Every effort should be made, however, to make use of British or Allied Medical facilities.

11. Bills for payment of any charges made will be submitted through Allied Commission to the ICMS of the Formation or Area concerned for approval.

V

12. Supplies will be collected from the nearest BLS under instructions to be issued by HQ of the District or equivalent Headquarters, in consultation with AG/MSA.

VI

13. Incoming mail will be forwarded by the APO to AG/MSA for distribution through suitable courier service or the EMAL-1 Civil Postal Administration whichever is the more speedy and regular.

14. Outgoing mail would be dealt with in the reverse manner, AG/MSA posting in bulk in the APO in PRSE.

UNCLASSIFIED UNIT

15. Where in the past the maintenance of the unit concerned has been a British responsibility, and separate supply of rations and PX bags for US personnel is impracticable, rations and RPI supplies may be afforded to US personnel in accordance with paras 3, 4, and 12 above.

16. Payment in lire for RPI supplies will be borne by individuals concerned at the time of purchase.

17. The OC the Unit will be responsible for the preparation of a monthly return showing the total number of complete rations issued to the US component of the unit during the month. This return will be certified correct by the Senior U.S. Officer or enlisted man of the unit.

4832

(115)

10. Three copies of this return will be forwarded through HQ Allied Commission/MIA to the Financial Advisor (FA) OGP, who will forward two copies to the Fiscal Director (FD) showing the cost in sterling to be borne by the U.S.

/s/ R.C. ORWILLER, Major,
For Major General, MIA

Copy to:	Hq 13 Corps	ISD
	Hq 3 District	FA
	CAF	ST (2)
	Col.	GD
	C-5	Pay
	C(SD)	Postal
	"A"	MTI

4831

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INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference:

Message Centre No: H/3884

Date/Time of Origin: JUN. 13

Date Time Rec'd: JUN. 13 1400

Precedence: ROUTINE

FROM: ALCOM PALERMO

TO: AC/S/ P 02 COMMISSIONE ALLEATA DI CONTROLLO UFFICIO TRASPORTI AEREI
ROMA = ALCOM FOR AIR TRANSPORT OFFICER.

UNCLASSIFIED.

This office closes Saturday 15 June 1946. Personnel of three have to report Alcom HQ same morning. Ordinary air service apparently not working. Can special plane be arranged for three persons and 250 kilos total baggage including office papers.

AC DIST
ACTION HQ COMDT
CHIEF COMMISSIONER
INFO EK COMMS
EO (B)
FILE
FLOAT 2

4830

HEADQUARTERS

13 JUN 1946

114

0814

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

785015

HQ. AC. AIR BOOKING OFFICE

14 1230 JUNE 46

AG LIAISON OFFICE PALERMO

3662

UNCLASSIFIED

SPECIAL AIRCRAFT ARRIVING MONDAY MORNING 17 JUNE 46 AND RETURNING
SAME DAY.

4829

PRIORITY

AIR BOOKING OFFICE

H. BENTLEY, MAJOR

588

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

13 June 1946

Ref: ES/1.38

SUBJECT: Economic Section - Functions.

TO : The Chief Commissioner

1. With the cessation of the ALCOM supply line, and the successive transfers of control in various areas to the Italian Government, the Economic Section has been drastically reduced. The volume of work in connection with the remaining functions is scaled down. However, the diversity and scope of business tends to cover the whole field formerly comprised in the activities of the Section when it had 7 Sub-Commissions and 2 Branches. Matters arising are of such varied nature and the number of occasions on which a type of problem arises per month is uncertain. Hence the following statement of functions should be interpreted as listing only the more important activities.

2. The remaining functions of the Economic Section fall generally under one of the following headings:

- a. Clearing, consolidating and allocating the Venezia Giulia/Udine Supply Program.
- b. Advice on VG/Ud economic activities.
- c. Disposal of Captured Enemy Material to Italian Government.
- d. Collecting evaluating information and reporting upon economic conditions in Italy.
- e. Furnishing advice and assistance to the Italian Government, when requested.
- f. Liaison for Allied Military formations with Italian Government --

Ex-requisitioning
Supply of timber
Utilities
Power
Highways
Transportation and shipping.

- g. Attending to residual correspondence.

3. Venezia Giulia Supply

Requests for civil supplies are prepared by the AMGs of Venezia Giulia and Udine. These requests are channeled through Allied Commission for purposes of:

4828

Supplies
10/11/46

- a. Consolidation.
- b. Screening items which are available in the Italian economy. (Contacts with Italian Government and other agencies to get commitments on willingness to supply.)
- c. Screening items as to justifications.
- d. Making allocations and issuing instructions on the division of supplies as they arrive.
- e. Borrowing and repayment from other programs of essential supplies to cover non-arrivals.
- f. Insuring that the supply of electric power is made available to XIII Corps from sources in Italian Government territory.

In the operations above outlined there are many signals and other communications to establish understandings on items not originally clear, or on which changes are proposed.

4. Advice on VG/Ud Economic Activities

This function includes responding to AMG inquiries and requests for information and instructions. It consists largely of dealing with isolated cases as they arise and covers widely divergent matters. A few typical recent examples are:

- a. Aiding toward the consummation of a contract for textile manufacture between VG mills and the Commodity Credit Corporation (US).
- b. Arranging contacts with the appropriate Italian Ministries on an extensive road construction project which extends beyond VG proper.
- c. Acting as channel for certain public works proposals of the Italian Government.
- d. Advising Udine on appropriateness of the use of AMG funds for certain purposes.
- e. Interpretation of Italian Government decrees, the application of which may be desirable for VG.
- f. Intercession with Italian Government for loan of 50,000,000 lire to reconstruct a cotton factory - Udine.
- g. The adoption of arrangements for trade between Italy/Venezia Giulia and Zone B Venezia Giulia.
- h. Assisting AMG in conforming to provisions of Italian trade agreements.

-2-

The functions of Allied Commission with respect to AMG territory are somewhat comparable to those of an intermediate headquarters in a chain of command.

5. Disposal of Captured Enemy Material

- a. After the needs of the Allied Military have been met, captured enemy material, with the exception of a few special items, is turned over to the Italian Government on quantitative receipts. CEM Branch attends to the actual turnover to the Italian agency A.R.A.R. Officers of that Branch accompany the A.R.A.R. officials and agree on the quantities. Hand receipts are taken which are followed by more formal receipts from the Government. Since the dumps of material are very diversified as to types of material, quantities and locations and the A.R.A.R. organization is not well adapted to ready receipt and disposal, the job is difficult and the completion necessarily slow. This function will continue so long as military units are closing out and giving up previously undisclosed C.E.M. material.
- b. There are under the control of C.E.M. Branch certain files which pertain to the supply operation in Italy of the German RUK organization. These files are undergoing constant study and classification for the purpose of making their contents more useful to the Allied and Italian Governments. C. It appears that some organization must continue to handle C.E.M. until both American and British units are redeployed. The present volume of business is higher than usual, about 890 vehicles having been handed over this month by the Allies.

6. Economic Conditions in Italy

The personnel remaining in the Economic Section undertake to follow the basic economic conditions in Italy. The principal sources of information are AC Liaison Officers, the Italian Government, and UNRRA. Items which are observed include food stocks, rationing, agricultural production and supply, fuel and raw materials, supplies, electric power, labor and unrest, and transportation. (See Appendix A). Reports are made to SACMED when it is deemed that the information merits his attention.

7. Advice to the Italian Government

4826 When requested, effort is made to advise and assist the Italian Government on economic problems. Here again the matters are of diverse nature. A few examples are:

- a. Furthering of international trade.
- b. Trading with British military administrations of occupied countries (ex-Italian colonies).

- c. Assisting in obtaining additional guards for property acquired from the Allies by the Italian Government.
- d. Advice on agricultural problems.
- e. Channeling inquiries from the War Office regarding availability of materials in Italy.

8. Residual Correspondence

The former Sub-Commissions of the Economic Section were active in their fields. Their shrinking or abolition has still left a considerable quantity of correspondence on which writers expect to receive action and replies. In instances the reply is limited to redirection to an appropriate agency, but in many cases some form of action may be justly expected by the writer. The correspondence covers the areas of:

Food
Agriculture
Commerce and Foreign Trade
Industry
Fuels
Transportation
Finance
Surplus Property

In all areas work is continuously underway to clear files and prepare them for the Archives.

9. The present organization with strengths are included on the attached chart, Appendix B.

Charles W. Walton
CHARLES W. WALTON
Colonel, AC
Acting Vice President

Encls (2)
Appendix A
Appendix B

Annex A

STATISTICAL SUMMARY

I. Food Ration Scale

The following scale of rationed items is now authorized for normal consumers in Italy:

Ration	Children 0-3 years		Normal Consumers 3-65 years		Normal Consumers 66+ years	
	Amount	Calories per day	Amount	Calories per day	Amount	Calories per day
Daily	gm.		gm.		gm.	
Bread	200	553	200	553	200	553
Milk liquid	250	165	-	-	250	165
Monthly						
Pasta or rice**	500	58	500	58	500	58
Oils and Fats	180	53	180	53	180	53
Sugar	100	14	100	14	100	14
TOTAL		843		678		843

** Pasta ration was omitted in May and June because of wheat shortage.

The supply of other non-rationed food items is adequate to the demand which is small because of high prices. A cost-of-living analysis of five Roman families is attached as Annex "A".

II. June Wheat Situation

		(all figures in Metric Tons) Estimates - 12 June UNRRA
Stocks - 1 June		94,000
Estimated Arrivals		
to June 20		82,000
to June 30		130,000
Estimated Amassings		
to June 20		31,000
to June 30		79,000

(continued)

- 2 -

(Estimated in Tons)
 Estimates - 12 June
 UNRRA

(continued)	
Total Availability	
to June 20	207,000
to June 30	303,000
Estimated Consumption	
to June 20	144,000
to June 30	228,000
Estimated Stocks	
June 20	59,000
June 30	75,000

On the basis of disclosed stocks some areas are now out of wheat or will shortly be faced with a wheat famine. However, there are hidden reserves which tend to come into the markets. Prices of bread and flour have not shown a marked tendency to rise above present high levels, nor have the holdings of the black market vendors disappeared. These facts seem to prove the existence of the hidden stocks as well as to show the influence of the excellent prospect for this year's wheat crop.

III. P.O.L.

The civilian P.O.L. stocks in Italy are as follows:

Motor gas	60 days' supply
Kerosene	30 "
Fuel Oil	60 "
Gas Oil	30 "

It is expected that the Gas Oil will be brought up to at least a 60 day level in the near future.

IV. Coal

The civilian stocks of coal in Italy are as follows:

Stocks on hand 1 June 1946	600,000 tons
Estimated June arrivals	300,000 "
Total	900,000 tons
Permitted consumption for June	425,000 tons
Estimated stock June 30, 1946	475,000 tons

It is estimated that consumption will gradually rise to 600,000 tons per month as soon as full shipments from United States, now restricted due to the effects of the coal strike, are resumed.

Sardinian coal production is now averaging approximately 90,000 tons per month.

- 3 -

reconstruction has reached a monthly production of approximately 160,000 tons.

V. Labor

a. Unemployment

Registered unemployed is 1,334,596 for the month of March, 1946. To this must be added unregistered and concealed unemployment, as, for example, by the retention under the ban on dismissals of workers for whom there is not full employment, which is estimated to bring the total figure of unemployed in Italy to approximately 2 million. This estimated figure has not varied much over the past 12 months.

b. Rates of Wages

The average wage of a male adult worker is about 443 lire per day for a skilled worker, and 414 lire per day for an unskilled worker. The figures apply to the industrial North of Italy but relate also to the Centre and South with a very small difference. The trend of wages may be estimated from the following daily rates for skilled workers in the Centre and South of Italy:

July, 1944	86 lire
February, 1945	140 "
June, 1945	280 "
September, 1945	340 "

Also

c. Cost of Living (See report on 5 Roman families - Annex "A")

Only the cost of food can be measured since the cost of clothing and other commodities fluctuate violently from one area to another and from one date to another owing to local supplies and scarcities.

d. Food

Taking the year 1940 as a base of 100, the cost of food for a typical family varied according to the following index figures:

March, 1945	2,226
July, 1945	1,603
November, 1945	1,952
January, 1946	2,004
March, 1946	1,661

It will be seen that there is a gradual improvement relative to the early part of 1945 but still a considerable increase relative to the index figure for 1940.

On the other hand supplies available on the official market by ration cards have considerably improved. In March, 1945 only 7 per

- 4 -

Some of the requirements for a typical family were available by ration card. In March, 1946, nearly 24 per cent of requirements were available on the official market, the remaining 76 per cent having to be obtained on the unofficial or open market.

These figures relate to the position in Rome, which is repeated with slight variations in other districts in Italy.

VI. Transportation

The following Transportation and Shipping Statistical information is furnished:

a. Rail

- (1) Comparisons are made between 1938, which is considered the last normal year, and April 1946.

(2) Track

91% of network now in operation.
84% of electric lines electrically operated.
55% of double track rehabilitated.

(3) Tractive Power

Steam 49%
Electric 65%

(4) Rolling Stock

Passenger Coaches	19%
Postal Vans	29%
Baggage Vans	33%
Wagons	65%

(5) Traffic Handled

Passenger Kilometres	90%
Goods ton Kilometres	133%

(6) Fuel Consumption

Monthly consumption May, 1946 compared to 1938; 110,398 to 144,562, whilst 5,703,000 gallons of fuel oil were consumed during May, 1946 compared to nil in 1938.

b. Road

The Director General of Civil Motorization in a letter dated 31 May 1946, gives the following figures for civilian vehicles as of 31 December 1945. It is an estimate and not based on census. The corresponding figures for 31 December 1939, obtained from the same source, are also shown:

	31 Dec. 1945	31 Dec. 1939
Civilian Cars	120,000	359,700
Motor Buses	3,200	8,328
(Capacity up to 2 tons)	50,000	54,320
Trucks (Capacity from 2 to 4 tons)	21,000	31,900
(Capacity over 4 tons)	11,000	12,630
Trailers for trucks	8,500	14,000
Vans (3 wheels) and Motor Cycles	100,000	170,000
Totals	313,700	650,928

c. Shipping

During the month of May 1946, approximately 200,000 tons of coastwise shipping moved as compared to an approximate average of 800,000 tons per month in 1938.

Reconstruction and rehabilitation of ports and harbors is progressing satisfactorily and loading and discharge rate is increasing monthly.

VII. Electric Power

The following sets forth the position with respect to the rehabilitation of electric power systems of the islands and the mainland of Italy from the date of liberation to 31 Dec. 1945.

The data is set up by areas in order to reflect the degree of damage and repairs completed as some areas were more severely affected than others.

The date of liberation is the approximate date on which the particular area was liberated.

The data on generating plants covers approximately 90% of the facilities of Italy. The remaining 10% consists of plants of 2000 KW and smaller and small isolated and privately owned plants not connected to any transmission grids. Neither are electric plants installed in industrial plants included whose output is entirely utilized by the particular industry.

The generating plants and transmission line facilities of the Italian State Railways are included since they are inter-connected with the grid systems.

The area "Southern Italy", used below, comprises the mainland beginning at approximately the Volturno and Biferno rivers and extending south to the toe of Italy. "Central Italy" comprises the area from the Volturno and Biferno rivers north to a line across Italy approximately half way between Florence and Bologna excepting the Pescara River plants which are included in Southern Italy since most of their output was utilized there. The area above the latter line is considered Northern Italy.

- 6 -

a. Generating Facilities (KW name plate rating)

<u>UTILITIES</u>	<u>Prewar Capacity</u>	<u>Capacity available on liberation Percent</u>	<u>Capacity available 31 Dec. 1945 Percent</u>	<u>Unrepaired capacity Percent</u>
Sardinia	88,000	79%	79%	21%
Sicily	86,900	44%	62%	38%
Southern Italy	409,500	42%	63%	37%
Central Italy	935,850	11%	41%	59%
Northern Italy	4,228,550	88%	95%	5%
SUB. TOTAL UTILITIES	5,749,600	72%	83%	17%
I State RR	242,500	57%	58%	42%
TOTAL ITALY	5,992,100	71%	82%	18%

b. Transmission Lines

The following data pertains to transmission lines of 30,000 volts and above and stated in KM.

<u>UTILITIES</u>	<u>Prewar length KM</u>	<u>Available on liberation Percent</u>	<u>Available 31 Dec. 1945 Percent</u>	<u>Unrepaired Percent</u>
Sardinia	757	100%	100%	none
Sicily	700	62%	100%	none
Southern Italy	3,446	65%	82%	18%
Central Italy	6,686	11%	84%	16%
Northern Italy	23,041	65%	95%	5%
SUB. TOTAL UTILITIES	34,630	55%	91%	9%
I State RR (Est)	11,312 (Est)	41% (Est)	86% (Est)	14% (Est)
TOTAL ITALY	45,942	52%	90%	10%

Note: Above data on I. State Railways transmission lines is estimated due to accurate information not yet being available. Can be considered reasonably accurate.

- 7 -

c. Substations

The following data pertains to substations of 30,000 volts primary voltage and higher. Ratings are in thousands of KVA.

<u>UTILITIES</u>	<u>Prewar capacity 1000 of KVA</u>	<u>Available on liberation Percent</u>	<u>Available 31 Dec. 1945 Percent</u>	<u>Unrepaired Percent</u>
Sardinia	87	76%	86%	14%
Sicily	113	84%	91%	9%
Southern Italy	1,304	53%	65%	35%
Central Italy	2,753	20%	45%	55%
Northern Italy	11,897	88%	94%	6%
	16,154	73%	84%	16%
I. State RR	1,057	33%	36%	64%
<u>TOTAL ITALY</u>	<u>17,211</u>	<u>71%</u>	<u>81%</u>	<u>19%</u>

d. Completion of Rehabilitation

Based on the present plans of the utility companies, and barring delays, the rehabilitation of generating plants, which are to be restored, will be accomplished in the various areas about as follows:

Sardinia	By the end of 1946
Sicily	" " " " 1947
Southern Italy	" " " " 1947
Central Italy	" " " " 1947
Northern Italy	" " " " 1946
I. State R.R.	" " " " 1948

The rehabilitation of substations and transmission lines will keep pace with and will be completed in about the same order as above.

4821

ANNEX "A"

to

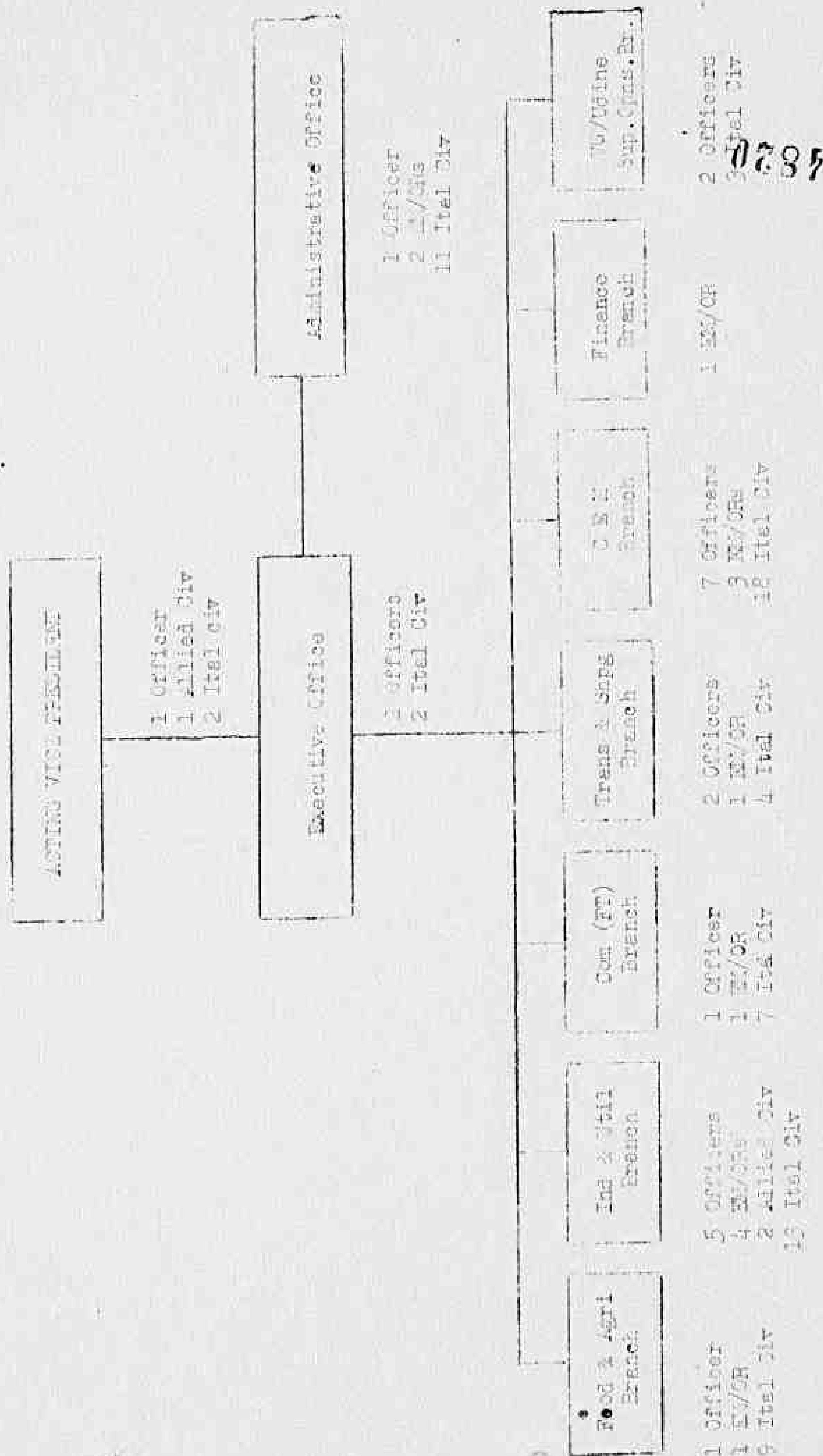
APPENDIX "A"

FOOD PURCHASE BY 5 ROMA FAMILIES - APRIL 1946 -

Family No.	Type of Family	Daily Calories per capita		Daily cost in Lire per capita of products purchased:		% for ration items:
		No. of pers.	Purchased Purch. on Ration Cards: Market	% from Total ration items:	Un Ration Cards: Market	
I	4 adult women		719 1414	2133 34	7.80 121.20	129.00 6.00
II	7 (1 man (2 women (4 children		759 1456	2215 34	10.00 126.00	136.00 7.35
III	5 (1 man (1 woman (3 children		764 1194	1958 39	10.25 113.75	124.00 8.20
IV	2 adult women		678 1458	2136 32	5.95 145.05	151.00 3.95
V	3 (1 man (2 women		775 1295	2070 37	10.75 138.25	149.00 7.20
AVERAGE	4.2		732 1363	2102 35	8.95 126.65	137.60 6.40
					(Lire) (Lire)	(Lire)

APPENDIX 'B'

ECONOMIC SECTION, COMBINED ARMS



COPYCONFIDENTIALALLIED FORCE HEADQUARTERS
G-5 Section,
AFO 512

G-5: 900.41

3 June 1946

SUBJECT: Interim Organization to Implement Revised Armistice Terms.

TO : Headquarters, Allied Commission, AFO 794
(Attn: Chief Commissioner).(Sgd) A.L. HAMBLEN
Brig Gen, GSC,
Asst Chf Stf G-5CROSS REFERENCE SHEET+ SEE 100a in 202/CC

(Cross Ref)

see 1 in 116/CC

481 19

SECRET

HQ ALCOM ACSCC FROM ADMIRAL STONE

041220Z MAY 1946

AFHQ FOR SACRED GEORGE FIVE HICLE SUGAR POLAD BRITISH RESHIN

2867

SECRET

SINCE NATIONAL ELECTIONS JUNE SECOND WILL UNDOUBTEDLY RESULT IN AT LEAST A
 MAJOR RESHUFFLING OF CABINET CMA SUGGEST CONSIDERATION BE GIVEN TO FOLLOWING
 QUESTIONS COLON PAREN ABLE PAREN SHALL I REQUEST NEW ITALIAN GOVERNMENT CMA
 AS IN PAST CMA TO GIVE SAME COMMITMENT OF ADHERENCE TO OBLIGATIONS OF
 ARMISTICE AND ADDITIONAL TERMS OF SURRENDER CMA ASSUMING THAT THESE WILL
 NOT BE ABROGATED OR FURTHER MODIFIED PRIOR TO FORMATION OF NEW GOVERNMENT
 DRY PAREN BARE PAREN WILL THE GOVERNMENT CONTINUE TO BE REQUIRED TO SUBMIT
 FOR APPROVAL ANY CHANGES IN THE GOVERNMENTAL POSITIONS LISTED IN APPENDIX A
 TO MACMILLAN AND MEMBERS OF TWO FOUR FEBRUARY ONE NINE FOUR FIVE QUERY PARE
 TWO PAREN DO PAREN OF FAN FOUR EIGHT SEVEN LETTERS

DISTRIBUTION:

US Ambassador
 BR Ambassador
 US Polad
 BR Polad
 EX Commr
 CO Files

4818

ROUTINE

SECRET

Chief Commissioner

222

MILROY W. STONE, Rear Admiral, USNR
 Chief Commissioner

Stone
 102/6

0830

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

785015

*Cipher Cables
Transferred to file 375-3*

4817

(112)

MAY 1 REM

Ref: 7002/EX.30 April 1946.

On the Chief Commissioner's return I referred to him the question of the proposed disbandment of the Liaison Groups. The Admiral tells me that when implementation of FAN 650 was considered he told General Hamblen that he would not persist in pressing for Liaison Groups. But he fully understood that the standfast in implementation of this telegram consequent on the Admiral's visit to the United States would apply to the Groups as well as any other matter. That was certainly the impression he left with me.

I hope, therefore, that nothing further will be done in this matter until we have discussed the full significance of whatever new plan the CCS may send us.

I am sorry you passed us by in ROME on Saturday.

M. S. LUSH

Colonel F.G.A. Parsons,
G-5 Section,
ALLIED FORCE HEADQUARTERS.

Copy to: Chief Commissioner.
Ex. Off (B)

4816 MEL/JG.

(111)

AFHQ MESSAGE CENTER
OUTGOING MESSAGE

SECRET

PRIORITY

TO FOR ACTION: AGWAR WASHINGTON FOR CCS
 FOR INFO : CABINET OFFICES WHITEHALL FOR BCS CINCPAC
 REF NO : FX 65106
 SIGNED : SACMED CITE: RHGEG

This is NAF 1132

1. Radiogram has been received from Admiral STONE Chief Commissioner ALCOM, who is now on Temporary Duty in WASHINGTON, that CCS prepared to consider revision of FAN 650 along general lines of draft directive prepared by him and concurred in by British and US Embassies in ROME.

2. Text of draft:

"1. The allied Commission will remain under SACMED as President and the Deputy President as Chief Commissioner until either the Armistice Regime is terminated or the additional terms of surrender are abrogated.

"2. All rights under the Armistice and additional conditions of Armistice of 29 September 1943 are still held in reserve as set forth in paragraph 1 of FAN 487; the power of enforcement will in all cases remain with you as President of ALCOM. Last two sentences of paragraph 2 (A) of FAN 487 continue to apply.

"3. It is, however, desirable to intensify progressive and rapid reduction in the functions of the Allied Commission which should now be re-organized as follows.

"4. All Sub-Commissions with the exception of the Navy, Land Forces and Air Forces Sub-Commissions will be abolished. The Allied Commission will then be established

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SECRET

-1-

110

REF NO THIS MESSAGE: FX 65106 (Cont'd)

under Chief Commissioner with an executive branch. Under them will be: Service Sub-Commissions (until separate Missions are formed) Communications Branch, Displaced Persons Branch, Economic Branch, including a Financial Advisor, Legal Advisor with reviewing staff.

"5. The Executive Branch will carry such technical staff as may be necessary to cover residual functions formerly carried out by Sub-Commissions abolished.

"6. All command functions of ALCOM over AMG UDINE and all technical control exercised by ALCOM over AMG VENEZIA GIULIA will be performed by AFHQ through XIII Corps. Technical assistance in connection with AMG may be sought from ALCOM either by XIII Corps or by AFHQ.

"7. Small Liaison Groups in the field will be established at your discretion.

"8. French and Soviet representatives should retain their existing status.

3. The draft is satisfactory to me. It in fact retains the status quo except for placing AMG directly under AFHQ. In case of AMG, considerable assistance from ALCOM in ROME will be required unless a G-5 Office is set up there. Latter course would be undesirable owing duplication of effort. In any case, due to manpower situation, there must of necessity be a drastic cut in both British and US personnel in Civil Affairs. This cut will preclude ALCOM from exercising much more than advisory functions.

4. It is urgent that I receive final instructions at the earliest practicable moment. Otherwise release and redeployment of personnel without authority for replacement will render the whole Allied Commission/Military Government set up largely ineffective.

ORIGINATOR: G-5

AUTH: C.M. PARKIN, Colonel.

4814 INFORMATION: C/S MTC
G-3(MTC)
USPOLAD
DPIC
NLC

SACA	G-3(AFHQ)	BRITPOLAD
M & TN	CAC	"A"
RAF	G-4	G-1
"Q"	G-2	FISC DIR
FA(B)	UEN	**

MC OUT 853 22 Apr 46

-2-

1554B REF NO FX 65106 fjc/B

110

Naps

RESTRICTED

P Comm B
6002ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

G-5: 900.02

13 April 1946

SUBJECT: Reorganization of the Allied Commission

TO : Chief Commissioner, Allied Commission,
APO 594.

1. Herewith a draft letter which has as its purpose the carrying out of the instructions contained in Combined Chiefs of Staff Signal FAW 590 of 19 March 1946, which was repeated to HQ XIII Corps, CG RAC and CO 4675th Regiment under cover of this Headquarters letter 900.02 of 21 March 1946. Your concurrence and/or remarks are requested.

2. Also enclosed is a letter (G-5: 387.4-1 of 13 April). Except for the Chief Commissioner and the information addressees listed thereon, that letter is for information only.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

107/2



A. L. HAMBLIN
Brigadier General, G.S.C.
Assistant Chief of Staff, G-5

Information Addressees

GOC XIII Corps (3 copies)

SCAO Venezia Giulia (3 copies)

CG RAC (US)

4813 CG 88th Div

CO 4675th Regt

Dist: (15th Apr.)

Ex Com (Asst. CC) - Action

CC -

1091

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ALLIED FORCE HEADQUARTERS
G-5 Section
APO 312

G-5: 387.4-1

13 April 1946

SUBJECT: Personnel Requirements for Civil Affairs Agencies

TO : Chief Commissioner, Allied Commission, APO 394

1. Attention is invited to draft letter, subject Reorganization of Allied Commission, file G-5: 387.4-1 dated 9 April 1946 which should be read in conjunction with this letter.

2. There are attached hereto, at Appendices A, B, and C, three planning documents which set forth the proposed personnel strengths of agencies engaged in Civil Affairs functions as of 1 June 1946. While the breakdowns showing assignments are not binding they do indicate the basis on which total figures were arrived at. Due to directives from higher authorities there is little likelihood that total figures can or will be increased. On the contrary it is expected that they will be decreased as rapidly as circumstances permit.

3. On the American side, it is contemplated that the 2675th Regiment be abolished and that two separate and distinct detachments be organized. One detachment, with Headquarters in Rome would include U.S. personnel in the Headquarters Allied Commission, and would supply the U.S. furnished administration required therefor. It would be assigned to RAC (U.S.) for administration. The other detachment with Headquarters in Trieste would include all U.S. personnel engaged on AAG (as differentiated from Allied Commission) duties, and would supply the U.S. furnished administration required therefor. It would be assigned to 28th Division for administration.

4. The U.S. personnel in the G-5 Administrative Echelon would be assigned directly to the U.S. element of RAC for administration.

5. The British personnel in the G-5 Administrative Echelon would be attached for administration and discipline to Headquarters, Allied Commission (British Element).

6. Your views and those of information addressed are requested.

4812

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

Commission, File G-5: 387.4-1 dated 5 April 1946 which should be read in conjunction with this letter.

2. There are attached hereto, at Appendices A, B, and C, three planning documents which set forth the proposed personnel strengths of agencies engaged in Civil Affairs functions as of 1 June 1946. While the breakdowns showing assignments are not binding they do indicate the basis on which total figures were arrived at. Due to directives from higher authorities there is little likelihood that total figures can or will be increased. On the contrary it is expected that they will be decreased as rapidly as circumstances permit.

3. On the American side, it is contemplated that the 2675th Regiment be abolished and that two separate and distinct detachments be organized. One detachment, with Headquarters in Rome would include U.S. personnel in the Headquarters Allied Commission, and would supply the U.S. furnished administration required therefor. It would be assigned to RAC (U.S.) for administrative duties, and would supply the U.S. furnished administration required therefor. It would be assigned to 38th Division for administration.

4. The U.S. personnel in the G-5 Administrative Echelon would be assigned directly to the U.S. element of RAC for administration.

5. The British personnel in the G-5 Administrative Echelon would be attached for administration and discipline to Headquarters, Allied Commission (British Element).

6. Your views and those of information addressees are requested.

4812

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

A. L. Hamblen

A. L. HAMBLÉN
Brigadier General, G.S.C.
Assistant Chief of Staff, G-5

Information Addressees:

C.O. 675th Regiment

RAC (U.S.)

SCAO - Venezia Giulia who will consult with
GOC XIII Corps and C.G. 68th Division
and include their views in his reply.

W. R. K. 101

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APPENDIX

U.S. ARMY PERSONNEL

<u>HC Allied Commission.</u>	<u>OFFICERS</u>	<u>ENLISTED MEN</u>	<u>TOTALS</u>
Chief Commissioner Staff	1	3	4
Executive Commissioner			
Executive and Administrative Staff	2	5	7
Local Liaison	1		1
Archives	2	3	5
Territorial Liaison	2	2	4
Advisors	6	6	12
Establishment (including 25% overhead)	8	35	43
Miscellaneous	2	6	9
Sub Total	25	60	85
<u>Services Sub-Commissions.</u>			
Land Forces S/C (including IP)	7	8	15
Air Forces S/C	7	10	27
Sub Total	14	28	42
TOTAL UNDER AC	39	88	127
<u>G-5 Administrative Echelon.</u>	16	27	43
TOTAL IN ROME	55	115	170
<u>AME</u> (including 25% overhead)	71	35	106
AGGREGATE	126	150	276

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ATTACHMENT 1BBRITISH PERSONNEL

	<u>OFFICERS</u>	<u>ARs</u>	<u>TOTAL</u>
<u>EC Allied Commission.</u>			
Executive Commissioner	1		1
Executive Commissioner Staff	4	14	18
Local Liaison	1	1	2
Territorial Liaison	1	3	4
Archives	4	5	9
Advisors	4	5	9
Establishments and Administrative *	13	116	129
TOTAL EC AC (less DP Branch and Service S/Cs)	28	144	172
<u>Displaced Persons Branch.</u>	25	39	64
<u>Service Sub-Commissions</u>			
Navy S/C	5	4	9
Air Forces S/C	22	36	58
Land Forces S/C	53	181	234
TOTAL UNDER EC (including RM and R.A.F.)	133	404	537
TOTAL ARMY PERSONNEL UNDER EC	106	364	470
<u>G-5 Administrative Echelon (including GEM)</u>	25	27	52
TOTAL IN ROLE (Army only)	131	391	522
<u>IMG (including Venezia Giulia and Udine)</u>	105	161	266
TOTAL EC/IMG/G-5 Administrative Echelon	236	552	788

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* Establishments and Administrative Branch to be reduced as soon as closing down of present JLOC organization is complete.

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APPENDIX A

PROPOSED ORGANIZATION OF 5-1 AFHQ ADMINISTRATIVE ECHELON

	Officers		Total Officers	EM/OR
	B	A		
Officer in Charge	?	?	1	1
Administrative	1	1	2	4
Legal	3	4	7	5
Finance		1	1	2
Policy and Control (Public Safety & Communications)	8	1	9	10
Economics & Supply (Food, Agriculture, Industry, & Commerce, Indents, utilities & Public Works, Transportation)	5	5	10	18
GEM	8	4	12	14
Interpreters (Civilians)		(6)		
TOTAL (less Interpreters)	25	16	42	54

NOTES - A. As circumstances permit British holders of appointments in excess of Anglo/US parity will be replaced by U.S. Officers.

B. 50% EM/OR British, 50% U.S.

4809 -

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INCOMING MESSAGE
Headquarters Allied CommissionOriginator's Reference: M 4179
Date/Time of Origin: Apr 041015Message Centre No: H/1756
Late Time Rec'd: Apr 081430
Precedence: ROUTINE

FROM: KALICOH WSA

TO: D ELLERY STONE REAR ADMIRAL USNA CHIEF COMMISSIONER HEADQUARTERS ALLIED
COMMISSION ROME

UNCLASSIFIED.

WASHINGTON CABLED THEY IN AGREEMENT CONDITIONS OUTLINED YOUR MEMORANDUM
FEBRUARY 12TH ADDRESSED TO COMMANDER IN CHIEF MEDITERRANEAN STATION. THIS
REFERS TO AGREEMENT MADE BETWEEN ALLIED COMMISSION AND ITALIAN MINISTRY OF
MARINE ROLE ON CONTROL OF SHIP REPAIR FACILITIES AND DOCKING IN ITALY.

AC DISTACTION: ECON SEC 2
CHIEF COMMISSIONERINFO: IND & UTIL S/C
MOVEMENTS DIV-1PTN S/C
PORTS & WAREHOUSES DIV S/C
— N.V. S/C
EXEC COMMISSIONER
FILE 2
FLOW

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SECRETPERSONAL

29 March 1946.

Dear Arch:

While I appreciate that it may not be the present intention of SACMED to go back to CCS on FAN 650, the attached nevertheless represents the consensus of opinion here and I think it is fair to say that it has the support of the embassies here as well, although they are of course acquainted with the last sentence of FAN 650.

Two additional copies are attached for the personal information of the American and British political advisors at AFHQ. Would you kindly pass these copies to them.

Very truly yours,

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Brigadier General A. L. Hamblen, U.S. Army,
Assistant Chief of Staff, G-5,
Allied Force Headquarters,
APO 512 - U. S. Army.

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CC ✓
EC

Incl. MEMO, FUTURE OF AC 28 MAR. 46

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SECRET

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Chief Commissioner

Ref: 600/EC.

28 March 1946.

MEMORANDUM.FUTURE OF THE ALLIED COMMISSION.

1. Ever since the issue of FAN 487 the Combined Chiefs of Staff have consistently tried either to reorganise the Allied Commission, e.g., by civilianisation, or to abolish it. This appears to be due to two reasons. Firstly, political pressure has been brought to bear from time to time on the State Department and Foreign Office to remove from the new Italian Government any form of political and economic control which it is believed is inherent in the Allied Commission. Secondly, both War Department and War Office have for budgetary and personnel reasons, been anxious to rid themselves of a responsibility which they do not consider is one now to be borne by the military departments of Government.

2. Those who have exerted the political pressure have forgotten perhaps that it is the Armistice Terms which spell restriction and control and not their offspring the Allied Commission. Both before, and especially since, the issue of FAN 487, the Allied Commission has progressively muted the middle "C" and except in strict accordance with directives from the Combined Chiefs of Staff, has not exercised control. It has limited its guidance to a minimum and has been particularly jealous of the independence and the sovereignty of the Italian Government. AFHQ and their subordinate military formations will testify to the number of occasions on which the Allied Commission has stood as champion for the Italian Government and Italian institutions against what has appeared to it as military control or restrictive measures prejudicial to Italian interests. It has been the role of the Commission constantly to advise AFHQ to consult the Italian Government or the local authorities before taking action affecting them.

3. Politicians may, of course, press for the removal of the Commission. But before reducing to a degree of ineffectiveness the Allied Commission, whose continued assistance the Italian Government has already requested, it might be prudent to consult the Italian Government as to what method of contact with the Allied military authorities they would prefer, so long as an Armistice regime exists.

4. In their apparent desire to get rid of civil affairs responsibilities, the War Department and the War Office may have forgotten (and I say this with

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3. Politicians may, of course, press for the removal of the Commission. But before reducing to a degree of ineffectiveness the Allied Commission, whose continued assistance the Italian Government has already requested, it might be prudent to consult the Italian Government as to what method of contact with the Allied military authorities they would prefer, so long as an Armistice regime exists.
4. In their apparent desire to get rid of civil affairs responsibilities, the War Department and the War Office may have forgotten (and I say this with great respect) that so long as all rights under the Armistice and Additional Conditions of Armistice are held in reserve, there is, so far as is known, no intention to make any change in the responsibility of the Combined Chiefs of Staff acting through the Allied Commission: and that the Combined Chiefs of Staff will continue to transmit directives in regard to the combined views of the two Governments on matters of major policy. These procedures have been affirmed in FAN 650 and so long as they are applied the conduct of civil affairs cannot cease to be a military responsibility of the Supreme Allied Commander, and therefore, of the War Department and the War Office. Both Departments have done their best for the last 18 months to civilianise the Commission: they have failed to do so largely because of lack of personnel of the required quality and largely because certain appointments have had to remain military appointments. Briefly, while there is a Supreme Allied Commander having authority to enforce the Additional Armistice Terms, he must maintain the Allied Commission, the statutory body to enforce

4806

Handwritten signature

-2-

the Terms, and should maintain it with its quasi-civil approach and the officers contained therein with their background and experience, as his contact with the Italian Government. The alternative is to abolish the long terms of surrender and the Allied Commission established thereby but not to deal militarily with the Italian Government through a bicephalous organisation.

5. The present Directive from the Combined Chiefs of Staff attempts to maintain the legal form of the Allied Commission whilst removing from it many of its functions. Some functions it transfers, not specifically as L.M. 719 to the Embassies (which are unprepared to take them), and UNRRA, but to some unnamed civilian agencies, institutions which are not new represented in this theatre. Other functions it abolishes or transfers. The abolition of these functions, e.g., the programming of the requirements of Italy over and above the UNRRA programme, will leave a gap in the work of Allied assistance in Italy and confirm the views of some Italians that the Allies are withdrawing rather than increasing their help to Italy at this critical moment in her history (e.g., Dr. Mario Borsa, "London Times", March 13th): the transfer of other functions finds them in the hands of a Section of AHCQ (moved especially to Rome for the purpose). This latter procedure cannot fail to produce an impression (albeit a wrong one) in the minds of the Italians that with respect to these functions military control has taken the place of Commission guidance. It is fair to say that the Italians regard the Commission far less as a military organisation than AHCQ although they know that the Chief Commissioner's authority flows from S.C.M.E.D.

6. Emasculation of the Commission will not have the desired effect on the Italians. They are not really interested in the functions of the Commission. Those who oppose it wish to have it wholly abolished. The transfer of functions to another military organisation in Rome would have the opposite effect on the Italians from that required by the Combined Chiefs of Staff and their advisers. They would be confused and regard the change as a manoeuvre to regain military control over their affairs. And if a "modus vivendi" is being considered, the selling value of the abolition of a Commission which had already been reduced to its lowest terms would be small.

7. It is understood that the Allied Governments are considering or may consider the interposition of a "modus vivendi" or modification of the present Armistice between now and the signing of the Peace Treaty. The total disappearance of the Armistice Terms and the Allied Commission would presumably be the most powerful "selling" clause in such an agreement. The Allied Commission is an integrated working organisation which, it is submitted, has done not ineffective work, which has the confidence of the Italian Government and which can, not only be a useful channel between the Government and the Supreme Allied Commander and his staff, but can continue to give valuable assistance to the Italian Government. It is submitted that it should either be abolished altogether along with the Armistice Terms which created it or that it should be maintained, retaining its present form rapidly and drastically reducing its functions and maintaining its contacts with the Italian Government and the aid to Italy which these contacts involve. It is questionable whether at this moment a new form of Armistice

of Italy over and above the UNRRA programme, will leave a gap in the work of Allied assistance in Italy and confirm the views of some Italians that the Allies are withdrawing rather than increasing their help to Italy at this critical moment in her history (e.g., Dr. Mario Borsa, "London Times", March 13th); the transfer of other functions finds then in the hands of a Section of AFHQ (moved especially to Rome for the purpose). This latter procedure cannot fail to produce an impression (albeit a wrong one) in the minds of the Italians that with respect to these functions military control has taken the place of Commission guidance. It is fair to say that the Italians regard the Commission far less as a military organization than AFHQ although they know that the Chief Commissioner's authority flows from SACMED.

6. Emasculation of the Commission will not have the desired effect on the Italians. They are not really interested in the functions of the Commission. Those who oppose it wish to have it wholly abolished. The transfer of functions to another military organization in Rome would have the opposite effect on the Italians from that required by the Combined Chiefs of Staff and their advisers. They would be confused and regard the change as a manoeuvre to regain military control over their affairs. And if a "modus vivendi" is being considered, the selling value of the abolition of a Commission which had already been reduced to its lowest terms would be small.

7. It is understood that the Allied Governments are considering or may consider the interposition of a "modus vivendi" or modification of the present Armistice between now and the signing of the Peace Treaty. The total disappearance of the Armistice Terms and the Allied Commission would presumably be the most powerful "selling" clause in such an agreement. The Allied Commission is an integrated working organization which, it is submitted, has done not ineffective work, which has the confidence of the Italian Government and which can, not only be a useful channel between the Government and the Supreme Allied Commander and his staff, but can continue to give valuable assistance to the Italian Government. It is submitted that it should either be abolished altogether along with the Armistice Terms which created it or that it should be maintained, retaining its present form rapidly and drastically reducing its functions and maintaining its contacts with the Italian Government and the aid to Italy which these contacts involve. It is questionable whether at this moment a new form of military control, such as is envisaged by the appearance of G-5 AFHQ in Rome, should be imposed on the Italian Government. Pending, therefore, a "modus vivendi", legal modification of the Armistice or the signing of the Peace Treaty, it is suggested that a Directive on the lines of Appendix "A" be issued.

APPENDIX "A" to Ref:
600/DC dated 28.Mar.46.

DIRECTIVE TO THE ALLIED COMMISSION.

1. The Allied Commission will remain under SACRED as President and the Deputy President as Chief Commissioner until either the Armistice regime is terminated or the Additional Terms of Surrender are abrogated.

2. All rights under the Armistice and Additional Conditions of Armistice of 29 September 1943 are still held in reserve as set forth in paragraph 1 of FAN 487; the power of enforcement will in all cases remain with you as President of ALOOM. Last two sentences of paragraph 2(2) of FAN 487 continue to apply.

3. It is, however, desirable to intensify progressive and rapid reduction in the functions of the Allied Commission which should now be reorganised as follows.

4. All Sub-Commissions with the exception of the Navy, Land Forces and Air Forces Sub-Commissions will be abolished.

The Allied Commission will then be established under the Chief Commissioner with an Executive Branch. Under them will be:

Service Sub-Commissions (until separate Missions are formed).

Communications Branch

Displaced Persons Branch

Economic Branch, including a Financial Adviser

Legal Adviser with reviewing staff.

5. The Executive Branch will carry such technical staff as may be necessary to cover residual functions formerly carried out by Sub-Commissions

abolished.

6. All command functions of ALOOM over MAG UDINE and all technical

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is terminated or the additional terms of surrender are abrogated.

2. All rights under the Armistice and Additional Conditions of Armistice of 29 September 1943 are still held in reserve as set forth in paragraph 1 of FAN 487; the power of enforcement will in all cases remain with you as President of ALCOM. Last two sentences of paragraph 2(a) of FAN 487 continue to apply.

3. It is, however, desirable to intensify progressive and rapid reduction in the functions of the Allied Commission which should now be reorganized as follows.

4. All Sub-Commissions with the exception of the Navy, Land Forces and Air Forces Sub-Commissions will be abolished.

The Allied Commission will then be established under the Chief Commissioner with an Executive Branch. Under them will be:

Service Sub-Commissions (until separate Missions are formed).

Communications Branch

Displaced Persons Branch

Economic Branch, including a Financial Adviser

Legal Adviser with reviewing staff.

4804 5. The Executive Branch will carry such technical staff as may be necessary to cover residual functions formerly carried out by Sub-Commissions abolished.

6. All command functions of ALCOM over AMG UDINE and all technical control exercised by ALCOM over AMG VENEZIA GIULIA will be performed by AFHQ through 13 Corps. Technical advice in connection with AMG may be sought from ALCOM either by 13 Corps or by AFHQ.

7. Small Liaison Groups in the field will be established at your discretion.

8. French and Soviet Representatives should retain their existing status.

SECRET

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Chief Commissioner

Ref: 600/EC.

28 March 1946.

MEMORANDUM.FUTURE OF THE ALLIED COMMISSION.

1. Ever since the issue of FAN 487 the Combined Chiefs of Staff have consistently tried either to reorganise the Allied Commission, e.g., by civilianisation, or to abolish it. This appears to be due to two reasons. Firstly, political pressure has been brought to bear from time to time on the State Department and Foreign Office to remove from the new Italian Government any form of political and economic control which it is believed is inherent in the Allied Commission. Secondly, both War Department and War Office have for budgetary and personnel reasons, been anxious to rid themselves of a responsibility which they do not consider is one now to be borne by the military departments of Government.
2. Those who have exerted the political pressure have forgotten perhaps that it is the Armistice Terms which spell restriction and control and not their offspring the Allied Commission. Both before, and especially since, the issue of FAN 487, the Allied Commission has progressively muted the middle "C" and except in strict accordance with directives from the Combined Chiefs of Staff, has not exercised control. It has limited its guidance to a minimum and has been particularly jealous of the independence and the sovereignty of the Italian Government. AFHQ and their subordinate military formations will testify to the number of occasions on which the Allied Commission has stood as champion for the Italian Government and Italian institutions against what has appeared to it as military control or restrictive measures prejudicial to Italian interests. It has been the role of the Commission constantly to advise AFHQ to consult the Italian Government or the local authorities before taking action affecting them.
3. Politicians may, of course, press for the removal of the Commission. But before reducing to a degree of ineffectiveness the Allied Commission, whose continued assistance the Italian Government has already requested, it might be prudent to consult the Italian Government to what method of contact with the Allied military authorities they would prefer, so long as an Armistice regime exists.
4. In their apparent desire to get rid of civil affairs responsibilities, the War Department and the War Office may have forgotten (and I say this with great respect) that so long as all rights under the Armistice and additional

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1. Ever since the issue of FAN 487 the Combined Chiefs of Staff have consistently tried either to reorganise the Allied Commission, e.g., by civilianisation, or to abolish it. This appears to be due to two reasons. Firstly, political pressure has been brought to bear from time to time on the State Department and Foreign Office to remove from the new Italian Government any form of political and economic control which it is believed is inherent in the Allied Commission. Secondly, both War Department and War Office have for budgetary and personnel reasons, been anxious to rid themselves of a responsibility which they do not consider is one now to be borne by the military departments of Government.

2. Those who have exerted the political pressure have forgotten perhaps that it is the Armistice Terms which spell restriction and control and not their offspring the Allied Commission. Both before, and especially since, the issue of FAN 487, the Allied Commission has progressively muted the middle "C" and except in strict accordance with directives from the Combined Chiefs of Staff, has not exercised control. It has limited its guidance to a minimum and has been particularly jealous of the independence and the sovereignty of the Italian Government. AFHQ and their subordinate military formations will testify to the number of occasions on which the Allied Commission has stood as champion for the Italian Government and Italian institutions against what has appeared to it as military control or restrictive measures prejudicial to Italian interests. It has been the role of the Commission constantly to advise AFHQ to consult the Italian Government or the local authorities before taking action affecting them.

3. Politicians may, of course, press for the removal of the Commission. But before reducing to a degree of ineffectiveness the Allied Commission, whose continued assistance the Italian Government has already requested, it might be prudent to consult the Italian Government to what method of contact with the Allied military authorities they would prefer, so long as an Armistice regime exists.

4. In their apparent desire to get rid of civil affairs responsibilities, the War Department and the War Office may have forgotten (and I say this with great respect) that so long as all rights under the Armistice and Additional Conditions of Armistice are held in reserve, there is, so far as is known, no intention to make any change in the responsibility of the Combined Chiefs of Staff acting through the Allied Commission: and that the Combined Chiefs of Staff will continue to transmit directives in regard to the combined views of the two Governments on matters of major policy. These procedures have been affirmed in FAN 650 and so long as they are applied the conduct of civil affairs cannot cease to be a military responsibility of the Supreme Allied Commander, and therefore, of the War Department and the War Office. Both Departments have done their best for the last 18 months to civilianise the Commission: they have failed to do so largely because of lack of personnel of the required quality and largely because certain appointments have had to remain military appointments. Briefly, while there is a Supreme Allied Commander having authority to enforce the Additional Armistice Terms, he must maintain the Allied Commission, the statutory body to enforce

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the Terms, and should maintain it with its quasi-civil approach and the officers contained therein with their background and experience, as his contact with the Italian Government. The alternative is to abolish the long terms of surrender and the Allied Commission established thereby but not to deal militarily with the Italian Government through a bicephalous organisation.

5. The present Directive from the Combined Chiefs of Staff attempts to maintain the legal form of the Allied Commission whilst removing from it many of its functions. Some functions it transfers, not specifically as JIC TAW 749 to the Embassies (which are unprepared to take them), and UNRRA, but to some untried civilian agencies, institutions which are not now represented in this theatre. Other functions it abolishes or transfers. The abolition of these functions, e.g., the programming of the requirements of Italy over and above the UNRRA programme, will leave a gap in the work of Allied assistance in Italy and confirm the views of some Italians that the Allies are withdrawing rather than increasing their help to Italy at this critical moment in her history (e.g., Dr. Mario Borsa, "London Times", March 13th): the transfer of other functions finds them in the hands of a Section of AFHQ (moved especially to Rome for the purpose). This latter procedure cannot fail to produce an impression (albeit a wrong one) in the minds of the Italians that with respect to these functions military control has taken the place of Commission guidance. It is fair to say that the Italians regard the Commission far less as a military organisation than AFHQ although they know that the Chief Commissioner's authority flows from SACRED.

6. Emasculation of the Commission will not have the desired effect on the Italians. They are not really interested in the functions of the Commission. Those who oppose it wish to have it wholly abolished. The transfer of functions to another military organisation in Rome would have the opposite effect on the Italians from that required by the Combined Chiefs of Staff and their advisers. They would be confused and regard the change as a manoeuvre to regain military control over their affairs. And if a "modus vivendi" is being considered, the selling value of the abolition of a Commission which had already been reduced to its lowest terms would be small.

7. It is understood that the Allied Governments are considering or may consider the interposition of a "modus vivendi" or modification of the present Armistice between now and the signing of the Peace Treaty. The total disappearance of the Armistice Terms and the Allied Commission would presumably be the most powerful "selling" clause in such an agreement. The Allied Commission is an integrated working organisation which, it is submitted, has done not ineffective work, which has the confidence of the Italian Government and which can, not only be a useful channel between the Government and the Supreme Allied Commander and his staff, but can continue to give valuable assistance to the Italian Government. It is submitted that it should either be abolished altogether along with the Armistice Terms which created it or that it should be maintained, retaining its present form rapidly and drastically reducing its functions and maintaining its contacts with the

UNRRA, but to some unarmed civilian agencies, institutions which are not now represented in this theatre. Other functions it abolishes or transfers. The abolition of these functions, e.g., the programming of the requirements of Italy over and above the UNRRA programme, will leave a gap in the work of Allied assistance in Italy and confirm the views of some Italians that the Allies are withdrawing rather than increasing their help to Italy at this critical moment in her history (e.g., Dr. Mario Borsa, "London Times", March 13th): the transfer of other functions finds them in the hands of a Section of AFHQ (moved especially to Rome for the purpose). This latter procedure cannot fail to produce an impression (albeit a wrong one) in the minds of the Italians that with respect to these functions military control has taken the place of Commission guidance. It is fair to say that the Italians regard the Commission far less as a military organization than AFHQ although they know that the Chief Commissioner's authority flows from SACMED.

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7. It is understood that the Allied Governments are considering or may consider the interposition of a "modus vivendi" or modification of the present Armistice between now and the signing of the Peace Treaty. The total disappearance of the Armistice Terms and the Allied Commission would presumably be the most powerful "selling" clause in such an agreement. The Allied Commission is an integrated working organization which, it is submitted, has done not ineffective work, which has the confidence of the Italian Government and which can, not only be a useful channel between the Government and the Supreme Allied Commander and his staff, but can continue to give valuable assistance to the Italian Government. It is submitted that it should either be abolished altogether along with the Armistice Terms which created it or that it should be maintained, retaining its present form rapidly and drastically reducing its functions and maintaining its contacts with the Italian Government and the aid to Italy which these contacts involve. It is questionable whether at this moment a new form of military control, such as is envisaged by the appearance of G-5 AFHQ in Rome, should be imposed on the Italian Government. Pending, therefore, a "modus vivendi", legal modification of the Armistice or the signing of the Peace Treaty, it is suggested that a Directive on the lines of Appendix "I" be issued.

APPENDIX "I" to Ref:
600/EC dated 28.Mar.46.

DIRECTIVE TO THE ALLIED COMMISSION.

1. The Allied Commission will remain under SIGNED as President and the Deputy President as Chief Commissioner until either the Armistice regime is terminated or the Additional Terms of Surrender are abrogated.

2. All rights under the Armistice and Additional Conditions of Armistice of 29 September 1943 are still held in reserve as set forth in paragraph 1 of FIAN 487; the power of enforcement will in all cases remain with you as President of ALCOM. Last two sentences of paragraph 2(a) of FIAN 487 continue to apply.

3. It is, however, desirable to intensify progressive and rapid reduction in the functions of the Allied Commission which should now be reorganised as follows.

4. All Sub-Commissions with the exception of the Navy, Land Forces and Air Forces Sub-Commissions will be abolished.

The Allied Commission will then be established under the Chief Commissioner with an Executive Branch. Under them will be:

Service Sub-Commissions (until separate Missions are formed)

Communications Branch

Displaced Persons Branch

Economic Branch, including a Financial Adviser

Legal Adviser with reviewing staff.

5. The Executive Branch will carry such technical staff as may be necessary to cover residual functions formerly carried out by Sub-Commissions

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2. All rights under the Armistice and Additional Conditions of Armistice of 29 September 1943 are still held in reserve as set forth in paragraph 1 of FAS 487; the power of enforcement will in all cases remain with you as President of ALCOM. Last two sentences of paragraph 2(a) of FAS 487 continue to apply.

3. It is, however, desirable to intensify progressive and rapid reduction in the functions of the Allied Commission which should now be reorganized as follows.

4. All Sub-Commissions with the exception of the Navy, Land Forces and Air Forces Sub-Commissions will be abolished.

The Allied Commission will then be established under the Chief Commissioner with an Executive Branch. Under them will be:

- Service Sub-Commissions (until separate Missions are formed)
- Communications Branch
- Displaced Persons Branch
- Economic Branch, including a Financial Adviser
- Legal Adviser with reviewing staff.

5. The Executive Branch will carry such technical staff as may be necessary to cover residual functions formerly carried out by Sub-Commissions

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6. All command functions of ALCOM over AMG UDINE and all technical control exercised by ALCOM over AMG VENEZIA GIULIA will be performed by AFHQ through 15 Corps. Technical advice in connection with AMG may be sought from ALCOM either by 13 Corps or by AFHQ.

7. Small Liaison Groups in the field will be established at your discretion.

8. French and Soviet Representatives should retain their existing status.

PART PART II.

SECRET

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1. The Allied Commission will remain under SACRED as President and the Deputy President as Chief Commissioner until the Armistice regime is terminated. It is, however, desirable to continue the reduction of functions of the Allied Commission which should now be reorganised as follows.
2. As soon as the Northern Regions have been restored to Italian Government all Sub-Commissions with the exception of the Service Sub-Commissions and Communications Sub-Commission will be abolished.
3. The Allied Commission will then be established under the Deputy President as Chief Commissioner with Executive Branch. Under him will be:

Service Sub-commissions

Communications Sub-Commission

Chief Financial Adviser and staff

Chief Legal Adviser with reviewing staff

Displaced Persons Branch

Public Relations

Establishment Branch

An Economic Section consisting of the presently organised Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions (including long range rehabilitation planning involving Allied financial assistance) to be transferred to Embassies when staff is procured, or to any intermediate body which may be set up.

4. The Executive Branch will carry such technical staff officers as may be necessary to cover residual functions formerly carried out by Sub-Commissions
5. Small Liaison Groups in the field will be established at your discretion.

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3. The Allied Commission will then be established under the Deputy President as Chief Commissioner with Executive Branch. Under him will be:

- Service Sub-commissions
- Communications Sub-Commission
- Chief Financial Adviser and staff
- Chief Legal Adviser with reviewing staff
- Displaced Persons Branch
- Public Relations
- Establishment Branch

An Economic Section consisting of the presently organized Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions (including long range rehabilitation planning involving Allied financial assistance) to be transferred to Embassies when staff is procured, or to any intermediate body which may be set up.

4. The Executive Branch will carry such technical staff officers as may be necessary to cover residual functions formerly carried out by Sub-Commissioners and the technical central of JAG in UDHR and VENEZIA GIULIA.

5. Small Liaison Groups in the field will be established at your discretion.

6. French and Russian Representatives to AG will remain.

7. Advisory and long range planning functions will be continued to be taken over by the Embassies when staff is procurable or by any intermediate body set up for the purpose. Supply and Displaced Persons functions will be taken over by UNRRA in due course.

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S E C R E T

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Chief Commissioner

28 March 1946.Ref: 600/EC.MEMORANDUM.FUTURE OF THE ALLIED COMMISSION.

1. Ever since the issue of FAN 487 the Combined Chiefs of Staff have consistently tried either to reorganise the Allied Commission, e.g., by civilianisation, or to abolish it. This appears to be due to two reasons. Firstly, political pressure has been brought to bear from time to time on the State Department and Foreign Office to remove from the new Italian Government any form of political and economic control which it is believed is inherent in the Allied Commission. Secondly, both War Department and War Office have for budgetary and personnel reasons, been anxious to rid themselves of a responsibility which they do not consider is one now to be borne by the military departments of Government.

2. Those who have exerted the political pressure have forgotten perhaps that it is the Armistice Terms which spell restriction and control and not their offspring the Allied Commission. Both before, and especially since, the issue of FAN 487, the Allied Commission has progressively muted the middle "C" and except in strict accordance with directives from the Combined Chiefs of Staff, has not exercised control. It has limited its guidance to a minimum and has been particularly jealous of the independence and the sovereignty of the Italian Government. AFHQ and their subordinate military formations will testify to the number of occasions on which the Allied Commission has stood as champion for the Italian Government and Italian institutions against what has appeared to it as military control or restrictive measures prejudicial to Italian interests. It has been the role of the Commission constantly to advise AFHQ to consult the Italian Government or the local authorities before taking action affecting them.

3. Politicians may, of course, press for the removal of the Commission. But before reducing to a degree of ineffectiveness the Allied Commission, whose continued assistance the Italian Government has already requested, it might be prudent to consult the Italian Government as to what method of contact with the Allied military authorities they would prefer, so long as an Armistice regime exists.

4. In their apparent desire to get rid of civil affairs responsibilities, the War Department and the War Office may have forgotten (and I say this with some confidence) that so long as all rights under the Armistice and additional

1. Ever since the issue of FAN 487 the Combined Chiefs of Staff have consistently tried either to reorganise the Allied Commission, e.g., by civilianisation, or to abolish it. This appears to be due to two reasons. Firstly, political pressure has been brought to bear from time to time on the State Department and Foreign Office to remove from the new Italian Government any form of political and economic control which it is believed is inherent in the Allied Commission. Secondly, both War Department and War Office have for budgetary and personnel reasons, been anxious to rid themselves of a responsibility which they do not consider is one now to be borne by the military departments of Government.

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4. In their apparent desire to get rid of civil affairs responsibilities, the War Department and the War Office may have forgotten (and I say this with great respect) that so long as all rights under the Armistice and Additional Conditions of Armistice are held in reserve, there is, so far as is known, no intention to make any change in the responsibility of the Combined Chiefs of Staff acting through the Allied Commission; and that the Combined Chiefs of Staff will continue to transmit directives in regard to the combined views of the two Governments on matters of major policy. These procedures have been affirmed in FAN 650 and so long as they are applied the conduct of civil affairs cannot cease to be a military responsibility of the Supreme Allied Commander, and therefore, of the War Department and the War Office. Both Departments have done their best for the last 18 months to civilianise the Commission; they have failed to do so largely because of lack of personnel of the required quality and largely because certain appointments have had to remain military appointments. Briefly, while there is a Supreme Allied Commander having authority to enforce the Additional Armistice Terms, he must maintain the Allied Commission, the statutory body to enforce

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the Terms, and should maintain it with its quasi-civil approach and the officers contained therein with their background and experience, as his contact with the Italian Government. The alternative is to abolish the long terms of surrender and the Allied Commission established thereby but not to deal militarily with the Italian Government through a bicephalous organization.

5. The present Directive from the Combined Chiefs of Staff Attempts to maintain the legal form of the Allied Commission whilst removing from it many of its functions. Some functions it transfers, not specifically as UNRRA 749 to the Embassies (which are unprepared to take them), and UNRRA, but to some unnamed civilian agencies, institutions which are not now represented in this theatre. Other functions it abolishes or transfers. The abolition of these functions, e.g., the programming of the requirements of Italy over and above the UNRRA programme, will leave a gap in the work of Allied assistance in Italy and confirm the views of some Italians that the Allies are withdrawing rather than increasing their help to Italy at this critical moment in her history (e.g., Dr. Mario Borsa, "London Times", March 13th): the transfer of other functions finds them in the hands of a Section of AFHQ (moved especially to Rome for the purpose). This latter procedure cannot fail to produce an impression (albeit a wrong one) in the minds of the Italians that with respect to these functions military control has taken the place of Commission guidance. It is fair to say that the Italians regard the Commission far less as a military organization than AFHQ although they know that the Chief Commissioner's authority flows from SACRED.

6. Emasculation of the Commission will not have the desired effect on the Italians. They are not really interested in the functions of the Commission. Those who oppose it wish to have it wholly abolished. The transfer of functions to another military organization in Rome would have the opposite effect on the Italians from that required by the Combined Chiefs of Staff and their advisers. They would be confused and regard the change as a manoeuvre to regain military control over their affairs. And if a "modus vivendi" is being considered, the selling value of the abolition of a Commission which had already been reduced to its lowest terms would be small.

7. It is understood that the Allied Governments are considering or may consider the interposition of a "modus vivendi" or modification of the present Armistice between now and the signing of the Peace Treaty. The total disappearance of the Armistice Terms and the Allied Commission would presumably be the most powerful "selling" clause in such an agreement. The Allied Commission is an integrated working organization which, it is submitted, has done not ineffective work, which has the confidence of the Italian Government and which can, not only be a useful channel between the Government and the Supreme Allied Commander and his staff, but can continue to give valuable assistance to the Italian Government. It is submitted that it should either be abolished altogether along with the Armistice Terms which created it or that it should be maintained, retaining its present form rapidly and drastically reducing its functions and maintaining its contacts with the

The abolition of these functions, e.g., the programming of the requirements of Italy over and above the UNARL programme, will leave a gap in the work of Allied assistance in Italy and confirm the views of some Italians that the Allies are withdrawing rather than increasing their help to Italy at this critical moment in her history (e.g., Dr. Mario Borsa, "London Times", March 13th): the transfer of other functions finds them in the hands of a Section of AFHQ (moved especially to Rome for the purpose). This latter procedure cannot fail to produce an impression (albeit a wrong one) in the minds of the Italians that with respect to these functions military control has taken the place of Commission guidance. It is fair to say that the Italians regard the Commission far less as a military organization than AFHQ although they know that the Chief Commissioner's authority flows from SICRED.

6. Emasculation of the Commission will not have the desired effect on the Italians. They are not really interested in the functions of the Commission. Those who oppose it wish to have it wholly abolished. The transfer of functions to another military organization in Rome would have the opposite effect on the Italians from that required by the Combined Chiefs of Staff and their advisers. They would be confused and regard the change as a manoeuvre to regain military control over their affairs. And if a "modus vivendi" is being considered, the selling value of the abolition of a Commission which had already been reduced to its lowest terms would be small.

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APPENDIX "A" to Ref:
600/EC dated 28.Mar.46.

DIRECTIVE TO THE ALLIED COMMISSION.

1. The Allied Commission will remain under SACRED as President and the Deputy President as Chief Commissioner until either the Amistice regime is terminated or the Additional Terms of Surrender are abrogated.

2. All rights under the Amistice and Additional Conditions of Amistice of 29 September 1943 are still held in reserve as set forth in paragraph 1 of F.A.N 487; the power of enforcement will in all cases remain with you as President of ALCOM. Last two sentences of paragraph 2(a) of F.A.N 487 continue to apply.

3. It is, however, desirable to intensify progressive and rapid reduction in the functions of the Allied Commission which should now be reorganised as follows.

4. All Sub-Commissions with the exception of the Navy, Land Forces and Air Forces Sub-Commissions will be abolished.

The Allied Commission will then be established under the Chief Commissioner with an Executive Branch. Under them will be:

Service Sub-Commissions (until separate Missions are formed).

Communications Branch

Displaced Persons Branch

Economic Branch, including a Financial Adviser

Legal Adviser with reviewing staff.

5. The Executive Branch will carry such technical staff as may be necessary to cover residual functions formerly carried out by Sub-Commissions

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2. All rights under the Amnesty and Additional Conditions of 29 September 1943 are still held in reserve as set forth in paragraph 1 of FAN 487; the power of enforcement will in all cases remain with you as President of ALCOM. Last two sentences of paragraph 2(c) of FAN 487 continue to apply.

3. It is, however, desirable to intensify progressive and rapid reduction in the functions of the Allied Commission which should now be re-organized as follows.

4. All Sub-Commissions with the exception of the Navy, Land Forces and Air Forces Sub-Commissions will be abolished.

The Allied Commission will then be established under the Chief Commissioner with an Executive Branch. Under them will be:

Service Sub-Commissions (until separate Missions are formed).

Communications Branch
Displaced Persons Branch
Economic Branch, including a Financial Adviser
Legal Adviser with reviewing staff.

4792 5. The Executive Branch will carry such technical staff as may be necessary to cover residual functions formerly carried out by Sub-Commissions abolished.

6. All command functions of ALCOM over AMG UDINE and all technical control exercised by ALCOM over AMG VENEZIA GIULIA will be performed by AMHQ through 13 Corps. Technical advice in connection with AMG may be sought from ALCOM either by 13 Corps or by AFHQ.

7. Small Liaison Groups in the field will be established at your discretion.

8. French and Soviet Representatives should retain their existing status.

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HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner.

Ref: 600/EC.

25 March 1946.

MEMORANDUM BY THE EXECUTIVE COMMISSIONER.

PART I.
COMPARISON BETWEEN MAT 965 and FAN 650.

1. MAT 965, Pt.I(b), Pt.II(a)(1)-----FAN 650, 1, 5.

FAN 650 rejects wholly the proposal to use the Allied Commission as machinery for any part of AMG.

2. MAT 965, Pt.I(c), Pt.II, 2(a)-----FAN 650, 7, 8, 9, 10.

MAT 965, Part I, deliberately brought in the retention of the Deputy President. This was omitted in MAT, Part II, and has been omitted in FAN 650. It is essential to clarify this. MAT 965 definitely set up HQ Executive Branch and Establishment Section. FAN 650 implies their retention but is not explicit. MAT 965 included Sub-Commissions required for exercise of military government; FAN 650 omits these.

3. MAT 965, Pt.I(a), Part II(b)-----FAN 650, 13(b).

MAT 965 abolished Civil Affairs Sub-Commissions except as they ~~4247~~ ⁴²⁴⁷ ~~terminated~~ to military government. FAN 650 says their functions are to be terminated or transferred to AFHQ "in respect of AMG territories only". It is not quite clear what is meant by FAN 650. MAT 965 abolished the Legal Sub-Commission but retained a Legal Adviser to ADOM. FAN 650 makes

PART ICOMPARISON BETWEEN MAT 965 and FAN 650.

1. MAT 965, Pt. I(b), Pt. II(c)(i)-----FAN 650, 4, 5.

FAN 650 rejects wholly the proposal to use the Allied Commission as machinery for any part of AMG.

2. MAT 965, Pt. I(c), Pt. II, 2(c)-----FAN 650, 7, 8, 9, 10.

MAT 965, Part I, deliberately brought in the retention of the Deputy President. This was omitted in MAT, Part II, and has been omitted in FAN 650. It is essential to clarify this. MAT 965 definitely set up

HQ Executive Branch and Establishment Section. FAN 650 implies their retention but is not explicit. MAT 965 included Sub-Commissions required for exercise of military government; MAT 650 omits these.

3. MAT 965, Pt. I(d), Part II(b)-----FAN 650, 13(b).

MAT 965 abolished Civil Affairs Sub-Commissions except as they ~~4247~~ defined to military government. FAN 650 says their functions are to be terminated or transferred to AFHQ "in respect of AMG territories only". It is not quite clear what is meant by FAN 650. MAT 965 abolished the Legal Sub-Commission but retained a Legal Adviser to AFHQ. FAN 650 makes no mention of the Law.

4. MAT 965, Pt. I(e)(x), Part II(c)-----FAN 650, 13(e) and 11(d).

MAT 965 and FAN 650 agree with the exception of Displaced Persons which MAT 965 sent to AFHQ while FAN 650 retains it in AFHQ. FAN 650 also makes no mention of Chief Financial Adviser whose retention was recommended by MAT 965.

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5. MIT 965, Pt. I(f), Pt. II(d)(c)-----FAN 650, 11.

MIT 965 distinguished between Sub-Commissions whose functions were to be transferred to Embassies and those whom UNPRA would eventually take over. FAN 650 puts them altogether, avoids mention of transfer to Embassies and speaks of transfer to US and UK "civilian agencies" or UNPRA. Both MIT 965 and FAN 650 foresee temporary retention of advisory functions but FAN 650 definitely terminates the executive functions of the Economic Section, although it retains the Commerce Sub-Commission temporarily to report on export functions as recommended in MIT 965.

6. MIT 965, Pt. I(h), Pt. II, 3-----FAN 650, 12.

Identical.

PART II.

ANALYSIS OF FAN 650.

1. Para 1. We have already agreed that the AMG's can pass wholly to 13 Corps. We had suggested that 13 Corps should rely on ALCOM for technical advice because AMHQ does not possess the technical advisers. AMHQ propose to overcome this by transferring technical experts from ALCOM to G-5 in ROME. See para 5 of G-5 AMHQ letter.
2. Paras 2 and 3. The radical reduction and final early termination of the functions of the Allied Commission take no account of its position under the Armistice Terms. That instrument will SIGNED
 4796 use? Or is it intended to abrogate the Armistice? Also see comment on Clause 5 below which it is hard to reconcile with this principle.
3. Para 4. It is not clear what is meant by the purpose of the G-5

But FAN 650 definitely terminates the executive functions of the Economic Section, although it retains the Commerce Sub-Commission temporarily to report on export functions as recommended in MIT 965.

6. MIT 965, Pt. I(h), Pt. II, 3-----FAN 650, 14.

Identical.

PART II.

ANALYSIS OF FAN 650.

1. Para 1. We have already agreed that the AMC's can pass wholly to 13 Corps. We had suggested that 13 Corps should rely on ALCOM for technical advice because AFHQ does not possess the technical advisers. AFHQ propose to overcome this by transferring technical experts from ALCOM to G-5 in Rome. See para 3 of G-5 AFHQ letter.
2. Paras 2 and 3. The radical reduction and final early termination of the functions of the Allied Commission take no account of its position under the Armistice Terms. What instrument will SACRED use? Or is it intended to abrogate the Armistice? Also see comment on Clause 5 below which it is hard to reconcile with this principle.
3. Para 4. It is not clear what is meant by the purpose of the G-5 staff in "maintaining liaison with the Italian Government". On what subjects will liaison be maintained? AFHQ's proposal, in implementation of this clause, is to transfer staff from ALCOM to G-5.
4. Para 5. This, as noted above, conflicts with the termination of ALCOM foreseen in Clauses 2 and 3.
5. Para 7(b). What is meant by HQ Executive Branch and Establishment Section? CCS have not stated that it will be retained (and why call

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one organization a Branch and another a Section) but enlarge on its composition.

6. Para 8. The phrase "whose functions are certain" to be the responsibility of AICOM" presumably means Public Safety, Food and Transportation Liaison Officers. I think that there will be considerable objection raised as to the removal of the first named. They are all doing invaluable work vis-a-vis the Allied military formations and the only place whence I would recommend their removal is on the Franco-Italian border where there are no troops.
7. Para 9. This clause presumably means that the Food and Transportation officers in the Liaison Groups will remain until RFA shipments cease (but they are practically through).
8. Para 10. No comment.
9. Para 11(a) and (b). These two sub-clauses do not follow on the preamble. Is it intended to retain an Economic Section or Branch or merely the Commerce Sub-Commission? From Clause 12 it would appear that a gradual transfer of functions of the Economic Branch is indicated.
10. Para 13(a). It is typical of the loose thinking reflected in the whole signal that War Criminals (for which AICOM has NO responsibility) is included as a Sub-Commission (it is possible this should read "War Materials"): that the CCS still do not appreciate that IFOW has long been absorbed by Land Forces Sub-Com, that Public Relations has never been a Sub-Commission, and that in so far as the CC.R.R. is concerned, half the Public Safety Sub-Commission is already within the Land Forces Sub-Commission. We have already discussed the Legal aspect (vis-a-vis the Armistice Terms) of functions of Communications and Public Safety Sub-Commissions going to AICOM.
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considerable objection raised as to the removal of the first named. They are all doing invaluable work vis-a-vis the Allied military formations and the only place whence I would recommend their removal is on the Franco-Italian border where there are no treasuries.

7. Para 9. This clause presumably means that the Food and Transportation officers in the Liaison Groups will remain until FEA shipments cease (but they are practically through).

8. Para 10. No comment.

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been a Sub-Commission, and that in so far as the CC.Mk. is concerned, half the Public Safety Sub-Commission is already within the Land Forces Sub-Commission. We have already discussed the legal aspect

(vis-a-vis the Armistice Terms) of functions of Communications and Public Safety Sub-Commissions going to IFHQ. No mention is made of Labour Sub-Commission.

Para 13(b). Monuments, Fine Arts and Archives Sub-Commission has already been virtually abolished. Patriots Branch has already been virtually abolished.

11. Para 14. This requires redrafting; it is now out of date. The CCS, having left no Sub-Commission except the Service and Displaced Persons

Sub-Commissions within the Commission, proceed to talk about introduction of civilian personnel who intend to go to UNRRA.

PART III.

COMMENTS ON FAN 650.

1. In spite of the loose wording contained in FAN 650, which may be deliberate, the policy of the CCS remains clear. They intend to maintain the legal form of Allied Commission as SACRED's instrument under the armistice terms but to remove from it as many functions as possible. But the procedure laid down is unreal, bears little relation to what is in fact being done, and is so indefinitely worded as to be very difficult to understand.
2. Luckily perhaps, AFHQ is left to produce the final directive and I believe that we can evolve instructions which will cover the CCS signal and yet be consonant with the realities of the situation and conservative in manpower. (If we carried out the direction of FAN 650 we should find redundancies of functions and waste of manpower).
3. It is, of course, difficult to evolve a directive unless we know what is behind the thinking of the CCS. From certain clauses of the signal it would appear that the idea of a motus vivendi lies at the root of their proposals, vide 7(c), 3, etc.
4. Finally, before SACRED issues the proposed directive we must make it clear to AFHQ that FAN 650 does not absolve SACRED of responsibility, that directives will continue to be issued to him and that, in fact, the second part of para 6 of C-5 staff study of March 13 looks good.
5. Although I am having charts and studies prepared on the assumption that the direction from AFHQ will not be contested yet I do urge that we make

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5. Although I am having charts and studies prepared on the assumption that the direction from AFHQ will not be contested yet I do urge that we make one further effort, by personal appeal, to persuade the CCS to review their directive in the light of facts.

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PART IV.FURTHER COMMENTS ON FAN 650.ECONOMIC FUNCTIONS.

1. Para 1. Provided the present staff at G-5 AFHQ (C.SERTA) is maintained, 4 officers will be required at ROME to screen supply programming for AUG UDINE and VENEZIA GIULIA (see below).
2. Para 2. Clarification is needed as to the last sentence of para 2 of FAN 650, which reads, "As functions of Sub-Commissions cease all Directives previously issued to them will lapse". Many directives issued to Sub-Commissions particularly on financial and economic matters, have contained instructions which have been passed on to the Italian Government, e.g., FAN 583. Is it intended that these instructions should lapse simultaneously with the directives issued to the Sub-Commissions? The question of repayment by the Italian Government of debts previous to 8 September 1943 is an example. If FAN 583 lapses then presumably we should inform the Italian Government of the withdrawal of such instructions.

3. (a) Para 11(e).

- (i) Food & Agriculture has now been taken over wholly by UNRRA.
- (ii) Industry has been taken over by UNRRA insofar as UNRRA programme is concerned. There is, however, no arrangement to take over the programme over and above UNRRA's proposals. Unless the AC fathers this it will be necessary for the Italian Government either to obtain a special mission from the Allies or to appoint Allied technical officers.
- (iii) Coal and POL have been taken over by UNRRA.
- (iv) Transportation has been taken over by I.S.R. and UNRRA.

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- (iii) Coal and POL have been taken over by UNRRA.
- (iv) Transportation has been taken over by I.S.R. and UNRRA.
- (v) Public Works & Utilities. No functions are left even in an advisory capacity.
- (vi) Labour Sub-Commission has already been abolished and all functions have been terminated.
- (vii) Finance. Residual functions under FAN 583 continue and can be terminated at any time by transfer to Embassies when they are prepared to take them over.

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(b) Para 11(b). There are practically no executive functions left with the Economic Section. They deal with such small details as

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mid-shift meals and disposal of Allied tyres, but subject to G-5 organisation in ROME being set up, they could terminate these by April 15th.

4. Para 13. There are two alternatives with regard to the supply programming for AMG:

- (a) to assume that the experts are in the field and that the programming will be done there, leaving G-5 to act as a post office, or
- (b) for the programming to be dealt with by a programming staff of 4 at G-5 ROME. This programming staff could also liaise with the

Italian Government for local resources required for AMG.

G-5 ROME would then require the following economic staff:

1 Food	} to screen AMG programmes, contact Italian Government and UNRRA on local resources.
1 Agriculture	
1 Fuel	
2 Industries & Utilities	
1 Finance	
1 Transportation	
4 Programming Staff	
4 War Materials	
(Captured Enemy Materials)	

CIVIL AFFAIRS.

5. Para 13. It is recommended that the following staff be appointed to G-5 ROME to deal with AMG (and in the case of Public Safety, to liaise with the Italian Government):

3 Public Safety
1 Local Government
2 Legal
NIL Education, MHA, Public Health, Patriots.

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It is open to question as to whether G-5 will require liaison officers in the field. It is suggested that Liaison Officers with PBS, 2 and 3 Districts, ?

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1 Local Government
2 Legal

NIL Education, ATMA, Public Health, Patriots.

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It is open to question as to whether G-5 will require liaison officers in the field. It is suggested that Liaison Officers with PES, 2 and 3 Districts, would be sufficient.

COMMUNICATIONS.

7. Para 13. 1 Communications Officer (Civil Post).

GENERAL.

8. 2 Coordinating Staff. Total G-5 Staff in ROME: 24.

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Appendix "A" to Ref: 600/EO
 Dated 25 Mar 46.

SECRET.DIRECTIVE FOR THE ALLIED COMMISSION.

Effective as from

the Allied Commission will be

reorganised as follows:

1. All rights under the Armistice and Additional Conditions of Armistice of September 29, 1943, are still held in reserve as set forth in para 1 of FAN 487: the power of enforcement will in all cases remain with SACHED as President of the Allied Commission who will execute his power through the Deputy President who is the Chief Commissioner.

2. The Allied Commission will be established under the Chief Commissioner with an Executive Branch. Under them will be:

- (a) Service Sub-Commissions (until separate Service Missions are formed).
- (b) Displaced Persons Branch } until either US and UK
civilian agencies or UNRRA
can take over functions or
until they can be abolished.
- (c) Economic Branch

A Commerce Sub-Division of the Economic Branch will continue to perform clearance of RCL items as at present, pending receipt of further instructions.

The Executive Branch will contain Legal, Local Government and such other technical officers as are required.

All Sub-Commissions except those named above will be abolished and their functions either eliminated or dealt with as stated below.

3. (a) It is anticipated that the Economic Section's functions of
4. ~~4.1~~ ^{4.2} During the Italian Government on economic problems will be transferred to US/UK civilian agencies, whose role will continue to be purely advisory.

Italian Government should be able to

in para 1 of FAN 487: the power of enforcement will in all cases remain with SACRED as President of the Allied Commission who will execute his Power through the Deputy President who is the Chief Commissioner.

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can take over functions or
until they can be abolished.
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A Commerce Sub-Division of the Economic Branch will continue to perform clearance of RCL items as at present, pending receipt of further instructions.

The Executive Branch will contain Legal, Local Government and such other technical officers as are required.

All Sub-Commissions except those named above will be abolished and their functions either eliminated or dealt with as stated below.

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3. (a) It is anticipated that the Economic Section's functions of assisting the Italian Government on economic problems will be transferred to US/UK civilian agencies, whose role will continue to be purely advisory. Italian Government should be able to keep itself informed of recommendations of Combined Food Board and new committees, either through diplomatic channels or through representatives, with these organisations. It will then be for Italian authorities to control their own foreign trade in accordance with the recommendations they have accepted; it is NOT intended that Italian exports should be policed by the civilian agencies. It is intended that close liaison should be kept between the civilian agencies and UNRRA.

- (b) UNRRA having taken over such functions as it considers necessary for operating its relief programme, the remaining executive functions

-2-

of Economic Section will be transferred or abolished as soon as possible.

4. Despite reduction of responsibilities of ALCOM, French and Soviet Representatives should retain their existing status.

5. All command functions of ALCOM over AMG UDINE and all technical control exercised by ALCOM over AMG VENEZIA GIULIA will be performed by AFHQ through 13 Corps.

6. The functions presently performed by the following Sub-Commissions of Allied Commission will be transferred to the Sections of AFHQ shown below:

Communications	-	Telecoms to Chief Signal Officer Post 1 to G-5 Section
Public Safety	-	G-5 Section
Public Relations	-	Public Relations AFHQ
Transportation (after application of 3(a) and (b))	-	G-4, Q (Mov & Trn).
War Materials Disposal - (Captured Enemy Materials)	-	G-4 Section
and in respect of AMG territories only:		
Education	-	G-5 Section
Public Health	-	D.M.S.
Local Government	-	G-5 Section
Public Works (after application of 3(a) and (b))	-	Chief Engineer
Legal	-	J.A.G.

4790 A small G-5 staff will be located at HQ Allied Commission, ROME, under command of G-5 AFHQ to maintain liaison with the Italian Government, and with ALCOM, mentioned in para 3 above (see AFHQ 21-1-44).

6. The functions presently performed by the following Sub-Commissions of Allied Commission will be transferred to the Sections of AFHQ shown below:

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Public Safety	-	G-5 Section
Public Relations	-	Public Relations AFHQ
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War Materials Disposal - (Captured Enemy Materials)	-	G-4 Section

and in respect of AMG territories only:

Education	-	G-5 Section
Public Health	-	D.M.S.
Local Government	-	G-5 Section
Public Works (after application of 3(a) and (b))	-	Chief Engineer
Legal	-	J.A.G.

4730 A small G-5 staff will be located at HQ Allied Commission, ROME, under command of G-5 AFHQ to maintain liaison with the Italian Government, and with ALCOM, mentioned in para 3 above (see Appendix "A"). The personnel for this staff will be found from personnel now serving with the Allied Commission.

8. Liaison Groups will be retained in BOLZANO and PIELONTE.

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25 March 1946

My dear Mr. Ambassador:

Reference is made to the agreement arrived at on the subject matter raised by TAM 719 dated 29 November 1945 upon the subject of the reorganization of Allied Commission.

With respect to the functions performed by Labor Sub-Commission, it was agreed that this Sub-Commission would be abolished as soon as AMG finished in the North and that any remaining functions would be performed by the respective Embassies.

Such functions would mainly consist of submitting advice to Allied Force Headquarters in connection with wages and working conditions of employees working for the Allied Forces and the handling of matters upon the subject between the Allied Forces and the Italian Government.

This will advise that Labour Sub-Commission closed from 1st March 1946.

Sincerely yours,

/s/ Ellery W. Stone

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ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

H.E. Sir Noel Charles, Bt., K.C.M.G.
The British Ambassador
The British Embassy
Rome

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102/c

25 March 1946

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Reference is made to the agreement arrived at on the subject matter raised by TAM 719 dated 29 November 1945 upon the subject of the reorganization of Allied Commission. 85

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Such functions would mainly consist of submitting advice to Allied Force Headquarters in connection with wages and working conditions of employees working for the Allied Forces and the handling of matters upon the subject between the Allied Forces and the Italian Government. 102/c

This will advise that Labour Sub-Commission closed from 1st March 1946.

Sincerely yours,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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The Honorable Alexander Kirk
The American Ambassador
Via Vittorio Veneto, 119
Rome

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cc file

24 March 1946.

Sent to: H.E. Sir Noel Charles, St., K.C.M.G. British Embassy.
Mr. David McK. Key, Charge d'Affaires a.i.
American Embassy,

I am sending you a copy of FAN 650 from *N/A*
the CCS together with G-5's AFHQ covering letter. *by Fats Clark*
I should be glad of an early discussion on this
matter and will ask you tomorrow, 25th March as
to what will be the most convenient time and
date.

(s) Maurice S. Lush

MAURICE S. LUSH
Brigadier
Executive Commissioner

102/ce.

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HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 394

24th March 1946

I am sending you a copy of FAN 650 from
letter
the CCS together with G-5's AFHQ covering ~~signal~~.

I should be glad of an early discussion on this
matter and will ask you tomorrow, 25th March as to
what will be the most convenient time and date.

Rush

ELERY W. STONE
Rear Admiral, USNR
Chief Commissioner

H. E. Sir Noel Charles, Bt., K.C.M.G.

Mr. Key.

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HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 394

21 March 1946

SUBJECT: Action required on AGOS G-5 letter of March 21.

1. Copies of letter and FAN 650 to be sent to Embassies.
2. Ex Officer A & B in concert with V.P.s & Director of Service and Commissions, Sub-Commissions to produce by 1800 hours on 25/3 the charts required in para 2 showing the existing organization of the Allied Commission (from the British point of view, this will be the W.E. accepted by AFHQ modified by reorganization of Economic Section). Service Sub-Commissions will be shown on separate charts.
3. Executive Officer A to consult with R.A.C. points raised in para 3 (administration of U.S. Personnel) and produce by 1800 hours 25/3 a plan- rough outline -of proposed reorganization.
4. V.P. Economic Section to study para 6 and produce by 1800 hours on 25/3 comment on the extent to which USRA has taken over and the reasons for the paper issued by Lt. Col. Tooby regarding rehabilitation to planning.
5. There is no need to consult either P.C. Udine nor All Corps.
6. Executive Commissioner will make an analysis of FAN 650 and discuss with V.P.s and Independent Sub-Commissions at 0900 hours on 26/3.
7. Chief Commissioner may wish to hold meeting with US/UK Ambassadors and his V.P.s after noon on 26/3.
8. Chief Commissioner will discuss with AGOS G-5 (Brig. Gen. Hamblen) on 27/3.

Copies of Covering letter and FAN 650

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Chief Commissioner
 Executive Commissioner
 U.S. Embassy
 U.K. Embassy
 V.P.s C.A.S.
 Econ Section V.P.
 Executive Officers (A)
 Executive Officers (B)
 Com Sub-Comm

Brigadier

Executive Commissioner

(107)

MAR 25 RECD

C.C.

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

SECRET.

Ref: 3756/131/52.

22 March 1946.

SUBJECT: Release of Long Distance
Telecommunication Facilities

TO: C-5, AMHQ.

1. In connection with the reorganization and changes of location of formations which are at present under consideration I wish to draw your attention to the telecommunication aspect of this matter.
2. It is considered desirable to ensure that all telecommunication facilities now utilized by the Allied Forces be released for civil use as soon as military necessity permits.
3. a) With the cessation of hostilities, the reduction in number of troops in the theatre and the increasing activity of Italian industry and commerce, it would appear that the time has arrived when the civilian need for improved telecommunication facilities should have preference over military convenience. Military necessity should remain, of course, the paramount consideration but the proportion of available long distance telecommunication facilities utilized by the Allied Forces is so high that it is the cause of serious representation on the part of the Italian Ministry of Posts and Telecommunications which feels that continued use of such a large number of circuits cannot be any longer justified by military necessity. Since inadequate telecommunication facilities constitute a serious impediment to economic recovery it would appear that consideration of the effect on civil facilities should be given considerable importance in any future moves of Allied military installations.

b) The question of release of facilities for civil use has been one of the main interests of this Commission which, through the Communications Sub-Commission, has kept in close touch with the Chief Signal Officer, AMHQ. The latter has always shown a keen appreciation of civilian needs and has cooperated closely in releasing circuits as soon as military necessity permitted. It is felt, however, that under present conditions except for few isolated cases, military necessity still requires the retention by the Allied Forces of the long distance circuits now employed.

4789 c) However, it was expected that, if the proposed move of AMHQ to a point north of the Apennines took place, a marked reduction would result in the number of circuits required for military use especially on the route ROMA - MILAN - GENOA - TRIESTE. The paucity of circuits available for civil use on this route is one of the chief obstacles to the restoration of

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HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

~~SECRET~~

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more normal civil telecommunication services and as this route is the only major link between north and south ITALY release of circuits is of paramount importance to restoration of Italian economy.

a) An analysis of circuit facilities between the cities mentioned in para 3 shows the following availability and utilization:

Route.	Total number of circuits.	In use by Army Military.	% of Total.	In use by Civil.	% of Total.	Shared by Civil and Military.
ROME - NAPLES (including circuits from CASSINO to North Italy)	55	50	72	18	22	5
ROME - MILAN	86	55	64	26	30	5
FLORENCE - BOLOGNA	70	41	59	25	36	4

c) Removal of AMHQ from the ROME area should result in a very big reduction in the circuits in military use and, if this expected reduction takes place in the next two months, the release of circuits would be in keeping with the capacity of the Italian civilian long distance tollboard and repeater facilities to absorb them.

d) It is now understood, however, that the proposed move of AMHQ and transfer of administration of British Forces in ITALY to HQA contemplates that Headquarters 3 District will remain in NAPLES. As it is understood that 3 District will be the major British administrative unit remaining in ITALY, it follows that their circuit requirements will remain very heavy and it is feared the number of circuits which will be released by the Allied Forces on the ROME - MILAN - BOLOGNA - FLORENCE route will fall far short of meeting the urgent needs of the Italian economy.

e) It is requested therefore that in determining the future location of formation HQs due consideration be given to the telecommunication aspect and to the extremely adverse effect on Italian civil telecommunication and hence on Italian economic recovery which will continue if a major Headquarters is retained in the ROME area and not located North of the Apennines.

For the Chief Commissioner:

M. J. Bayard
Executive Brigadier,
Commissioner.

Copy to: Comms. 3/1, 3/2.

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COMV.

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

G-5: 900.02

21 March 1946

SUBJECT: Reorganization of Civil Affairs Agencies.

TO : The Chief Commissioner,
Allied Commission,
APO 354.

1. Attached hereto are ten copies of PAR 650 replying to our REF 965. The organization required by the GCS directive will require careful coordination and thorough study. Will you therefore as a matter of urgency give the matter your attention with a view to my early discussion in Rome with the undersigned.

2. It is desired to hold the conversations beginning not later than Wednesday 27 March 1946 or sooner on notification by you. For these conversations it is necessary that there be available charts or diagrams showing in detail the present organizations of the commission down to individuals, with full information as to the duties of even the lowest suborganizations. Information will be required also showing the breakdown according to nationalities (Br. and U.S.).

3. In this connection instructions were issued to CG Rome Area Command some time ago looking toward a material reduction of U.S. personnel engaged in purely U.S. domestic administrative duties. It appears untenable that some hundred persons should be engaged in administering four hundred and fifty U.S. personnel including themselves. Will you therefore contact CG MAC with a view to having agreement as to reorganization on the U.S. side to materially reduce U.S. administrative overhead.

4. Whether you wish to consult XIII Corps Headquarters, and the Provincial Commissioner Udine prior to our conversations, I shall leave to you.

5. In your study of the problem you will assume that the instructions issued by the Combined Chiefs of Staff will not be questioned further; that a G-5 staff will be located in Rome and that the personnel and the functions it performs, will come from those now in the Allied Commission; that Udine AGO will function under XIII Corps Headquarters as indicated in paragraph 1 of PAR 650; that the functions

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now performed by the Commission for Udine and Venezia Giulia will be performed by the G-5 staff in Rome; and that the G-5 staff will be located in the same building with the Commission.

6. It is my opinion that UNRRA has now taken over all the functions in connection with the allocation and distribution of imported materials it ever will take over, and that these functions should be relinquished by the Commission. Advisory functions retained should be advisory in fact and not planning and executive as indicated in the paper of the Economic Section signed by Col. Tooby on 7 March 1946 and approved by the Executive Commissioner on 15 March 1946.

I agree

7. No further reorganization of the Commission or consolidation of Udine and Venezia Giulia AGO will take place without approval of ARHC.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

A. L. HAMLEN
Brigadier General, GSC,
Assistant Chief of Staff, G-5

Copy to:

- 1- CG RAC with copy of FAN 650
- 2- CG 2675th Regt. with copy of FAN 650
- 3- Headquarters XIII Corps with copy of FAN 650

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

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Q. M. C. Form 353 (Old No. 493)
Revised July 26, 1918

LIST OF PAPERS

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SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
4780				

INSTRUCTIONS.—When papers on a subject become numerous they will be numbered serially and brief entries made on this form.

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