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MINUTES OF ACTING P
NOV. 1944 - MAR. 1945

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MINUTES OF ACTING PRESIDENT'S CONFERENCE, 8-9 MARCH 45
NOV. 1944 - MAR. 1945

Chief Commission

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

Tel: 478201

Ref: 216/85/EC

15 March 1945.

SUBJECT: Minutes of Acting President's Conference, 8-9 Mar 45.

TO : Distribution below.

Reference Minutes of Acting President's Conference held on 8-9 Mar 45,
the following amendments will be made:

Para 4: delete in first paragraph last four words, i.e.
"absorbed into Allied Commission" and substitute therefor:

"returned to their organisations and subsequently employed
in military government duties when their services were
required and when they could be released".

Para 8: delete whole para and substitute therefor:

"Attachment of AMG Officers.

Colonel Piske, VP Establishment Section, stated that
the Commanding General PES had suggested that AMG officers
stationed at the Headquarters of Base Sections, Districts
and Areas might profitably be attached to the staffs of
these formations as G-5 Sections. AFHQ forwarded the
suggestion with the comments of G-4 Section. After
consideration the Commission replied to the effect that
attachment did not appear practicable but that the closest
possible cooperation with respective military formations
was enjoined upon all AMG personnel."

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Chief Staff Officer,
To Executive Commissioner.

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MINUTES OF

ACTING PRESIDENT'S CONFERENCE

held on 8-9 March 1945.

The Executive Commissioner presided.

PART I

1. Acting President's Opening Address.

The Right Hon. Mr. Harold Macmillan opened the meeting by welcoming all those present and expressed his regret at the absence of the Chief Commissioner owing to illness.

He said that the New Deal for Italy was not a new policy but merely a development of the policy which had been followed since the moment the Armistice was signed. Briefly this policy was to foster the development of Italian responsibility until the Italian Government was able fully to take over the government of the country itself. Recent developments were merely a logical conclusion to the policy adopted and followed since those early days.

Mr. Macmillan said that it was clear to him that there could be no possible distinction between the work of the AG and the AGC. There were differences in their functions but their work must be treated as a whole in order to make for effective planning and in order to obtain continuity from the first impact of the AG until the final taking over of the territory by the Italian Government. The functions of the AG were three-fold. Firstly, to take from the military the burden of civil administration; secondly, to assist so far as possible in the rehabilitation of the country and the suffering of the civilian population; and thirdly, to prepare the ground for the transfer of that territory to the Italian Government and the teaching of the Italians to take over this work themselves. These were very heavy tasks and he had every sympathy with those in the Regions who had to undertake them.

The Acting President then expressed his appreciation to those who had been working for the past months in Italian Government Territory. There had been a difficult and delicate task, handling over the government to the Italians and at the same time well knowing that they could do the job much better themselves.

He then referred to those officers who had had the rather tiresome task of waiting to go into the Northern Regions. They had been engaged either in planning or on attachment to Regions already in operation. This delay in going forward was regrettable and entirely due to operations.

Mr. Macmillan went on to say that it was fashionable to believe that there was going to be a great deal of political trouble and even

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Mr. Macmillan said that it was clear to him that there could be no possible distinction between the work of IAC and AO. There were differences in their functions but their work must be treated as a whole in order to make for effective planning and in order to obtain continuity from the first impact of IAC until the final taking over of the territory by the Italian Government. The functions of IAC were three-fold. Firstly, to take from the military the burden of civil administration; secondly, to assist so far as possible in the rehabilitation of the country and the suffering of the civilian population; and thirdly, to prepare the ground for the transfer of that territory to the Italian Government and the teaching of the Italians to take over this work themselves. These were very heavy tasks and he had every sympathy with those in the Regions who had to undertake them.

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Mr. Macmillan went on to say that it was fashionable to believe that there was going to be a great deal of political trouble and even revolution in the North. However, he was of the opinion that we should find a great deal of invigorating and beneficial aspects of Italian life in that territory and that the people would be more active and powerful than any we had yet come across in Italy.

He stressed the importance of the great need for coordination between Regions, between Regions and HQ, and between Sections and Sub-Commissions. He was confident that the questions we had been studying would be successfully overcome and we could have confidence in the knowledge that we have so many officers going into the Northern Regions with experience in dealing with similar problems. Moreover, it was more than likely that the conditions of a slow retreat would not necessarily come about and that the destruction of the Italian

production potential would not be so serious as hitherto. He said that he thought that we should find better conditions than was at one time thought possible.

2. Withdrawal of officers from Italian Government Territory.

Brigadier M.S. Lush, Executive Commissioner, said that the Chief Commissioner had asked him to express his sincere regrets at being unable to attend the meeting and to extend to those present his gratitude for the abundant help and assistance given to him during the nine months he had been the Chief Commissioner. He also wished to extend a welcome to those who were present at a Regional Commissioners' Conference for the first time.

The Executive Commissioner then turned to the problem of the withdrawal of AC officers from Italian Government territory which was in implementation of the directive recently received from the Combined Chiefs of Staff. He said that there were two points which the Chief Commissioner wished to emphasize. One was that if we were to carry out the policy of the directive, it should be implemented to the maximum, and particularly the withdrawal of officers. Orders had therefore been issued that, subject to the approval of AFHQ, the withdrawal of officers would be carried out by 1 April to the maximum possible number. Unfortunately a cable had just been received from AFHQ saying that no withdrawal was to take place until the Staff Sections at AFHQ had considered the effect of the withdrawal on the military services.

The Executive Commissioner then went on to refer to a directive on the subject issued that day by HQ A.C. The Chief Commissioner wished it to be stressed that the total withdrawal of officers from Italian Government territory was a policy which he intended to fulfill so far as AFHQ would allow.

Executive Commissioner next referred to that part of the directive which related to the consultation by AC officers with Italian authorities. He said that such consultation would be restricted to discussions at a high level and Heads of Sections and Sub-Commissions should strictly adhere to this policy. Contact with the Italian Government should be preserved but only at the highest level.

Referring to the question of the distribution of AC officers, the Executive Commissioner said that he would only deal with this matter briefly as VR Establishment Section would go into it in detail later. He said that the distribution of officers had been studied at great length, that emphasis had been given to the number required for Northern Regions not yet occupied, second priority being given to the Regions now under AFHQ. It was necessary also to find over 200 officers for AUSTRIA.

He stated that the policy for the North would be for a close follow-up of the Army spearheads by Provincial teams. It had been accepted by everyone concerned that the principle of a close and rapid follow-up of the Army ACs by provincial teams was the most efficient form of effecting the initial act of military government. A great deal of planning had been done for NW and NE Italy and, as had already been pointed out by the Acting President, it was probable that we should find

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He said that a forward static HQ of Allied Commission was not contemplated. He stressed the importance of coordination between Northern Regions themselves and between the Regions and HQ A.C. who must be kept fully informed. All Sub-Commission officers going to Regions would come under Regional control and Heads of Sub-Commissions should remember this when sending officers forward.

Finally, the Executive Commissioner said that the policy of AFHQ in NW Italy where the military problem might not be so important, was to give priority to the civil needs. In NE Italy, if military operations had to be undertaken, the civil requirements would of necessity have to take second priority.

3. Statement on Political Situation.

Mr. H. Hopkinson said that the British Prime Minister in his speech of 18 January 1945 foreshadowed an unhappy state of affairs when - probably at a time when the Northern Regions would be stripped bare of food by the retreating Germans - these elements would be thrown upon the "fragile structure of the Italian Government in Rome with consequences which could not be accurately foreseen and certainly not measured".

The experience of GREECE showed that the existence of organized groups of politically conscious patriots was a factor with which to reckon seriously. He suggested that during the last year forces had been coordinated in the North of Italy which after liberation would present a problem different from any which the Allied Commission had handled in the past in connection with patriots.

Intelligence reports from the North show that the various Committees of National Liberation and the military commands operating under the orders of the Committees had learnt a good deal about the art of government in the year-long struggle against the Fascist and the Germans. In many districts "shadow" Governments had been set up and the various portfolios had been distributed amongst the leaders of the different parties. In most cases the Committees represent the six parties which, up till last December, were represented in the Government in Rome. In some of the Committees however the Action party was not represented and in others the Republican party formed part of the Committee. On the whole it seemed that for the time being there was a remarkable degree of unity of purpose in the Committees and party differences had been sunk in the common desire to chase the Germans from Italy and punish their Fascist collaborators. These Committees were assisted in their operations by the Allied authorities and the giving of such assistance had necessarily implied recognition of the value of those operations. Arrangements had been made between the Supreme Allied Commander and the CLNAI defining the extent to which the Allied military authorities were prepared to recognise the Committees.

Under these arrangements when the enemy withdraw from territory occupied by them the CLNAI would endeavour to maintain law and order and to continue the safeguarding of the economic resources of the country until such time as Allied Military Government was established. Immediately upon the establishment of Allied Military Government, the CLNAI would recognise Allied Military Government and would hand over to that Government all authority and powers of local government and administration previously assumed. As the enemy withdrew all components of the General Command of the Volunteers of Liberty in liberated territory would come under the direct command of the Commander-in-Chief, 15th Army Group, acting under the authority of the Supreme Allied Commander and would obey any order issued by him or by Allied Military Government

speech of 18 January 1949, reiterated that the Northern Regions would be stripped when - probably at a time when the retreating Germans - these elements would be bare of food by the retreating Germans - these elements would be thrown upon the "fragile structure of the Italian Government in ROME with consequences which could not be accurately foreseen and certainly not measured".

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Under these arrangements when the enemy withdraw from territory occupied by them the C.N.L.I. would endeavour to maintain law and order and to continue the safeguarding of the economic resources of the country until such time as Allied Military Government was established. Immediately upon the establishment of Allied Military Government, the C.N.L.I. would recognise Allied Military Government and would hand over to that Government all authority and powers of local government and administration previously assumed. As the enemy withdrew all components of the General Command of the Volunteers of Liberty in liberated territory would come under the direct command of the Commander-in-Chief, 15th Army Group, acting under the authority of the Supreme Allied Commander and would obey any order issued by him or by Allied Military Government issued on his behalf, including orders to disarm and surrender their arms when required to do so.

The attitude of the Allied military authorities was therefore made quite clear. But there were other considerations which should be borne in mind when we came to implement the policy indicated in the above arrangements. It was in the interest of the Allies that there should be stable Government in Italy and it was our policy to strengthen the legitimate Italian Government in every way possible and to prevent developments which would result in political disturbances throughout the country. The Italian Government in ROME, which it was our policy to support, might not have the entire confidence of the Committees of

ACTION

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Liberation in the North, or at any rate their influence there was subject to fluctuation. To begin with, the traditional scorn of the North Italian for the Southerner. There was the feeling that the population in the North had contributed more generously to the defeat of the Germans than the South had been able to do and had suffered far more heavily at their hands. There was criticism of the slow progress made by the Benoni Government in the reconstruction of the country, in the solution of the pressing economic problems of food supply and inflation and above all in the punishment of former Fascists. The Italian Government was well aware of this antipathy and in an agreement signed at the time the arrangements previously mentioned were made, they go much further than the Supreme Allied Commander in recognizing the CLN as their representatives in the struggle in the North. They have succeeded by this agreement in exacting a certain measure of recognition of their own legality by the Committees in the North but the possibility cannot be overlooked that the Committees of Liberation or the component political parties would not abide by this agreement if circumstances seemed favourable for a political upheaval, which would either bring the Committees out as the Government of Italy or would wrest from the Government in Rome a measure of autonomy which might be in effect complete independence from Rome. The Italian Government was therefore anxious to establish as much contact as possible with the Committees in the North in order to be able to explain to them what was being accomplished in liberated Italy and what the Government proposed to do in the North when the Germans have been driven out. The Allied Governments were generally in favour of the establishment of such contacts and hoped that after liberation the Rome Government would be able to absorb representatives from the North and thereby become representative and therefore stronger.

The problem facing the Allied Commission therefore was as follows: we must endeavour on the liberation of the North to reconcile the needs of Military Government with the aspirations of the political leaders of the Committees of Liberation to self-government. At the same time, we must bolster the authority of the Italian Government in Rome in order that it may be able to administer the Northern territories once Allied Military Government was withdrawn. The solution of this problem might well be found to lie in the absorption at a very early date of members of the local Committees of National Liberation into the civil administration operating under Allied Military Government. If Regional Commissioners arrived in the North and bluntly informed the Committees of National Liberation that their task was accomplished and that they might now disperse and if, after that, Prefects, Sindaci and other administrative officers were imported from the South or even from other localities in the North, the disappointment, the antagonism even, of the Committees of Liberation would be great. The danger of setting up local administrations composed of Italians who would not be acceptable to the patriot organisations who had been struggling against the Germans for so long could not be over emphasized. It was not implied that every local Committee of National Liberation should automatically be confirmed as the local administration, but it was urged that Regional Commissioners should, wherever possible, decide to make appointments in favour of the members of the Committees rather than in favour of strangers from other parts of Italy. If the local Committees of Liberation were installed at once as the local administration, many of the problems of

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Col. Polletti, P.O. 10270-UNTRI, Region, considered that mer-

The Executive Commissioner said that in making the initial

4. Personnel and Transport.

Personnel.

The Deputy Executive Commissioner, Col. Fiske, referred to

The Deputy Executive Commissioner stated that our W.D. transport

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Minister which suggested an opposite view to the account given by Mr. Hopkinson. The letter suggested that certain named Prefects be put forward for appointment in the North. He thought this was a dangerous policy.

Col. Poletti, R.C. Lazio-Umbria Region, considered that men coming up to fill appointments in the North would cause resentment and trouble in the local administrations. AMG must be absolutely free to decide appointments on the spot. Brig. Dunlop, R.C. Southern Region, said Bonomi wanted to appoint career men as Prefects. The CLN should be asked for names.

The Executive Commissioner said that in making the initial appointments in AMG territory AMG officers should be bound by the policy enunciated by Mr. Hopkinson: the decision of the Italian Government to send to the North men of administrative experience and known to the Government, was natural and we could and probably would fall back on some of the men so selected. But we could not accept the principle of naming the Prefects before liberation. He also emphasized the necessity of Army AMGs consulting Provincial and Regional Commissioners when making appointments in local government.

4. Personnel and Transport.

Personnel.

The Deputy Executive Commissioner, Col. Fiske, referred to memorandum, 7002/98/EC of 7 March, which was issued to the meeting. We now had approximately 900 British and 700 American officers which included 200 British officers for AUSTRIA. It was recently decided that Allied Commission would furnish 168 American officers for the same purpose. As a result American officers had been reduced to 532. Taking the foregoing figures as a basis, an allocation of officers in Regions had been drawn up. We should have the services of the officers earmarked for AUSTRIA until such time as they were needed. We would get approximately 60 additional American officers from combat and military formations and these officers were being trained and made available for military government. A training school would commence next week, taking 25 officers at a time and on completion of their training all these officers would be ~~the same as the 168 American officers~~ *employed in military govt duties when this services were required and when Transport. they could be released.*

The Deputy Executive Commissioner stated that our W.D. transport was below establishment. Our T/O had been increased by 750 but this meant increasing the number of requisitioned vehicles and we were endeavouring to obtain restoration of authority for hiring which would be a satisfactory solution to the problem. Vehicles from the South were being serviced and re-allocated to Northern Regions according to their needs.

Brig. Graftey-Smith, Chief Financial Adviser, said there was no financial obstacle to the Commission hiring vehicles.

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ACTIONEstab
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The Executive Commissioner summing up stated that if officers for AUSTRIA had to be released before we went into the North officers for the central Regions would be found from Sections and Sub-Commissions at HQ. A further pruning of HQ was necessary. As to the transport problem, we were endeavouring to obtain renewal of powers of requisitioning if only for an initial period of 60 to 90 days.

PART IIRegions5. (a) Assignment of Officers.

Col. Bowman, R.C. EMILIA Region, and Regional Commissioners of Northern Regions raised points concerning assignment of officers. After some discussion Executive Commissioner said that a period would be set aside later for a discussion between Regional Commissioners, SCMO's and Establishment Section to discuss in detail.

(b) Policy on Implementation of Italian Government's Decrees in N. Italy.

R.C. EMILIA Region, raised the question of the implementation of Italian Government decrees in AMG territory. Executive Commissioner stated that Heads of Sections advised the Chief Commissioner as to whether decrees should apply to AMG territory or not; this was a policy decision made by HQ.

VP Civil Affairs Section pointed out there was nothing automatic about implementation of this policy with respect to any particular decree. It was not feasible to have a decree implemented in one Region and not in another. If there was doubt about any decree, it need not be implemented until after consultation. The procedure for implementing decrees in FIFTH and EIGHTH Army was compared and it was agreed that the method adopted by FIFTH Army was preferable and would be adopted by EIGHTH Army.

C.A. Sec
AMG Eighth
Army(c) Disposition of Truck Pools.

Brig. Dunlop, R.C. SOUTHERN Region, stated there were 366 trucks in the South organised into four transport pools under Allied officers and asked that these trucks be transferred to the Italians as soon as possible. Executive Commissioner said that everything possible would be done to obtain a decision on this from AMHQ before 1 April 1945.

Econ Sec
Tn S/C(d) Turnover of Food Distribution to Italian Agencies.

Col. Kirkwood, R.C. TOSCANA Region, referred to the intention to hand over food warehouses to Italian control. He did not like accepting responsibility for food distribution in his Region under these conditions. He considered this should not be put into effect until the Italians had had proper instruction in our methods. Food Sub-Commission, Transportation Sub-Commission and the Regions were all concerned in such a hand-over.

Regions5. (a) Assignment of Officers.

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Tr S/C

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Econ Sec
Tr S/C
Food S/C
All RC's

Executive Commissioner said that before action was taken a survey should be made by the Regions. He warned Regions that in any question of handing over it was the responsibility of the R.C. to ensure that proper distribution of food etc would be carried out. On the other hand R.C. must be fully consulted by HQ A.C. before any handover arrangements were made by it.

ACTION(c) Pay of State and Permitted Employees

Col. Prandi, R.C. AHEUZZI-MERCE Region, stated that the salaries of State employees were not sufficient for existence. He cited several examples of the difference between salaries and cost of living which left the worker heavily in debt. In AIG territory State employees did not get the bonuses which were allowed in AO territory. Many deputations had asked for help. He asked if it was not possible to raise salaries in AIG territory.

Mr. Braine, Labour Sub-Commission, said that the Government had recently concluded an agreement providing for substantial increases for State employees, which would apply throughout the country, including the North after liberation. The new agreement would compensate the bonuses and indemnities hitherto granted for special reasons and in certain localities.

(f) Allowances and rations for civil and employees

The question of inadequate allowances and rations for civilians, both drivers away from HQ overnight, and clerks who lived away from their homes, was raised.

VP Establishment Section referred to AMI Routine Order 252 of 1944 and read this to the meeting. A recommendation had been made that all civilians be placed on the same basis. Allowances of 135 - 250 lire per day, based on wage rates, had been proposed.

(g) Transport for Civil Supply

R.C. TOSCANNA Region, said that when Armies went forward they took General Transport Coys with them and Regions were left with insufficient transport. Transportation Sub-Commission said it was now arranged that ENLC would take over. Executive Commissioner directed R.C. Toscana Region to put up a case, setting out deficiencies in vehicles and rate on which they were required to be made up. It was appreciated that some Regions had a greater deficiency of transport than others.

(h) Translators

It was agreed that the present system regarding translation of documents should continue.

(i) Provision of Supplies for Regions

R.C. TOSCANNA Region alleged there was lack of coordination between Sub-Commissions and cited the instances of sulphur and copper sulphate. The transaction involved Industry, Transportation and Agriculture Sub-Commissions. Executive Commissioner stated that overall responsibility in a case of this sort was HQ Economic Section and R.C. should apply to the Section whose duty it was to coordinate.

(j) Titles of Regional and Provincial Commissioners

R.C. TOSCANNA Region put forward the suggestion that Regional

Econ Sec
Labour S/C
All RC's

All Regs.
Estab Sec
HQ Comdt
AO.

Toscana
Reg.
Tn S/C

Toscana Reg -
Food Sec
Industry S/C
Tn S/C
Agric S/C

Econ Sec
Labour S/C
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Toscana
Reg.
Tn S/C

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It was agreed that the present system regarding translation of documents should continue.

(i) Provision of Supplies for Regions.

R.C. TOSCANA Region alleged there was lack of coordination between Sub-Commissions and cited the instances of sulphur and copper sulphate. The transaction involved Industry, Transportation and Agriculture Sub-Commissions. Executive Commissioner stated that overall responsibility in a case of this sort was HQ Economic Section and R.C. should apply to the Section whose duty it was to coordinate.

Toscana Reg -
Econ Sec
Industry s/o
Tn S/C
Agric S/C

(j) Titles of Regional and Provincial Commissioners.

R.C. TOSCANA Region put forward the suggestion that Regional Commissioners and Provincial Commissioners be designated Regional and Provincial Governors. R.C. LAZIO-UMERIA Region considered it was too late to make an alteration but suggested that the Executive Officer should be called Deputy Regional Commissioner.

Office of
E.C.

It was agreed that the use of "Governor" was not desirable but Executive Commissioner would submit suggestion of LAZIO-UMERIA Region to the Chief Commissioner.

3

PART III

HQ AC Sections

ACTION.

6. (a) Economic Section.

(i) 300 gram ration and price of bread and pasta.

Col. Legg, Food Sub-Commission, reported that an Administrative Memorandum had been prepared setting out the basic formula on which the economic price of bread had been established. The 300 gram ration became effective throughout all Italian Government territory on 1 March and in AMG territory on 12 March. It comprised 200 grams bread and 80 grams pasta per dem issued weekly or bi-monthly. All cereals to be milled for human consumption would be controlled by the Consorzio Agrario through the medium of the local Consorzio. All expenses relative to the milling, transportation etc. of the grain would be borne by the Consorzio. The price for milling had been established at between 60-70 lire per quintal. The price of flour ex-mill 1396.50 lire per quintal. In AMG territory the Provincial Commissioner would approve the price of bread as submitted to him by the Consorzio. The Administrative Memorandum referred to would be sent out that day.

Econ Sec
Food S/C

It was stated that the price would vary with local economic conditions, in LEGGE the economic price found its level at 15.5 lire per kilo, BARI 16.5, NAPLES 17.00. There would be price fixing committees in Provinces which would arrive at the cost of transport etc.

Chief Financial Adviser asked Regional Commissioners if the Government bonus of about 95 lire was sufficient to fix the cost at 16 lire per kilo. He thought the price would go up to 18.00. Brig. Dunlop said it would take some little time before they could work out the costs.

Col. Legg said that the 'impact' ration in Northern Provinces would depend on the transportation available to move forward the stockpiles. It was hoped to establish an 'impact' ration of 100 grams from imported supplies plus whatever supplies were found on the ground, and to establish a 200 gram ration in LIGURIA. Also to strike a medium between the lowest and highest price of bread not higher than 18. Regional Commissioners should establish a price for bread immediately on entering the North and for their guidance further study would be given to the subject.

Col. Legg said that the reaction of the population to an immediate rise in price, even to 16 lire per kilo would be severe. A/VP Economic Section asked if we could subsidise the price from AMG funds. Chief Financial Adviser said he was very much against this. Col. Legg said that the 'impact' ration would be made from imported white flour whereas the local flour was of very poor quality and this might help

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Econ Sec
Food S/C

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(41) Granni del Popolo for 1945.

Director, Agriculture Sub-Commission, said the Italian Government was still considering two plans for 1945 collection.

ACTION.

- 9 -

The first was for full amassing as for last year. The alternative was partial amassing which would consist of setting an amassing figure of so many quintals per hectare according to the Province.

After views had been expressed by Regional Commissioners the Executive Commissioner announced that this would be discussed at the Economic Section meeting. See 6(a)(i) above.

(iii) Inter-provincial movement of foodstuffs.

Col. Legg, Food Sub-Commission, said this question was raised because in recent months there has been a growing tendency for some Provinces to export foodstuffs to other areas on a barter basis. The practice was contrary to established policy for inter-provincial movement of goods and adversely affected urban and populous centres. It was harmful to the national economy and should be abolished. A new directive on inter-regional trade had been prepared and would be issued forthwith.

All Regions

Executive Commissioner said the intention was to raise provincial availabilities to a regional level and from a regional to a national level and Regional Commissioners must work to this end.

(iv) Derequisitioning procedure of industrial plants and prevention of their requisitioning.

Lt.Col. Maskrey, ~~Director~~ Industry Sub-Commission, spoke of the heavy requisitioning of industrial plants by the military authorities. It was not coordinated and whilst it was appreciated that billets etc. were necessary much wastage occurred. AFHQ had just issued an Admin Memo on the subject. Requisitioning of this kind would be investigated on the spot by AG/AMG and the military authorities and if no agreement could be reached the matter would be referred to the Industrial Coordination Committee.

AMG 5 and
8 Armies
All Regions
Econ Sec
Industry
S/C

Executive Commissioner said AFHQ recognised priority of civil needs in certain circumstances but cases submitted by Regional Commissioners for consideration must be properly and fully presented. AMG Armies should keep Regional Commissioners and HQ IC informed of any negotiation in this respect.

Lt.Col. Maskrey undertook to send to AMG Armies a list of important industrial premises in the North classified in order of priority.

(v) Payment for goods and services requisitioned by Allied Forces including AG/AMG.

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(v) Payment for goods and services requisitioned by Allied Forces including AC/AMG.

Brig. Graftey-Smith referred to two orders issued by AFHQ, neither of which had proved clear or effective. A large number of unpaid requisitions had accumulated, particularly on the American side, although a recent order issued by AFHQ allowed for a much more liberal policy of payment. AFHQ proposed that the Army should continue to pay for what it wished to be maintained in continuous production and that AMG should pay, out of its own funds, for requisitions required to maintain local economy.

3

ACTION.

Col. Poletti asked what was the position regarding the requisitioning of living premises as hardship was being caused by non-payment. Word would be passed round in the North that the Allies were not paying for requisitions and we should probably find it difficult to satisfy our requirements.

Econ Sec
Finance S/C

Executive Commissioner ruled that Economic Section would consider the matter and submit a letter to AFHQ for the Chief Commissioner's signature.

(vi) Taxation and financial stabilization plans of the Italian Government.

Commander Lawler said there were 12 points on which the Italian Government was working in an effort to stabilize the financial position of the country. He explained each point at length and stated that in addition the Italian Government was taking certain other steps to stabilize its financial position, including two bond issues. The Government had appointed a Commission to consider the subject and it was hoped that within a few weeks sufficient progress would be made for the Government to formulate its ideas.

All
Regions

Executive Commissioner said Regional Commissioners must watch carefully the local interpretations of the measures when enacted.

(vii) Method of bidding for Schooner Traffic.

Col. Thomas, Transportation-Sub-Commission, said that a draft memorandum on this subject was now in preparation in conjunction with AFHQ and MEDCO, and it was hoped that it would be ready for issue this week.

All
Regions
Econ Sec
Tr S/C

Replying to a question, Col. Thomas said that he did not think there would be any increase in tonnage but it would ensure that the right tonnage was carried in the schooners.

After he had explained briefly the procedure Executive Commissioner commented that the chief fault in the past had been that there was insufficient elasticity.

Brig. Dunlop made the point that a number of schooners had probably been driven northwards and he might want to use them quickly when we arrived there. He instanced the delays and disappointments occasioned by schooner control in the past. It was thought that some interim expedient could be adopted in the early stages.

Executive Commissioner stated that the whole question of schooner traffic would be taken up with A-in-C Med.

(viii) Definition of the term "Schooner"

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Executive Commissioner stated that the whole question of schooner traffic would be taken up with G-in-C Med.

(viii) Definition of the tasks of the Regional Food Officer.

Col. Legg, Food Sub-Commission, said the Regional Food Officer had often been made responsible to the Regional Commissioner for the whole of Economics and Supply of a Region and it was considered that the responsibilities of Economics and Supply should be divided between the various specialist officers of the Region. The food problem in the North would be of such proportions that the undivided attention of the Regional Food Officer would be required.

ACTION.

All Regions
Econ Sec
Food S/C

- 11 -

Regional Commissioners were of opinion that the Regional Food Officer was over-burdened but it was agreed that economic activities must be coordinated in Regions by one officer.

Executive Commissioner ruled that Regional economic activities would be coordinated by an officer, preferably other than the Regional Food Officer, appointed by the Regional Commissioner. The Regional Executive Officer was considered to be most suitable for the purpose.

(12) Labour Policy in AMG Territory.

Mr. Braine, Director, Labour Sub-Commission stated that the labour policy in AMG territory was to ensure that re-adjustment of wages and working conditions was carried out in an orderly manner to avoid industrial unrest, to ensure proper employment on work of reconstruction in industry, essential services and relief schemes, and to coordinate in the administration of public assistance and welfare. In the solution of labour problems in ITALY Labour Offices were used to a considerable extent and the Employers Associations had agreed with the Italian Government and Allied Commission to cooperate in their operation. Positive action would have to be taken to avoid industrial unrest in the North and to see that negotiations were commenced in an orderly fashion. AMG should encourage representatives from CGIL, Workers Associations and Employers Associations.

Piemonte,
Liguria,
Lombardia,
Venezia,
Regions.
Econ Sec
Legal S/C
Labour S/C

It was thought that for some time after liberation there would be a sufficient margin to provide for an upward trend of wages to meet rising prices and yet keep within the limits existing here. The policy of workers organisations and CGIL was to provide a new basic wage structure with local and independent variations according to length of service, proficiency, etc., coupled with sliding scale cost of living bonuses. When that was worked out the problem of individual bonuses and indemnities would disappear.

Employees of the Armed Forces would come under the Army rules and conditions, whose policy was to set up a wage scale a little in advance of wages paid in private industry.

Executive Commissioner said it was essential to have coordination between Regional Commissioners in the North on labour matters. On the question of implementation of decrees he directed that Labour and Legal Sub-Commissions should consult together.

The Meeting adjourned at 1800 hrs until the following day.

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The Meeting adjourned at 1800 hrs until the following day.

The Meeting resumed at 0900 hrs, 9 March 1945.

Withdrawal from the South.

Before proceeding with the Agenda the Executive Commissioner said he wished to emphasize that it was hoped to withdraw all but a few technical officers from the South by 1 April. Regional Commissioners were to plan but must not take other action until permission of AMHQ had been received.

Piemonte,
Liguria,
Lombardia,
Venezia,
Regions.
S-on Sec
Legal S/C
Labour S/C

ACTION.

Regional Commissioners expressed their anxiety should there be any postponement of the date, fearing the reaction on public opinion.

Olive Oil - Amassing

It was stated that 32,000 tons had been collected to date with an average rate of collection of 3,000 tons weekly. Compared with the 50,000 tons aimed at, returns were therefore slow.

Est Sec
Econ Sec
Agric S/C

Executive Commissioner said it was not proposed to jeopardise the feeding of the country by prematurely ending the amassing campaign and AG officers engaged in this work would not be withdrawn from the South before 1 April, unless operations demanded earlier withdrawal.

6. (b) Civil Affairs Section.

(i) Holding of local elections in AMG territory.

Brig. Upjohn, VP Civil Affairs Section, stated that Combined Chiefs of Staff had directed that holding of local elections be encouraged in territory returned to the Italian Government. Was it desirable to implement the decree in AMG territory and hold local elections there? Some considerations to be borne in mind were the possibilities of strife and disorder, difficulties of transportation to the polling stations, etc. He considered that it would be desirable to hold elections in AMG (not Army) territory as it would increase the prestige of Allied Commission and might be invaluable in the post-war North to announce that elections would be held.

CA Sec
Local
Govt S/C

Deputy Director, Local Government Sub-Commission, then explained the system of Italian local government, the procedures for compiling electoral lists, and the holding of elections, from which it appeared that by law it would be at least four months after implementation before elections could be held.

It was agreed therefore that the work of compiling electoral lists could be put in hand as soon after occupation as convenient and that the holding of elections would be considered at a later date.

(11) Relationship of Displaced Persons & Repatriation Sub-Commission to Regions.

The consensus of opinion was that the Sub-Commission staff in the field should be responsible to the Regional Commissioner in whose area they were working, thus bringing the Sub-Commission on to the same basis as other Sub-Commissions.

CA Sec
D P &
R S/C

Executive Commissioner ruled that this change

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CA Sec
DP &
R S/C

Executive Commissioner ruled that this change would be gradual but would be completed by the time the North was occupied.

ACTION.

- 13 -

(c) Public Relations Branch.

Development of AC Public Relations in the Field.

PRO said that most criticism arose from lack of proper understanding and appreciation of the Commission's functions. This could be countered by furnishing positive information, but Public Relations staff was limited and he had to rely on reports from Regional Commissioners for facts.

Executive Commissioner stressed the news value, from the Commission's point of view, of those areas which had been liberated for some time where the results of rehabilitation work could be observed.

PR Branch

Arising out of this there was discussion on the activities of FWB. It was felt that Regional Commissioners should know what policy and propaganda was being put out in their Regions.

The Acting President, summarising, said that when the Armies were moving forward FWB was paramount in its own sphere but in the event of a surrender or collapse in the North it should cease its activities or they should be transferred to AC guidance. He directed that the PRO should work out a standing arrangement with FWB which could be referred to AFHQ.

7. Monthly Reports.

Executive Commissioner said that abridged monthly reports of Regions and Sub-Commissions were not of a very high standard. It was required to give a concise general picture of the work and achievements of AC over a period of one month for LONDON and WASHINGTON.

AMG 5 &
8 Army
All
Regions
All Secs
All S/Os

Full length reports should not be more than ten pages in length.

8. Attachment of AMG Officers.

Col. Wiske, VP Establishment Section, stated that an application had been received from AFHQ that AMG officers stationed in Base Sections should be attached to G-5 Section. A reply had been sent that AMG officers would remain under the control of Allied Commission and would not come under AFHQ.

9. Appreciation.

At the close of the meeting the Chief Commissioner, through the Executive Commissioner, conveyed his special appreciation of the good work carried out by the Regional Commissioners and their Staffs with special reference to Southern Region, Sicily and Sardinia who were about to close.

351

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Office of the Executive Commissioner.

HEADQUARTERS ALLIED COMMISSION

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ACTING PRESIDENT'S CONFERENCE - 8 MARCH 1945PART I

1. Opening Address by the Acting President.
2. "New Deal for Italy". Address by Chief Commissioner.
3. Withdrawal from the South. Executive Commissioner.
4. Statement on Personnel and Transport. Deputy Executive Commissioner.

PART IIRegions

5. (a) Assignment of Officers. (EMILIA and other Northern Regions).
- (b) Policy on Implementation of Italian Government's Decrees in N. ITALY. (EMILIA Region).
- (c) Disposition of Truck Pools. (SOUTHERN Region).
- (d) Turnover of Food Distribution to Italian Agencies. (TOSCANA Region).
- (e) Pay of Statal and Parastatal Employees. (ABRUZZI MARCHE Region).

PART IIIHQ AC Sections6. (a) Economic Section.

- i. Grandi del Popolo for 1945.
- ii. 300 gram ration and price of bread and pasta.
- iii. Inter-provincial movement of foodstuffs.
- iv. Derequisitioning procedure of industrial plants and prevention of their requisitioning.
- v. Payment for goods and services requisitioned by Allied Forces including AC/AMG.
- vi. Taxation and financial stabilisation plans of the Italian Government.

Chief Commr

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3. Withdrawal from the South. Executive Commissioner.
4. Statement on Personnel and Transport. Deputy Executive Commissioner.

PART II

Regions

5. (a) Assignment of Officers. (EMILIA and other Northern Regions).
- (b) Policy on Implementation of Italian Government's Decrees in E. ITALY. (EMILIA Region).
- (c) Disposition of Truck Pools. (SOUTHERN Region).
- (d) Turnover of Food Distribution to Italian Agencies. (TOSCANA Region).
- (e) Pay of Statal and Parastatal Employees. (ABRUZZI MARCHE Region).

PART III

HQ AC Sections

6. (a) Economic Section.

- i. Granai del Popolo for 1945.
- ii. 300 granaration and prices of bread and pasta.
- iii. Inter-provincial movement of foodstuffs.
- iv. Derequisitioning procedure of industrial plants and prevention of their requisitioning.
- v. Payment for goods and services requisitioned by Allied Forces including AO/AMG.
- vi. Taxation and financial stabilisation plans of the Italian Government.
- vii. Method of bidding for schooner movement.
- viii. Definition of the tasks of the Regional Food Officer.
- ix. Labour policy in AMG territory.

- 2 -

6. (b) Civil Affairs Section.

- i. Holding of local elections in AMG territory.
- ii. Transfer of further territory to the Italian Government.
- iii. Relationship of Displaced Persons & Repatriation Sub-Commission to Regions.

7. (c) Public Relations Branch.

1. Development of AC Public Relations in the field.
7. Any other business.

7 March 1945.

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

26 February 1945.

Ref: 246/45/BC.

SUBJECT: Acting President's Conference.

TO : Distribution Below.

1. The Acting President will hold a conference to discuss matters pertaining to the Allied Commission on 3 March 1945 at 1000 hours in the Main Conference Hall, Headquarters Building, Rome.

2. The following will be present:

- Chief Commissioner.
- Executive Commissioner and his Chief Staff Officer
- Vice Presidents and their Chief Staff Officers
- Directors of Sub-Commissions and their Deputies
- DOCAO
- Regional Commissioners and their Executive Officers
- SCAO's Armies
- Russian and French Representatives of the Allied Commission.

3. It is essential that numbers of officers attending should be restricted and only those enumerated above will attend. The Press will not be present.

4. The object of the conference will be to discuss the present and the future, and not to record the activities of the Commission in the past.

5. The meeting will be divided into three parts:

Part I. Opening address by the Acting President, followed by the Chief Commissioner, on the subject of the New Deal for Italy.

Part II. Discussion of problems that Regional Commissioners would like to raise.

Part III. Discussion of problems that Vice Presidents of Sections would like to raise.

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6. There will be no set Agenda, and, except in regard to Part I, it is desired that the meeting should be of a purely business nature. Regional Commissioners in Part II of the meeting will be asked to raise their points in the following order:

550/cc

TO : Distribution Below.

1. The Acting President will hold a conference to discuss matters pertaining to the Allied Commission on 8 March 1945 at 1000 hours in the Main Conference Hall, Headquarters Building, ROME.

2. The following will be present:

Chief Commissioner.
Executive Commissioner and his Chief Staff Officer
Vice Presidents and their Chief Staff Officers
Directors of Sub-Commissions and their Deputies
DOCAO
Regional Commissioners and their Executive Officers
SCAO's Armies
Russian and French Representatives of the Allied
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SICILIA
SOUTHERN
SARDINIA
LAZIO-UMBRIA
ABRUZZI-MARCHE
VENETIA
PIEMONTE
LOMBARDIA
LIGURIA
EMILIA
TOSCANA

349

VP, Political Section
VP, Economic Section
VP, Civil Affairs Section
VP, Establishments Section

Wm. P. A. B. C.

ELIERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Acting President	(1)
Chief Commissioner	(1)
Executive Commissioner	(1)
Political Section	(2)
Civil Affairs Section	(20)
Economic Section	(26)
Establishment Section	(4)
Land Forces Sub-Com	(2)
Navy Sub-Com	(2)
Air Force Sub-Com	(2)
WMD & IPW Sub-Com	(2)
Communications Sub-Com	(2)
Public Relations Branch	(2)
DOCMO	(2)
SCMO, 5 Army	(2)
SCMO, 8 Army	(2)
RC, Sicilia Region	(2)
RC, Sardinia Region	(2)
RC, Southern Region	(2)
RC, Lazio-Umbria Region	(2)
RC, Abruzzi-Marche Region	(2)
RC, Toscana Region	(2)
RC, Emilia Region	(2)
RC, Piemonte Region	(2)
RC, Lombardia Region	(2)
RC, Liguria Region	(2)
RC, Venezia Region	(2)
Russian Representative to AC	(1)
French Representative to AC	(1)
File	(1)
Float	(1)
Spare	(12)

SECRET.

HEADQUARTERS ALLIED COMMISSION

AFPO 394.

Office of the Chief of Staff

21st November, 1944.

Ref: 216/008

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

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

FOR PAPERS

SEE

102/cc

Memorandum "A" - Functions of the Sub-Commissions of the Civil Affairs Section in Italian Government Territory (By CA Sec).

Memorandum "B" - Future of the Commission (By Chief of Staff).

Memorandum "C" - Approval of Appointments of Italian Officials by the Allied Commission (By CA Section).

Memorandum "D" - Approval of Decrees passed by the Italian Government (By CA Section).

1. Future of the Allied Commission.

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

There were no comments on the introduction.

PART I.

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

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

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

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

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(copy in 102/cc)

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

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

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

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

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

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

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

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

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

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

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

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

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

The consensus of the meeting was that all Sub-Commissions must remain in order to carry on the functions of Allied Commission in ASG territory.

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

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(c) Dualization.

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

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

(d) Appointment of Civilian Advisers.

Chief of Staff proposed the appointment of certain civilian advisers to be appointed to Ministries of the Italian Government as servants of the Italian Government, with residual responsibility to the Allied Commission. The general opinion of the meeting was that the adoption of such a measure now would be premature although it might be suitable after hostilities had ceased. Political Section said the Italian Government wanted the reverse procedure - Italian advisers appointed to the Allied Commission. A/President said that if his conception of Allied control was correct, the performance of the Sub-Commission was to act as advisers. He would prefer the roles to be reversed and for the Italian Government, after the withdrawal of the Allied Commission (at end of hostilities) to come forward with a request for advisers.

(e) Surrender of Control by Allied Commission of Legislation and Appointment of Italian Officials.(1) Appointment of Italian Officials.

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

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

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

(ii) Approval of Decrees.

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

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

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

3. Organisation of the Economic Section.

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

(a) Committee of Industrial Reconstruction.

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

(b) Labour Sub-Commission.

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

(c) Transportation Sub-Commission.

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

4. Implementation of General Wilson's MF 810.

(a) Food Position of Italy.

DCOS, Economic Section submitted a paper showing the wheat assets and liabilities and the balance for the North which included all Northern Italy as well as the North-East portion. The A/President asked Mr. Antolini to give him the references of the various letters and signals on which Mr. Antolini based his probable import figure of 788,000 tons from 1 November 1944 through June 1945, as mentioned in Para 14 of the paper. In regard to the amounts of wheat that we might find available in the North when we went in, Mr. Antolini mentioned a figure of 860,000 tons. The A/President asked him for a note on this. Mr. Antolini stressed the importance of obtaining a decision to raise the ration to 300 grams. He mentioned that if it were decided to raise the ration North of the GARIGLIANO it would not be possible to give effect to this before 15 December. The Chief Commissioner endorsed the importance of raising the ration if disorders were to be avoided.

(b) Miscellaneous Needs.

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

(i) Milk.

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 - (b) Miscellaneous Feeds.
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 - (i) Milk.
 The A/President asked what was the fresh milk supply in Italy, to which he received the answer - negligible. Mr. Antolini was instructed to give the A/President a note on this.
 - (ii) Olive Oil.
 DDCS Economic Section thought that with successful amassing the oil situation would not be bad.

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(c) Price of Bread.

Mr. Antolini submitted a paper on this, copy of which is with the A/President. After discussion it was agreed that the press release announcing the increase of the price of bread from 5 lire to 8 lire a kilo should be withheld until 1 December. General Spofford hoped that within this period of grace he would receive the approval of the CCS to raise the bread ration to 300 grams. In summing up the A/President stated that the price of bread should not be raised in AMG territory unless a 300 gram ration had been approved therein and that the Italian Government should be strenuously urged to follow the same procedure in the territory for which they were responsible.

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

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

(e) Essential Civilian Requirements.

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

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

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

5. UNRRA.

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

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

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

6. Channels of Communication.

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

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

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

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

(b) If so, can they use ciphers?

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

GWIS/TC.

Brigadier,
Chief of Staff.

DISTRIBUTION:

Acting President, HQ. AC. ✓
Chief Commissioner, HQ. AC.
Major-General H.C. Lewis, G-4, AEMG.
Major-General C.M. Spafford, G-5, AEMG.
Chief of Staff, HQ AC.
DCOS, G-1 Section.
DCOS, Economic Section.
DCOS, Establishment Section.
V.P., Political Section (2)
DCCAS, HQ AAI.
Col. Crafton Smith, Finance Sub-Com.
File.
Spore (3).

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